



Annual Report 2017 年報



万达酒店发展有限公司
WANDA HOTEL DEVELOPMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號：169

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Director

Mr. Ning Qifeng

Non-executive Directors

Mr. Ding Benxi (*Chairman*)

Mr. Zhang Lin

Mr. Hui Yung, Chris

Independent Non-executive Directors

Mr. He Zhiping

Mr. Liu Jipeng

Dr. Xue Yunkui

Mr. Zhang Huaqiao

AUDIT COMMITTEE

Dr. Xue Yunkui (*Chairman*)

Mr. He Zhiping

Mr. Hui Yung, Chris

Mr. Zhang Huaqiao

REMUNERATION COMMITTEE

Mr. Liu Jipeng (*Chairman*)

Mr. He Zhiping

Mr. Hui Yung, Chris

Mr. Zhang Huaqiao

NOMINATION COMMITTEE

Mr. Ding Benxi (*Chairman*)

Mr. Liu Jipeng

Dr. Xue Yunkui

COMPANY SECRETARY

Ms. Hui Wai Man, Shirley

DEPUTY CHIEF FINANCIAL OFFICER

Mr. Tse Chi Cheung

董事會

執行董事

寧奇峰先生

非執行董事

丁本錫先生(*主席*)

張霖先生

許勇先生

獨立非執行董事

何志平先生

劉紀鵬先生

薛雲奎博士

張化橋先生

審核委員會

薛雲奎博士(*主席*)

何志平先生

許勇先生

張化橋先生

薪酬委員會

劉紀鵬先生(*主席*)

何志平先生

許勇先生

張化橋先生

提名委員會

丁本錫先生(*主席*)

劉紀鵬先生

薛雲奎博士

公司秘書

許惠敏女士

財務副總監

謝志翔先生

PRINCIPAL BANKERS

Bank of China
Industrial and Commercial Bank of China
Ping An Bank
China Everbright Bank

AUDITORS

Ernst & Young, Certified Public Accountants

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL OFFICE IN HONG KONG

Unit 3007, 30th Floor
Two Exchange Square, 8 Connaught Place
Central
Hong Kong

COMPANY'S WEBSITE

www.wanda-hotel.com.hk

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

169

主要往來銀行

中國銀行
中國工商銀行
平安銀行
中國光大銀行

核數師

安永會計師事務所，執業會計師

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

香港主要辦事處

香港
中環
康樂廣場8號交易廣場2座
30樓3007室

公司網址

www.wanda-hotel.com.hk

主要股份登記及過戶處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08, Bermuda

香港股份登記及過戶分處

卓佳標準有限公司
香港
皇后大道東183號
合和中心22樓

股票代號

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Chairman's Statement

主席致辭

Dear Shareholders,

The global business environment was rife with uncertainty and challenges in 2017. Nevertheless, Wanda Hotel Development Company Limited, as always, develops its business by adhering to the strategic goal of achieving long-term development of the Company and sustainable growth of shareholders' value in the long run.

In terms of business development, the Group announced the acquisition of Wanda Hotel Management (Hong Kong) Co. Limited ("Wanda Hotel Management") from Wanda Commercial Properties (Hong Kong) Co. Limited ("Wanda HK") in September and the transaction is expected to be completed in the third quarter of 2018. The acquisition enables the Company to achieve scale and market leadership in the hospitality and tourism industry and create value for all shareholders, and is in line with the Group's plan to adopt a more asset-light business model gradually.

On the other hand, consistent with the strategy to deleverage, in January 2018 the Company announced the disposals of three overseas property projects in London, Gold Coast and Sydney of Australia, which would strengthen the liquidity and financial position of the Group.

Looking ahead in 2018, with support from Dalian Wanda Group, the Group will steadily develop the existing projects, while seeking to identify attractive investment opportunities with the objective of expanding our revenue sources as well as improving our profitability, thus laying a solid foundation for its long-term development.

On behalf of the Group, I would like to take this opportunity to express my sincere gratitude to our shareholders, directors, management team, staff, business partners and all others who have rendered their unfailing support and contribution to the Group.

Ding Benxi
Chairman

28 March 2018

尊敬的各位股東，

二零一七年國際營商環境仍然存在不確定性及挑戰，但萬達酒店發展有限公司仍一如既往以維持公司長遠發展以及股東價值長期持續增長為策略目標發展業務。

在業務發展上，本集團於九月宣佈向萬達商業地產(香港)有限公司(「萬達香港」)收購萬達酒店管理(香港)有限公司(「萬達酒管」)之全部股權，並預期在二零一八年第三季正式完成交易。該項收購可使本公司在短期內實現於酒店及旅遊業之規模及市場領先地位，為所有股東創造價值，並符合本集團計劃逐步採用輕資產之業務模式。

另一方面，為符合去槓桿化之策略，本公司於二零一八年一月宣佈了出售位於倫敦、澳大利亞黃金海岸和悉尼的三個海外物業項目，鞏固了本集團之流動資金及財務狀況。

展望二零一八年，在大連萬達集團的支持下，本集團將繼續尋求收益優異的投資機會，進一步擴展本集團之收入來源並提升獲利能力，為長遠發展奠定穩固基礎。

本人謹此代表本集團，向所有股東、董事、管理層、員工、商業夥伴以及所有鼎力支持及奉獻之各界人士，致以最誠摯的感謝。

主席
丁本錫

二零一八年三月二十八日

CONTINUING OPERATIONS

Joint Venture Platform in the Americas and Chicago Project, America

In July 2014, the Company formed a joint venture with Wanda HK to establish a joint venture platform in the Americas with a total capital commitment of HK\$10 billion, in which the Company holds 60% and Wanda HK holds 40%, for the joint acquisition and development of suitable real property projects in the Americas.

On the same day, through Wanda Chicago Real Estate LLC (“Wanda Chicago”), a wholly owned subsidiary of this joint venture platform, the Company and Wanda HK entered into (i) the formation and contribution agreement with Magellan Parcel C/D LLC (“Magellan”) and Lakeshore East LLC; and (ii) the operating agreement with Magellan to jointly develop a project in Chicago (“Chicago Project”) in which Wanda Chicago holds 90% and Magellan holds 10% of such joint venture.

The planned total gross floor area of the Chicago Project is approximately 176,000 sq.m.. It is located in the heart of Chicago, adjacent to Millennium Park and the Chicago CBD. Many of the well-known destinations are within walking distance of the project, such as the Theatre District, Museum Campus and Michigan Avenue. This is the last unbuilt site within the Lakeshore East area with excellent geographic location. The project is expected to be developed into a 350-meter, 93-storey five-star hotel (with estimated 193 rooms) and high-end condominiums, which will be Chicago’s third highest building upon completion and a new landmark in Chicago. Pre-sale of high-end condominiums portion commenced in September 2015, and approximately 56% of total saleable area were pre-sold up to the end of December 2017. The Chicago Project obtained planning approvals and completed settlement in April 2016. Construction work commenced in August 2016 and the structural works are in progress now. The development of the Chicago Project is expected to be completed in 2020.

持續經營業務

美洲大陸合資平台及美國芝加哥項目

於二零一四年七月，本公司與萬達香港成立一間合資企業，以設立總資本承擔達100億港元的美洲大陸合資平台，其中本公司及萬達香港分別持有該合資平台60%及40%權益，以在美洲大陸尋找合適之地產項目共同進行收購及發展。

同日，本公司與萬達香港透過該合資平台的全資附屬公司Wanda Chicago Real Estate LLC（「萬達芝加哥」），(i) 與Magellan Parcel C/D LLC（「Magellan」）及Lakeshore East LLC訂立成立及注資協議；及(ii)與Magellan訂立運營協議，以共同開發位於芝加哥的一個項目（「芝加哥項目」），其中萬達芝加哥及Magellan分別持有該合資企業90%及10%權益。

芝加哥項目之規劃總建築面積約為17.6萬平方米，地處芝加哥市核心地段，緊鄰千禧公園和芝加哥CBD，步行可到劇院區、博物館區、密歇根大道等著名場所，是東湖岸區域未建的最後一個地塊，地理位置十分優越。該項目計劃建設一座高350米、地上93層的五星酒店（預計建造193套客房）及高檔公寓項目，建成後將成為芝加哥第三高建築，成為芝加哥新地標。高檔公寓部分已於二零一五年九月開始預售，截至二零一七年十二月底，已累計預售約56%之可銷售總面積。芝加哥項目已於二零一六年四月取得規劃批准、完成交割，已於二零一六年八月開始建設工程，目前正在進行主體結構施工。芝加哥項目預計於二零二零年完成開發。

Business Review

業務回顧

Guilin Project, the PRC

In February 2014, the Company acquired a piece of state-owned land in Guilin, Guangxi Zhuang Autonomous Region, the PRC with Wanda HK in the form of a joint venture, in which the Company holds 51% and Wanda HK holds 49%. The project (“Guilin Project”) is located in the central area of Guilin High-tech Zone, with planned total gross floor area of approximately 330,000 sq.m., including 153,000 sq.m. of shopping mall and 177,000 sq.m. of retail, residential and other properties for sale.

The construction work of the Guilin Project has completed and the shopping mall opened in September 2015. With satisfactory commercial leases and operating conditions, the shopping mall has become a supreme landmark business centre in Guilin. For the sales of properties, approximately 83% of the saleable area were sold up to the end of December 2017, and properties were delivered to owners since December 2015.

Hengli City, Fuzhou, the PRC

The total gross floor area of Hengli City is approximately 242,000 sq.m.. The project is a residential, office and retail complex located in Fuzhou, the PRC. As of 31 December 2017, the floor area of its remaining properties was approximately 79,100 sq.m., and the majority of the office and car park units were leased. The commercial portion was fully leased to Wangfujing Department Store, offering stable cash flow in rental income for the Company. During 2017, revenue of approximately HK\$29,616,000 was generated from the sales of residential units and car park units.

中國桂林項目

於二零一四年二月，本公司與萬達香港以合資企業之形式收購中國廣西壯族自治區桂林市之一塊國有土地，其中本公司及萬達香港分別持有該合資企業51%及49%權益。本項目（「桂林項目」）地處桂林市高新區中心區域，規劃總建築面積約為33萬平方米，其中包括15.3萬平方米的購物中心和17.7萬平方米的商鋪、住宅等銷售物業。

桂林項目建設工程已完成，購物中心亦已於二零一五年九月開業。購物中心商業出租與經營狀況良好，目前已成為桂林市首屈一指的地標式商業中心。銷售物業方面，截至二零一七年十二月底，已累計售出約83%的可銷售面積，而該等物業自二零一五年十二月起陸續交付業主。

中國福州恒力城

恒力城總建築面積約為24.2萬平方米，項目位於中國福州市，為一個集住宅、辦公室及零售於一體的綜合項目。截至二零一七年十二月三十一日，其餘下物業樓面面積約為79,100平方米，其中大部分寫字樓及停車位皆已出租，商場部分則全數出租予王府井百貨，為本公司提供了穩定的租金收入現金流。於二零一七年，其出售的住宅單位及停車位則錄得收益約29,616,000港元。

Acquisition of Wanda Hotel Management

On 26 September 2017, the Company and Wanda HK entered into a sale and purchase agreement in respect of the proposed acquisition of the entire equity interest in Wanda Hotel Management at a consideration of HK\$878 million (subject to downward adjustment). The acquisition was approved in the special general meeting convened on 8 December 2017. Further details of the acquisition can be found in the announcement and circular of the Company dated 26 September 2017 and 15 November 2017 respectively. As the acquisition of Wanda Hotel Management has not yet been completed as at the date of this report, the business operation of Wanda Hotel Management does not form part of the Group's operations and its financial results were not consolidated into the Group's consolidated financial results for the year ended 31 December 2017.

Wanda Hotel Management is a leading hotel services provider in China and is principally engaged in the business of hotel management and operation, hotel design, hotel construction management and related consultancy and other ancillary business, with comprehensive capabilities in hotel management and operation. The Company considers that the hotel management and operation business of Wanda Hotel Management are in line with the Group's business aspiration and closely related to the existing property development and management business of the Group. The acquisition serves as further development and expansion of the existing business of the Group.

DISCONTINUED OPERATIONS

In 2017, the Company strived to execute deleveraging strategy and adopt a more asset-light business model gradually, with satisfactory progress in both strategic initiatives. To this end, the Group has entered into arrangements for the disposal of certain property projects.

收購萬達酒管

於二零一七年九月二十六日，本公司與萬達香港就以代價878,000,000港元(可向下調整)建議收購萬達酒管之全部股權訂立買賣協議。收購已於二零一七年十二月八日召開的股東特別大會上獲得批准。收購之進一步詳情可參閱本公司日期分別為二零一七年九月二十六日及二零一七年十一月十五日之公告及通函。由於截至本報告日期，萬達酒管的收購尚未完成，萬達酒管之業務營運並未構成本集團業務之一部分，其財務業績並未於本集團截至二零一七年十二月三十一日止年度的綜合財務業績內綜合入賬。

萬達酒管為中國領先酒店服務供應商，主要從事酒店管理及營運業務，以及酒店設計、酒店建設管理等相關顧問及其他附屬業務，於酒店管理及營運方面具備全方位能力。本公司認為萬達酒管之酒店管理及營運業務符合本集團之業務願景，並與本集團之現有物業發展及管理業務息息相關，上述收購將進一步發展及擴大本集團之現有業務。

終止經營業務

二零一七年間，本集團致力執行去槓桿化策略，並逐步採用較輕資產之業務模式，兩項戰略舉措均取得穩定進展。為此，本集團已就若干物業項目的出售訂立安排。

Business Review

業務回顧

Madrid Project, Spain

In June 2017, Wanda Europe Real Estate Investment Co., Limited ("Wanda Europe"), a joint venture platform of the Group in Continental Europe, completed the disposal of the entire issued share capital of Wanda Madrid Development, S.L.U. (now known as Plaza de Espana 19 Development, S.L.U.) ("Wanda Madrid"), being the holding company of the Madrid project in Spain ("Madrid Project"), which has strengthened the liquidity and financial position of the Group for the development of the existing projects. Further details on the disposal can be found in the circular of the Company dated 16 December 2016 and announcements of the Company dated 28 December 2016, 30 December 2016, 3 April 2017 and 1 June 2017. As a result, the Madrid Project was classified as a disposal group held for sale and as a discontinued operation for the year ended 31 December 2017.

London Project, UK

In September 2013, the Company acquired a project ("London Project") at 1 Nine Elms Lane, London SW8 5NQ, in the UK with Wanda HK in the form of a joint venture, in which the Company holds 60% and Wanda HK holds 40%.

On 16 January 2018, the Company as vendor and R&F Properties (HK) Company Limited ("R&F") as purchaser entered into a sale and purchase agreement in respect of the proposed disposal of 60% of the entire issued share capital of Wanda International Real Estate Investment Co. Limited ("Wanda International"), the holding company of the London Project, and the Company, R&F and Wanda International entered into a shareholder loan repayment agreement, pursuant to which R&F has agreed to repay the debt for and on behalf of Wanda International to the Company. Further details of the disposal can be found in the announcements of the Company dated 16 January 2018, 7 February 2018 and 6 March 2018 and the circular of the Company dated 15 March 2018. As a result, the London Project was classified as a disposal group held for sale and as a discontinued operation for the year. The disposal has not yet been completed as at the date of this report.

西班牙馬德里項目

於二零一七年六月，本集團在歐洲大陸的合資平台，即萬達歐洲地產投資有限公司（「萬達歐洲」）完成出售Wanda Madrid Development, S.L.U.（現稱Plaza de Espana 19 Development, S.L.U.）（「萬達馬德里」，為西班牙馬德里項目（「馬德里項目」）之控股公司）之全部已發行股本，鞏固了本集團之流動資金與財務狀況，有助推進已有項目的開發。出售的進一步詳情可參閱本公司日期為二零一六年十二月十六日之通函以及本公司日期為二零一六年十二月二十八日、二零一六年十二月三十日、二零一七年四月三日和二零一七年六月一日之公告。因此，截至二零一七年十二月三十一日止年度，馬德里項目已被分類為持作出售之出售組別及終止經營業務。

英國倫敦項目

本公司與萬達香港於二零一三年九月以合資企業之形式收購了位於英國1 Nine Elms Lane, London SW8 5NQ之項目（「倫敦項目」），其中本公司及萬達香港分別持有該合資企業60%及40%權益。

於二零一八年一月十六日，本公司（作為賣方）與富力地產（香港）有限公司（「富力」，作為買方）就建議出售倫敦項目的控股公司萬達國際地產投資有限公司（「萬達國際」）全部已發行股本的60%訂立買賣協議，及本公司、富力及萬達國際訂立股東貸款償還協議，據此，富力已同意代表萬達國際向本公司償還債務。出售之進一步詳情可參閱本公司日期為二零一八年一月十六日、二零一八年二月七日及二零一八年三月六日之公告以及本公司日期為二零一八年三月十五日之通函。因此，倫敦項目已於本年度被分類為持作出售之出售組別及終止經營業務。於本報告日期，出售尚未完成。

Joint Venture Platform in Australia, Gold Coast Project and Sydney Project, Australia

In August 2014, the Company formed a joint venture with Wanda HK to establish a joint venture platform in Australia, namely Wanda Australia Real Estate Investment Co., Limited (“Wanda Australia RE”), with a total capital commitment of HK\$12.5 billion, in which the Company holds 60% and Wanda HK holds 40%, for the joint acquisition and development of suitable real property projects in Australia.

On the same day, through Wanda Australia Commercial Properties Pty Ltd. (“Wanda Australia CP”), a wholly owned subsidiary of Wanda Australia RE, the Company and Wanda HK entered into the subscription and shareholders agreement with Dalian Wanda Commercial Management Group Co., Ltd (“DWCM”) (previously known as Dalian Wanda Commercial Properties Co., Ltd.), Mr. Riyu Li and Ms. Fengliu Wu (collectively, “Li”, who were shareholders of Gold Coast Project Company) and Ridong (Gold Coast) Development Pty Ltd. (“Gold Coast Project Company”). After completion of the subscription under the agreement, the Gold Coast Project Company is now owned by Wanda Australia CP and Li, as to 55% and 45% respectively, for the joint development of the a project in the Gold Coast (“Gold Coast Project”).

After the acquisition of the Gold Coast Project, on 23 January 2015 and 4 March 2015, the Company and Wanda HK, through Wanda One Sydney Pty Ltd, a wholly owned subsidiary of Wanda Australia CP, entered into agreements to acquire the second premium project in Australia (“Sydney Project”).

On 18 January 2018, Wanda Australia RE, AWH Investment Group Pty Ltd. (“AWH”) and Wanda Australia CP entered into a master agreement in respect of the proposed disposal of the entire equity interest in Wanda Australia CP and repayment of debt in instalments by Wanda Australia CP to Wanda Australia RE. The proposed disposal was approved in the special general meeting convened on 12 March 2018. Further details of the proposed disposal can be found in the announcements of the Company dated 29 January 2018 and 12 March 2018 and circular of the Company dated 22 February 2018. As a result, the Gold Coast Project and the Sydney Project were classified as disposal groups held for sale and as discontinued operations for the year. The disposal has not yet been completed as at the date of this report.

澳大利亞合資平台以及澳大利亞黃金海岸項目及悉尼項目

於二零一四年八月，本公司與萬達香港成立一間合資企業，以設立總資本承擔達125億港元的澳大利亞合資平台，即萬達澳洲地產投資有限公司（「萬達澳洲地產」），其中本公司及萬達香港分別持有該合資平台60%及40%權益，以在澳大利亞尋找合適之地產項目共同進行收購及發展。

同日，本公司與萬達香港透過萬達澳洲地產的全資附屬公司Wanda Australia Commercial Properties Pty Ltd.（「萬達商業澳洲」），與大連萬達商業管理集團股份有限公司（「大連萬達商業管理」）（前稱大連萬達商業地產股份有限公司）、李日裕先生及Fengliu Wu女士（合稱「李氏」，為黃金海岸項目公司股東）及Ridong (Gold Coast) Development Pty Ltd.（「黃金海岸項目公司」）訂立認購及股東協議。於協議項下之認購完成後，黃金海岸項目公司現時由萬達商業澳洲及李氏分別擁有55%及45%權益，以共同開發一個位於黃金海岸的項目（「黃金海岸項目」）。

於收購黃金海岸項目後，於二零一五年一月二十三日及二零一五年三月四日，本公司與萬達香港透過萬達商業澳洲的全資附屬公司Wanda One Sydney Pty Ltd訂立協議，以收購第二個澳大利亞的優質項目（「悉尼項目」）。

於二零一八年一月十八日，萬達澳洲地產、AWH Investment Group Pty Ltd.（「AWH」）及萬達商業澳洲就建議出售萬達商業澳洲之全部股權及萬達商業澳洲向萬達澳洲地產分期償還債務訂立總協議。建議出售已於二零一八年三月十二日召開的股東特別大會上獲得批准。建議出售之進一步詳情可參閱本公司日期為二零一八年一月二十九日及二零一八年三月十二日之公告以及本公司日期為二零一八年二月二十二日之通函。因此，黃金海岸項目及悉尼項目已於本年度被分類為持作出售之出售組別及終止經營業務。於本報告日期，出售尚未完成。

Business Review

業務回顧

OUTLOOK

After the disposal of the London Project, Gold Coast Project and Sydney Project, the Company's strategies are to focus on fee based businesses, to improve cash flow and to reduce leverage with the following business plans:

1. To realize value of non-cash flow generating assets. All of the overseas projects are still in planning stage or early stage of construction. Potential disposal at current market level which is also at premium to the investment costs can help realize value of the investments and reduce current and future indebtedness (for project construction loans purpose);
2. To capitalize on the property management expertise of the Company and focus on selective areas of property management businesses (e.g. hotel design, construction and operation management and etc.) where the Company can potentially develop into an industry leader in the segment in China;
3. To continue to look for high quality development projects within the Company's financial capability; and
4. To improve the operating efficiencies of Hengli City and the Guilin Project through cost control and targeted marketing to enhance rental return.

The Group will continue to prudently seek profitable investment opportunities, further expand the Group's sources of revenue, enhance the Group's profitability, and maximize return for its shareholders.

展望

於出售倫敦項目、黃金海岸項目和悉尼項目後，本公司之策略重點將放在收費業務，以透過下列業務計劃改善現金流量及降低槓桿率：

1. 將不產生現金流量之資產變現價值。所有海外項目均仍處於規劃階段或早期施工階段。按當前市場水平（亦按投資成本之溢價）進行之潛在出售有助於變現投資價值及減少當前及未來債務（就項目建設貸款而言）；
2. 利用本公司之物業管理專業知識並著眼於本公司可能發展為中國在該行業之業界領導者之物業管理業務特定領域（如酒店設計、施工及運營管理等）；
3. 繼續物色在本公司財務能力範圍內之優質發展項目；及
4. 透過成本控制及具針對性之營銷，改善恒力城及桂林項目的營運效率，以提升租金回報。

本集團將繼續以審慎的態度尋求收益優厚的投資機會，進一步擴展本集團之收益來源，提升本集團之盈利能力，追求股東的回報最大化。

REVENUE AND RESULTS

The Group's revenue from its continuing operations for the year ended 31 December 2017 was approximately HK\$213.4 million (2016: HK\$250.1 million). The decrease in revenue was mainly due to a decrease in property sales revenue of approximately HK\$115.3 million from the PRC segment, which is partially offset by an increase in rental income of approximately HK\$79.7 million from the PRC segment. During the year, the Group's property sales revenue mainly came from selling the remaining units in the Hengli City and Guilin Project.

The Group's revenue from its discontinued operations for the year ended 31 December 2017 was approximately HK\$0.9 million (2016: HK\$124 million). The decrease was mainly due to certain rental agreements in the Sydney Project expired during the year and the existing property structure of the Sydney Project were demolished in the first half of 2017, resulting in a decrease in rental income of approximately HK\$123.2 million.

In 2017, the Guilin Project and Hengli City contributed HK\$83.8 million (2016: HK\$139 million) and HK\$129.6 million (2016: HK\$111.1 million) to the PRC segment revenue respectively. The PRC segment revenue and profit decreased from HK\$250.1 million and HK\$300.5 million in 2016 to HK\$213.4 million and HK\$159.1 million in 2017 respectively. Such decrease in segment revenue and profit was mainly due to both Guilin Project and Hengli City having only a limited amount of the remaining units for sale during the year and net valuation loss on investment properties from Hengli City of approximately HK\$9.3 million incurred in 2017.

Segment loss generated from continuing operations of overseas market was approximately HK\$101.6 million (2016: HK\$95.3 million). No revenue was generated from the overseas markets as all business under the overseas segment from the continuing operations were in development phase during the year. The increase in segment loss was mainly due to an increase in selling expense of Chicago Project.

收益及業績

本集團截至二零一七年十二月三十一日止年度來自持續經營業務之收益約為213,400,000港元(二零一六年: 250,100,000港元)。收益減少主要是由於中國分部之物業銷售收益減少約115,300,000港元,而部分被中國分部之租金收入增加約79,700,000港元抵銷所致。本年度內,本集團之物業銷售收益主要來自銷售恒力城及桂林項目之剩餘單位。

本集團截至二零一七年十二月三十一日止年度來自終止經營業務之收益約為900,000港元(二零一六年: 124,000,000港元)。該減少主要是由於悉尼項目之若干租賃協議已於本年度內屆滿及於二零一七年上半年拆除悉尼項目之現有物業結構,導致租金收入減少約123,200,000港元所致。

於二零一七年,桂林項目及恒力城分別為中國分部收益貢獻83,800,000港元(二零一六年: 139,000,000港元)及129,600,000港元(二零一六年: 111,100,000港元)。中國分部的收益及溢利分別由二零一六年之250,100,000港元及300,500,000港元減少至二零一七年之213,400,000港元及159,100,000港元。分部收益及溢利減少主要是由於桂林項目及恒力城於本年度內僅有少量剩餘單位可供銷售及於二零一七年產生之恒力城投資物業估值虧損淨額約9,300,000港元所致。

由海外市場的持續經營業務所產生之分部虧損約為101,600,000港元(二零一六年: 95,300,000港元)。由於持續經營業務之海外分部下之所有業務於本年度內仍處於發展階段,故海外市場並無產生任何收益。分部虧損增加主要是由於芝加哥項目之銷售開支增加所致。

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Segment loss generated from discontinued operations of overseas market for the year was approximately HK\$384.1 million (2016: segment profit of HK\$59.8 million). The change from segment profit to segment loss is due to (i) certain rental agreements in the Sydney Project has been expired and the existing property structure of the project were demolished in the first half of 2017, resulting in a decrease of rental income of approximately HK\$123.2 million from Sydney Project; and (ii) a non-recurring loss on disposal of the Madrid Project of approximately HK\$329.7 million.

During the year, the Group's loss attributable to the equity holders of the Company from continuing operations was approximately HK\$242.5 million (2016: HK\$96.1 million). The increase in loss was mainly attributable to: (i) net valuation loss on investment properties recorded for the year of approximately HK\$9.3 million, as compared to net valuation gain on investment properties of approximately HK\$226 million for the year ended 31 December 2016; (ii) an increase of exchange loss of approximately HK\$184.4 million, primarily resulting from the fact that the Group has loans denominated in RMB, GBP, USD, EUR and AUD, and the depreciation of Hong Kong dollars against such functional currencies during the year; (iii) an increase of selling expenses of approximately HK\$51 million; and (iv) an impairment loss of goodwill of approximately HK\$11.7 million.

During the year, the Group's loss attributable to the equity holders of the Company from discontinued operations was approximately HK\$227.8 million (2016: profit of HK\$35.5 million). The loss was mainly attributable to (i) a non-recurring loss on the disposal of the Madrid Project of approximately HK\$329.7 million; and (ii) a decrease of rental income of approximately HK\$123.2 million from Sydney Project.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment decreased by 62.8% to approximately HK\$366.1 million at 31 December 2017 (2016: approximately HK\$985.6 million). The decrease was mainly attributable to (i) reclassification of construction in progress of approximately HK\$755.1 million from the London Project and Sydney Project to the assets classified as held for sale and (ii) approximately HK\$478.9 million being reclassified to properties under development. The decrease was partially offset by the increase of construction in progress of overseas projects of approximately HK\$581.5 million in 2017.

本年度內，由海外市場的終止經營業務所產生之分部虧損約為384,100,000港元(二零一六年：分部溢利59,800,000港元)。分部溢利轉為分部虧損乃由於(i)悉尼項目之若干租賃協議已屆滿及於二零一七年上半年拆除該項目之現有物業結構，導致悉尼項目之租金收入減少約123,200,000港元；及(ii)出售馬德里項目之非經常性虧損約329,700,000港元所致。

本年度內，本集團來自持續經營業務之本公司權益持有人應佔虧損約為242,500,000港元(二零一六年：96,100,000港元)。虧損增加主要是由於：(i)本年度錄得投資物業估值虧損淨額約9,300,000港元，而截至二零一六年十二月三十一日止年度則錄得投資物業估值收益淨額約226,000,000港元；(ii)匯兌虧損增加約184,400,000港元，主要由於本集團持有以人民幣、英鎊、美元、歐元及澳元計值之貸款，而本年度內港元對該等功能貨幣貶值；(iii)銷售開支增加約51,000,000港元；及(iv)商譽減值虧損約11,700,000港元所致。

本年度內，本集團來自終止經營業務之本公司權益持有人應佔虧損約為227,800,000港元(二零一六年：溢利35,500,000港元)。虧損主要是由於(i)出售馬德里項目之非經常性虧損約329,700,000港元；及(ii)悉尼項目之租金收入減少約123,200,000港元所致。

物業、廠房及設備

於二零一七年十二月三十一日，物業、廠房及設備減少62.8%至約366,100,000港元(二零一六年：約985,600,000港元)。該減少主要是由於(i)倫敦項目及悉尼項目之在建工程約755,100,000港元被重新分類為持作出售之資產及(ii)約478,900,000港元被重新分類為在建物業所致。有關減幅部分被二零一七年海外項目在建工程增加約581,500,000港元所抵銷。

FREEHOLD LAND

Freehold land decreased by 87.9% to approximately HK\$158.8 million at 31 December 2017 (2016: approximately HK\$1,310.7 million). The decrease was mainly attributable to (i) approximately HK\$1,224.8 million of freehold land from the London Project and Sydney Project reclassified to assets classified as held for sale and (ii) approximately HK\$31 million of freehold land reclassified to properties under development.

PROPERTIES UNDER DEVELOPMENT

Properties under development decreased by 56.9% to approximately HK\$1,878 million at 31 December 2017 (2016: HK\$4,357.7 million). The decrease was mainly attributable to (i) approximately HK\$5,128.6 million properties under development from the London Project and Sydney Project reclassified to assets classified as held for sale. The decrease was partially offset by the increase of properties under development of overseas projects in 2017.

ASSETS CLASSIFIED AS HELD FOR SALE

As at 31 December 2017, the Group's assets classified as held for sale amounted to approximately HK\$10,277 million (2016: HK\$2,032.8 million). The amount represents (i) respective assets amounted to approximately HK\$10,240 million of the London Project, Sydney Project and Gold Coast Project and (ii) certain investments properties of Hengli City to be disposed of.

Details of the abovementioned disposal are set out in the section headed "Material Acquisition and Disposal of Subsidiaries and Associated Company" of the Financial Review and note 26 to the financial statements.

永久業權土地

於二零一七年十二月三十一日，永久業權土地減少87.9%至約158,800,000港元(二零一六年：約1,310,700,000港元)。該減少主要是由於(i)倫敦項目及悉尼項目約1,224,800,000港元之永久業權土地被重新分類為持作出售之資產及(ii)約31,000,000港元之永久業權土地被重新分類為在建物業所致。

在建物業

於二零一七年十二月三十一日，在建物業減少56.9%至約1,878,000,000港元(二零一六年：4,357,700,000港元)。該減少主要是由於(i)倫敦項目及悉尼項目約5,128,600,000港元之在建物業被重新分類為持作出售之資產所致。有關減幅部分被二零一七年海外項目在建物業之增幅所抵銷。

分類為持作出售之資產

於二零一七年十二月三十一日，本集團分類為持作出售之資產金額約為10,277,000,000港元(二零一六年：2,032,800,000港元)。有關金額指將予出售之(i)倫敦項目、悉尼項目及黃金海岸項目之相關資產約10,240,000,000港元及(ii)恒力城之若干投資物業。

上述出售之詳情載於財務回顧「附屬公司及聯營公司之重大收購及出售」一節及財務報表附註26。

Financial Review

財務回顧

NET ASSETS AND EQUITY ATTRIBUTABLE TO EQUITY HOLDERS

As at 31 December 2017, the Group recorded total assets and total liabilities of approximately HK\$19,250.8 million and HK\$16,196.9 million respectively. The Group had net assets of approximately HK\$3,053.9 million as at 31 December 2017 as compared to approximately HK\$2,916.8 million as at 31 December 2016. As at 31 December 2017, the equity attributable to equity holders of the Company was approximately HK\$2,118.7 million as compared to HK\$1,983 million as at 31 December 2016.

LIQUIDITY AND FINANCIAL RATIOS

The Group had total cash and bank balances of approximately HK\$2,290.8 million as at 31 December 2017 as compared with HK\$3,183.4 million as at 31 December 2016. The decrease was mainly due to (i) London and Sydney Project were reclassified as disposal groups held for sale, causing the total cash and bank balances from these 2 projects to be reclassified to assets classified as held for sale; and (ii) being used as general working capital of the Group for the year. About 47%, 52% and 1% of the cash and bank balances were denominated in Renminbi (“RMB”), United States Dollar (“USD”) and Hong Kong Dollar (“HK\$”). As at 31 December 2017, the current ratio, which is the quotient arrived at by dividing current assets by current liabilities, was 1.12 as compared with 1.42 as at 31 December 2016. The gearing ratio, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 57.8% as at 31 December 2017 as compared with 64.3% as at 31 December 2016.

資產淨值及權益持有人應佔權益

於二零一七年十二月三十一日，本集團分別錄得總資產及總負債約19,250,800,000港元及16,196,900,000港元。本集團於二零一七年十二月三十一日持有之資產淨值約為3,053,900,000港元，而於二零一六年十二月三十一日則約為2,916,800,000港元。於二零一七年十二月三十一日，本公司權益持有人應佔權益約為2,118,700,000港元，而於二零一六年十二月三十一日則為1,983,000,000港元。

流動資金及財務比率

於二零一七年十二月三十一日，本集團有現金及銀行結餘總額約2,290,800,000港元，而於二零一六年十二月三十一日則為3,183,400,000港元。該減少主要是由於(i)倫敦及悉尼項目重新分類為持作出售之出售組別，導致該兩個項目之現金及銀行結餘總額將重新分類為分類為持作出售之資產；及(ii)於本年度用作本集團之一般營運資金所致。約47%、52%及1%之現金及銀行結餘分別以人民幣、美元及港元計值。於二零一七年十二月三十一日，流動比率(即流動資產除以流動負債所得商數)為1.12，而於二零一六年十二月三十一日則為1.42。於二零一七年十二月三十一日，資本負債比率(即債務淨額除以債務淨額與總權益之和所得商數)為57.8%，而於二零一六年十二月三十一日則為64.3%。

BORROWINGS AND FINANCIAL RESOURCES

The Group had interest-bearing loans from financial institutions of approximately HK\$1,814.9 million as at 31 December 2017 (2016: HK\$3,371.8 million). The decrease was mainly due to reclassification of bank loans to liabilities directly associated with the assets classified as held for sale, resulting from disposal of London and Sydney Project as abovementioned. These loans were denominated in RMB and USD. Approximately 10% of these loans are repayable within one year. The rest is repayable after one year.

The Group had interest-bearing other borrowings of approximately HK\$287.1 million as at 31 December 2017 (2016: HK\$266.3 million). The above borrowings were obtained from entities controlled by a former director. These borrowings were denominated in RMB and HK\$. Approximately 74% of these borrowings are repayable within one year. The rest is repayable after one year.

The Group had interest-bearing loans from an intermediate holding company of approximately HK\$3,139.6 million as at 31 December 2017 (2016: HK\$2,586.1 million). These loans were denominated in GBP and AUD and were repayable from 2018 to 2025. As at 31 December 2017, the Group also had non-interest-bearing loans from the same intermediate holding company of approximately HK\$1,226.8 million (2016: HK\$2,207.4 million) of which HK\$689.8 million were denominated in USD, HK\$68.1 million in EUR and HK\$468.9 million in AUD as at 31 December 2017. The loans denominated in USD are repayable in 2020 and the loans denominated in EUR and AUD are repayable in 2019.

As the Group continues to explore opportunities to acquire and develop suitable property projects, different funding venues, including debt, bank loan and equity, will be considered when and if appropriate. As at 31 December 2017, the Group's contracted commitment for capital expenditure is approximately HK\$12,627.9 million (2016: HK\$5,651.2 million). The increase was mainly due to the construction works of London Project which are in progress, resulting in increase of commitment of capital expenditure.

借款及財務資源

於二零一七年十二月三十一日，本集團有計息之金融機構貸款約1,814,900,000港元(二零一六年：3,371,800,000港元)。該減少主要是由於上述之倫敦及悉尼項目的出售，導致銀行貸款重新分類為與分類為持作出售之資產直接相關之負債所致。該等貸款以人民幣及美元計值。約10%之該等貸款將須於一年內償還，而其餘須於一年後償還。

於二零一七年十二月三十一日，本集團有計息之其他借款約287,100,000港元(二零一六年：266,300,000港元)。上述借款乃向一名前任董事控制之實體取得。該等借款以人民幣及港元計值。約74%之該等借款將須於一年內償還，而其餘須於一年後償還。

於二零一七年十二月三十一日，本集團有計息之一間中間控股公司貸款約3,139,600,000港元(二零一六年：2,586,100,000港元)。該等貸款以英鎊及澳元計值，且須於二零一八年至二零二五年期間償還。於二零一七年十二月三十一日，本集團亦有不計息之同一間中間控股公司貸款約1,226,800,000港元(二零一六年：2,207,400,000港元)，其中689,800,000港元以美元計值、68,100,000港元以歐元計值及468,900,000港元以澳元計值。以美元計值之貸款須於二零二零年償還，而以歐元及澳元計值之貸款須於二零一九年償還。

由於本集團繼續尋求收購及開發合適物業項目之機會，故將在適當時候考慮包括債務、銀行貸款及股權等不同之融資渠道。於二零一七年十二月三十一日，本集團資本支出之已訂約承擔約為12,627,900,000港元(二零一六年：5,651,200,000港元)。該增幅主要是由於倫敦項目之建設工程正在進行中，導致資本支出之承擔增加所致。

Financial Review

財務回顧

FOREIGN CURRENCY AND INTEREST RATE EXPOSURE

The Group's business is principally conducted in RMB, GBP, EUR, USD and AUD. The functional currency of the Group's subsidiaries in the PRC, the United Kingdom ("UK"), the United States of America (the "USA") and Australia are RMB, GBP, USD and AUD respectively and they do not have significant monetary assets or liabilities denominated in currencies other than their respective functional currencies. The functional currency of the Group's other subsidiaries is HK\$. The Group is exposed to currency risk primarily through loans that are denominated in RMB, GBP, USD and AUD respectively. The Group maintains a conservative approach on foreign exchange exposure management. During the year, the Group did not use any financial instruments to hedge foreign currency exposure and the Group did not have any hedging instruments outstanding as at 31 December 2017.

During the year, the Group had interest-bearing loans from financial institutions, third parties and an intermediate holding company. Accordingly, the Group's cost of loans was affected by changes in interest rates. As at 31 December 2017, interest-bearing borrowings of HK\$3,028.1 million, being 58% of the total interest-bearing borrowings, were on a floating rate basis, of which HK\$1,213.1 million were loans from an intermediate holding company. The remaining interest-bearing borrowings of HK\$2,213.5 million were on fixed interest rate basis. During the year, the Group had monitored the suitability and cost efficiency of hedging instruments and had considered a mix of fixed and floating rate loans in order to manage interest rate risks. The Group will prudently consider entering into currency and interest rate hedging arrangements to minimise such exposures if and when appropriate.

外匯及利率風險

本集團之業務主要以人民幣、英鎊、歐元、美元及澳元進行。本集團於中國、英國、美利堅合眾國（「美國」）及澳大利亞之附屬公司之功能貨幣分別為人民幣、英鎊、美元及澳元，且彼等並未持有以彼等各自功能貨幣以外之貨幣計值之重大貨幣資產或負債。本集團其他附屬公司之功能貨幣為港元。本集團主要承受分別以人民幣、英鎊、美元及澳元計值之貸款之貨幣風險。本集團維持保守之外匯風險管理方法。本年度內，本集團並無使用任何金融工具對沖外匯風險，而於二零一七年十二月三十一日，本集團亦無任何未平倉之對沖工具。

本年度內，本集團有計息之金融機構、第三方及一間中間控股公司貸款，故本集團之貸款成本受利率變動影響。於二零一七年十二月三十一日，計息借款3,028,100,000港元（估計息借款總額之58%）按浮動利率基準計息，而其中1,213,100,000港元為一間中間控股公司貸款。其餘2,213,500,000港元之計息借款則按固定利率基準計息。本年度內，本集團已監察對沖工具之合適性及成本效益，並考慮混合固定及浮動利率貸款，以管理利率風險。本集團將審慎考慮於適當時候訂立貨幣及利率對沖安排以將該等風險降至最低。

PLEDGE OF ASSETS

As at 31 December 2017, the Group pledged certain of its assets to financial institutions in the PRC to secure the loans of approximately HK\$1,814.9 million granted by these financial institutions. The aggregate carrying value of these building held for own use, construction in progress, freehold land, prepaid land lease payments, investment properties, investment properties held for sale, assets classified as held for sale, properties under development, completed properties held for sale and restricted bank deposits as at 31 December 2017 amounted to approximately HK\$6.2 million, HK\$336.2 million, HK\$158.8 million, HK\$18 million, HK\$1,180 million, HK\$37 million, HK\$3,673.8 million, HK\$1,878 million, HK\$8 million and HK\$11.5 million respectively.

CHANGES IN SHARE CAPITAL

There are no changes in the Company's share capital during the year ended 31 December 2017.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group had provided guarantees in an aggregate amount of approximately HK\$475.9 million to banks in favour of its customers in respect of mortgaged loans provided by the banks to these customers for their purchase of the Group's properties. Each of these guarantees would be released upon the execution of individual purchasers' collateral agreements.

資產抵押

於二零一七年十二月三十一日，本集團將其若干資產抵押予中國數家金融機構，以獲得該等金融機構給予之貸款約1,814,900,000港元。該等持作自用之樓宇、在建工程、永久業權土地、預付土地租賃款項、投資物業、持作出售之投資物業、分類為持作出售之資產、在建物業、持作出售之已竣工物業及受限制銀行存款於二零一七年十二月三十一日之賬面總值分別約為6,200,000港元、336,200,000港元、158,800,000港元、18,000,000港元、1,180,000,000港元、37,000,000港元、3,673,800,000港元、1,878,000,000港元、8,000,000港元及11,500,000港元。

股本變動

截至二零一七年十二月三十一日止年度，本公司之股本並無任何變動。

或然負債

於二零一七年十二月三十一日，本集團就數家銀行提供予客戶以購買本集團物業之按揭貸款以該等客戶為受益人向該等銀行提供總額約475,900,000港元之擔保。該等擔保各自將於個別買家的抵押品協議獲執行後予以解除。

Financial Review

財務回顧

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANY

On 3 November 2016, Wanda Europe and Baraka Global Invest, S.L.U. ("Baraka") entered into an agreement, pursuant to which Wanda Europe has conditionally agreed to sell, and Baraka has conditionally agreed to acquire the entire issued share capital of Wanda Madrid subject to the terms contained therein for the consideration of EUR272 million, subject to adjustments to be made to the consideration by taking into account the amount of cash, cash equivalents and amount of indebtedness of Wanda Madrid as at the date of completion. Further details of the disposal is set out in the circular of the Company dated 16 December 2016 and announcements of the Company dated 28 December 2016, 30 December 2016, 3 April 2017 and 1 June 2017. The disposal has been completed on 1 June 2017.

On 26 September 2017, the Company and Wanda HK entered into a sale and purchase agreement in respect of the proposed acquisition of the entire equity interest in Wanda Hotel Management at a consideration of HK\$878 million (subject to downward adjustment). Further details of the acquisition are set out in the announcement of the Company dated 26 September 2017 and the circular of the Company dated 15 November 2017 respectively. The proposed acquisition was approved in the special general meeting convened on 8 December 2017. The acquisition is expected to complete in 2018.

On 16 January 2018, the Company and R&F entered into a sale and purchase agreement in respect of the proposed disposal of 60% of the entire issued share capital of Wanda International at a consideration of GBP35,609,277.96, and the Company, R&F and Wanda International entered into the relevant shareholder loan repayment agreement, pursuant to which the R&F has agreed to repay the debt for and on behalf of Wanda International to the Company, which is currently expected to be GBP159,526,879.25. The Company has received a written approval from Wanda Commercial Properties Overseas Limited, a controlling shareholder of the Company, in respect of the proposed disposal. Further details of the disposal are set out in the announcements of the Company dated 16 January 2018, 7 February 2018 and 6 March 2016 and circular of the Company dated 15 March 2018 respectively. The disposal has not yet been completed as at the date of this report.

附屬公司及聯營公司之重大收購及出售

於二零一六年十一月三日，萬達歐洲與 Baraka Global Invest, S.L.U. (「Baraka」) 訂立協議，據此，萬達歐洲已有條件同意出售而 Baraka 已有條件同意收購萬達馬德里之全部已發行股本(須遵守當中所載之條款)，代價為 272,000,000 歐元，而代價可經計及萬達馬德里於完成日期之現金及現金等值物之金額及負債金額後予以調整。出售之進一步詳情載於本公司日期為二零一六年十二月十六日之通函及本公司日期為二零一六年十二月二十八日、二零一六年十二月三十日、二零一七年四月三日及二零一七年六月一日之公告。出售已於二零一七年六月一日完成。

於二零一七年九月二十六日，本公司與萬達香港就以代價 878,000,000 港元(可向下調整)建議收購萬達酒管之全部股權訂立買賣協議。收購之進一步詳情分別載於本公司日期為二零一七年九月二十六日之公告及本公司日期為二零一七年十一月十五日之通函。建議收購已於二零一七年十二月八日召開之股東特別大會上獲得批准。預期收購將於二零一八年完成。

於二零一八年一月十六日，本公司與富力就以代價 35,609,277.96 英鎊建議出售萬達國際全部已發行股本之 60% 訂立買賣協議，而本公司、富力及萬達國際已訂立相關股東貸款償還協議，據此，富力已同意代表萬達國際向本公司償還債務(現時預期為 159,526,879.25 英鎊)。本公司已接獲本公司控股股東萬達商業地產海外有限公司就建議出售發出之書面批准。出售之進一步詳情分別載於本公司日期為二零一八年一月十六日、二零一八年二月七日及二零一六年三月六日之公告及本公司日期為二零一八年三月十五日之通函。於本報告日期，出售尚未完成。

Financial Review

財務回顧

On 18 January 2018, Wanda Australia RE, AWH and Wanda Australia CP entered into a master agreement in respect of the proposed disposal of the entire equity interest in Wanda Australia CP subject to the terms contained therein for a cash consideration of AUD315,044,422 and repayment of the debt in the amount of AUD815,107,691 in instalments. The proposed disposal was approved in the special general meeting convened in 12 March 2018. Further details of the disposal are set out in the announcements of the Company dated 22 January 2018, 12 March 2018 and circular of the Company dated 22 February 2018 respectively. The disposal has not yet been completed as at the date of this report.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group had around 267 full time employees, who are located in the PRC, Hong Kong, the UK, Australia and the USA.

During the year, the Group remunerated its employees based on their performance, experience and the prevailing market salaries. Performance bonuses were granted on a discretionary basis. Other employee benefits included insurance and medical cover, and subsidized educational and training programs.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No director of the Company ("Director(s)") has the right to acquire shares or debentures of the Company or its subsidiaries.

DIVIDEND

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

EVENTS AFTER THE REPORTING PERIOD

Other than the matters outlined elsewhere in this report, there have been no matters that have occurred subsequent to the reporting date which have significantly affected, or may significantly affect the Group's operations, results or state of affairs.

於二零一八年一月十八日，萬達澳洲地產、AWH與萬達商業澳洲就以現金代價315,044,422澳元建議出售萬達商業澳洲之全部權益(須遵守當中所載之條款)及分期償還債務815,107,691澳元訂立總協議。建議出售已於二零一八年三月十二日召開之股東特別大會上獲得批准。出售之進一步詳情分別載於本公司日期為二零一八年一月二十二日及二零一八年三月十二日之公告及本公司日期為二零一八年二月二十二日之通函。於本報告日期，出售尚未完成。

員工及薪酬政策

於二零一七年十二月三十一日，本集團於中國、香港、英國、澳大利亞及美國共聘用約267名全職僱員。

本年度內，本集團按員工表現、經驗及市場行情給予薪酬，而表現花紅則按酌情基準給予。其他僱員福利包括保險及醫療福利、受津貼的教育及培訓課程。

董事收購股份或債權證之權利

概無本公司董事(「董事」)有任何權利收購本公司或其附屬公司之股份或債權證。

股息

董事不建議派發截至二零一七年十二月三十一日止年度之末期股息(二零一六年：無)。

報告期後事項

除本報告其他章節所概列之事項外，於報告日期後概無發生任何對本集團之經營、業績或財務狀況產生或可能產生重大影響之事項。

Directors and Senior Management

董事及高級管理層

NON-EXECUTIVE DIRECTORS

Mr. Ding Benxi, aged 63, has been a Non-executive Director and Chairman of the Board since July 2013. He has also been an executive director of DWCM since December 2009 and the chairman of the board of directors of DWCM since December 2012. He is also a director and the president of Dalian Wanda Group Co., Ltd. (“Dalian Wanda Group”) and the chairman of Beijing Wanda Culture Industry Group Co., Ltd (北京萬達文化產業集團有限公司)(“Wanda Culture”). From December 2009 to December 2012, he was the president of DWCM. Before joining DWCM in December 2009, Mr. Ding served in various positions of Dalian Wanda Group, including president, chief executive officer and vice president.

Mr. Ding completed the correspondence course of Renmin University of China (中國人民大學) in July 1998. He became a senior engineer of China State Construction Engineering Corporation (中國建築工程總公司) in August 1997.

Mr. Zhang Lin, aged 46, has been a Non-executive Director since November 2017. He has also been serving as the director of Dalian Wanda Group since February 2011. Mr. Zhang has concurrently been acting as the chairman and a director of Wanda Film Holding Co. Ltd (萬達電影股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code : 002739.SZ) since November 2006; the chairman and a director of AMC Entertainment Holdings, Inc. (a company listed on the New York Stock Exchange, stock code: AMC) from August 2012 to 12 March 2018; the chief executive officer of Wanda Culture since December 2012; the president of Wanda Culture since January 2014; the chairman of the board of Infront Holding AG since July 2015; and the chairman of World Triathlon Corporation since November 2015. In addition, Mr. Zhang had also been a non-executive director of DWCM since December 2009 to 29 January 2016. He joined Dalian Wanda Group in March 2000 and formerly held various positions, including but not limited to the vice president of Dalian Wanda Group and the finance director of Dalian Wanda Group and general manager of project companies in Chengdu, Shenyang and Nanjing respectively. Mr. Zhang has extensive experience in financial management and operation management of large property development, property management, and entertainment corporations, especially in corporate strategy and investment.

非執行董事

丁本錫先生，63歲，自二零一三年七月起擔任非執行董事及董事會主席。自二零零九年十二月起，彼同時擔任大連萬達商業管理執行董事並於二零一二年十二月起兼任董事會主席。彼亦擔任大連萬達集團股份有限公司(「大連萬達集團」)董事兼總裁以及北京萬達文化產業集團有限公司(「萬達文化」)董事長。丁先生曾於二零零九年十二月至二零一二年十二月擔任大連萬達商業管理總裁。於二零零九年十二月加入大連萬達商業管理前，丁先生曾擔任大連萬達集團多個職務，包括總裁、執行總裁及副總裁。

丁先生於一九九八年七月修畢中國人民大學的函授課程。彼於一九九七年八月成為中國建築工程總公司高級工程師。

張霖先生，46歲，自二零一七年十一月起擔任非執行董事。自二零一一年二月起，彼亦擔任大連萬達集團董事。自二零零六年十一月起，張先生同時擔任萬達電影股份有限公司(一間於深圳證券交易所上市的公司，股份代號：002739.SZ)之董事長兼董事；自二零一二年八月至二零一八年三月十二日，擔任美國AMC娛樂控股公司(AMC Entertainment Holdings, Inc.) (一間於紐約證券交易所上市的公司，股份代號：AMC)董事長兼董事；自二零一二年十二月起，擔任萬達文化執行總裁；自二零一四年一月起，擔任萬達文化總裁；自二零一五年七月起，擔任Infront Holding AG董事會主席；及自二零一五年十一月起，擔任World Triathlon Corporation董事長。此外，自二零零九年十二月至二零一六年一月二十九日，張先生亦擔任大連萬達商業管理的非執行董事。彼於二零零零年三月加入大連萬達集團，先前曾擔任多個職位，包括但不限於大連萬達集團副總裁及大連萬達集團財務總監以及分別在成都、瀋陽及南京的項目公司擔任總經理。張先生於大型物業開發、物業管理及娛樂企業的財務管理及營運管理，特別是企業策略及投資領域擁有豐富經驗。

Directors and Senior Management

董事及高級管理層

Mr. Zhang graduated from Dongbei University of Finance and Economics (東北財經大學) in July 1994 and obtained a bachelor's degree in accounting. In January 2012, Mr. Zhang received an Executive Master of Business Administration degree from Beijing University (北京大學). Mr. Zhang is a non-practicing member of the Chinese Institute of Certified Public Accountants and a non-practicing member of the China Certified Tax Agents Association.

Mr. Hui Yung, Chris, aged 49, has been a Non-executive Director since November 2017. He has also been the vice president, secretary of the board of directors and the general manager of securities department of DWCM since September 2015. Prior to joining the Company, Mr. Hui had served as a partner of J&Partners from December 2010 to September 2015. From August 2001 to July 2010, he worked for Barclays Investment Bank where he served as a managing director and head of its Investment Banking Division in China and Hong Kong. He also served as a director of Xinhua Trust from 2009 to 2010; a director of Deutsche Bank and head of its multinational corporations and department of structural finance products in Asia Pacific from March 1996 to July 2001; and a vice president of Merrill Lynch Capital Markets from April 1993 to February 1996. Mr. Hui has more than 20 years of solid experience in investment and capital markets.

He graduated from the Chinese University of Hong Kong with a bachelor's degree in Business Administration.

EXECUTIVE DIRECTOR

Mr. Ning Qifeng, aged 52, has been an Executive Director since November 2017. Mr. Ning has also been the president of Wanda Hotel Management (Shanghai) Co. Limited (萬達酒店管理(上海)有限公司) since July 2017. Mr. Ning had been a vice president of DWCM from December 2009 to June 2015 and had been a senior vice president of DWCM from June 2015 to July 2017. Mr. Ning formerly also served as a chief vice president of DWCM; a vice president and an assistant to the president of Dalian Wanda Group; the general manager of Wanda Hotel Construction Ltd. (萬達酒店建設有限公司) and the dean of Wanda Commercial Planning and Research Institute (萬達商業規劃研究院). Mr. Ning has extensive experience in property development and property management (including hotel development and hotel construction management).

張先生於一九九四年七月畢業於東北財經大學，取得會計學學士學位；於二零一二年一月取得北京大學高級管理人員工商管理碩士學位。張先生為中國註冊會計師協會之非執業會員及中國註冊稅務師協會之非執業會員。

許勇先生，49歲，自二零一七年十一月起擔任非執行董事。自二零一五年九月起，彼亦擔任大連萬達商業管理副總裁、董事會秘書兼證券部總經理。在加入本公司之前，許先生自二零一零年十二月至二零一五年九月擔任J&Partners合夥人。自二零零一年八月至二零一零年七月，彼於巴克萊投資銀行擔任董事總經理及其中國和香港投資銀行部的主管。彼亦於二零零九年至二零一零年擔任新華信託的董事；於一九九六年三月至二零零一年七月擔任德意志銀行董事及其亞太區跨國企業和結構融資產品部負責人；並於一九九三年四月至一九九六年二月擔任美林證券資本市場部副總裁。許先生於投資及資本市場領域有逾20年豐富經驗。

彼於香港中文大學畢業，獲工商管理學士學位。

執行董事

寧奇峰先生，52歲，自二零一七年十一月起擔任執行董事。自二零一七年七月起，寧先生亦擔任萬達酒店管理(上海)有限公司總裁。自二零零九年十二月至二零一五年六月，寧先生曾擔任大連萬達商業管理之副總裁，並自二零一五年六月至二零一七年七月曾擔任大連萬達商業管理之高級副總裁。寧先生先前亦曾擔任大連萬達商業管理首席副總裁；大連萬達集團副總裁及總裁助理；萬達酒店建設有限公司總經理及萬達商業規劃研究院院長。寧先生於物業開發及物業管理領域(包括酒店發展及酒店建設管理)擁有豐富經驗。

Directors and Senior Management

董事及高級管理層

Mr. Ning obtained his bachelor's degree in engineering from Northwest Architecture Engineering Institute (西北建築工程學院) in July 1986, a master's degree in engineering from Northwest Metallurgical Construction Institute (西北冶金建築學院) in July 1992 and a Ph.D in engineering from Tongji University (同濟大學) in May 2004.

寧先生於一九八六年七月自西北建築工程學院取得工學學士學位，於一九九二年七月自西北冶金建築學院取得工學碩士學位及於二零零四年五月自同濟大學取得工學博士學位。

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

Mr. He Zhiping, aged 54, has been an Independent Non-executive Director since March 2018. He studied at the China Textile University (currently known as Donghua University) in Mechanical Engineering in 1979 and graduated with a master degree in engineering in 1986. Since 1987, Mr. He has previously served as the assistant to the general manager of the United Rail Ltd, Shenzhen Branch of China Nonferrous Metals Company (中國有色金屬深圳聯合公司科力鐵有限公司), the assistant to the general manager and vice general manager of Hainan Sanya Huaya Enterprise Group Corporation (海南三亞華亞企業集團公司) and a director of China Great Wall Securities, LLC (長城證券有限責任公司). He is currently the chairman of the board of directors and the general manager of China Wall King Holding Co., Ltd (中國華建投資控股有限公司), and a non-executive director of AviChina Industry & Technology Company Limited (a company listed on the Hong Kong Stock Exchange, stock code: 2357). Mr. He also serves social positions such as the vice president of the Revolutionary Area Development Association of Jiangxi Province, Executive Vice President of Gan General Chamber of Commerce and the Council of Donghua University.

何志平先生，54歲，自二零一八年三月起擔任獨立非執行董事。彼於一九七九年就讀於中國紡織大學(現稱東華大學)機械工程專業，並於一九八六年畢業及獲頒工學碩士學位。自一九八七年起，何先生曾任中國有色金屬深圳聯合公司科力鐵有限公司總經理助理、海南三亞華亞企業集團公司總經理助理及副總經理，以及長城證券有限責任公司董事。彼現任中國華建投資控股有限公司董事長兼總經理及中國航空科技工業股份有限公司(一家於香港聯交所上市的公司，股份代號：2357)的非執行董事。何先生亦擔任江西老區建設促進會副會長、贛商總會常務副會長、東華大學校董等社會職務。

Mr. Liu Jipeng, aged 62, has been an Independent Non-executive Director since July 2013. He has also been an independent non-executive director of DWCM from December 2009 to January 2016. Mr. Liu has 31 years of experience in economic & corporate research. Mr. Liu has served as the dean of the Business School of the China University of Political Science and Law (中國政法大學商學院) since November 2016; the chief, professor and doctoral tutor of the Capital Research Centre of the China University of Political Science and Law (中國政法大學資本金融研究院) since 2015; legal advisor of State-owned Assets Supervisory Management Committee of State Council (國務院國有資產監督管理委員會) since 2017; the deputy director of the independent directors committee of China Association for Public Companies (中國上市公司協會) since 2016 and a vice chairman of the China Enterprise Reform and Development Society (中國企業改革與發展研究會) since 2012. Mr. Liu is currently an independent non-executive director of China Oceanwide Holdings Limited (stock code: 715), whose

劉紀鵬先生，62歲，自二零一三年七月起擔任獨立非執行董事。自二零零九年十二月至二零一六年一月，彼同時擔任大連萬達商業管理獨立非執行董事。劉先生在經濟與企業研究方面擁有31年經驗。自二零一六年十一月起，劉先生擔任中國政法大學商學院院長，並自二零一五年起，擔任中國政法大學資本金融研究院院長、教授及博士生導師，二零一七年起擔任國務院國有資產監督管理委員會法律顧問，二零一六年起擔任中國上市公司協會獨立董事委員會副主任，二零一二年起擔任中國企業改革與發展研究會副會長。劉先生現時為中泛控股有限公司(股份代號：715，其股份於香港聯合交易所有限公司(「香港聯交所」)上市)、中國民生銀行股份有限公司(其股份同時於香港聯交所(股份代號：1988)及上海證券交易

Directors and Senior Management 董事及高級管理層

shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), China Minsheng Banking Corp., Ltd., whose shares are dually listed on the Hong Kong Stock Exchange (Stock Code: 1988) and the Shanghai Stock Exchange (Stock Code: 600016), and China Oceanwide International Financial Limited (stock code: 0952), whose shares are listed on the Hong Kong Stock Exchange, an independent director of Zhongjin Gold Corporation, Limited (Stock Code: 600489), whose shares are listed on the Shanghai Stock Exchange, and Chongqing Changan Automobile Co., Ltd. (Stock Code: 000625), whose shares are listed on the Shenzhen Stock Exchange. Mr. Liu also previously served as an independent director of AVIC Capital Co., Ltd, whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600705), from May 2011 to May 2017.

Mr. Liu graduated with a bachelor's degree in Economics from the Beijing School of Economics (北京經濟學院) in July 1983 and a master's degree in Economics from the Chinese Academy of Social Sciences (中國社會科學院) in July 1986.

Dr. Xue Yunkui, aged 54, has been an Independent Non-executive Director since July 2013. He has also been an independent non-executive director of DWCM from December 2009 to January 2016. Dr. Xue has 31 years of experience in accounting research and practice. He currently serves as the professor in accounting of the Cheung Kong Graduate School of Business (長江商學院), and he previously served as the vice president/professor in accounting of the Shanghai National Accounting Institute (上海國家會計學院) from 2000 to 2002, the associate dean/professor in accounting of the School of Accountancy of the Shanghai University of Finance and Economics (上海財經大學會計學院) from 1998 to 2000 and a post-doctorate fellow at the School of Accountancy of the Shanghai University of Finance and Economics (上海財經大學會計學院) from 1996 to 1998.

Dr. Xue served as an independent director for Shanghai Shentong Metro Co., Ltd. (上海申通地鐵股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 600834) from 2011 to 2016, and has served as independent director for Shanghai Baosight Software Co., Ltd. (上海寶信軟件股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 600845) since July 2013, for Dazzle Fashion Co., Ltd. (地素時尚股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 603587) since September 2013 and for Aeon Life Insurance Company, Ltd. (百年人壽保險股份有限公司) since April 2015, respectively.

所(股份代號：600016)上市)及中國泛海國際金融有限公司(股份代號：0952，其股份於香港聯交所上市)之獨立非執行董事，以及中金黃金股份有限公司(股份代號：600489，其股份於上海證券交易所上市)及重慶長安汽車股份有限公司(股份代號：000625，其股份於深圳證券交易所上市)的獨立董事。劉先生亦曾於二零一一年五月至二零一七年五月擔任中航資本控股股份有限公司(股份代號：600705，其股份於上海證券交易所上市)的獨立董事。

劉先生於一九八三年七月畢業於北京經濟學院，取得經濟學士學位，及於一九八六年七月畢業於中國社會科學院，取得經濟學碩士學位。

薛雲奎博士，54歲，自二零一三年七月起擔任獨立非執行董事。自二零零九年十二月至二零一六年一月，彼同時擔任大連萬達商業管理獨立非執行董事。薛博士在會計研究與實踐方面擁有31年經驗。薛博士現任長江商學院會計學教授，於二零零零年至二零零二年曾擔任上海國家會計學院副院長／會計學教授。於一九九八年至二零零零年曾擔任上海財經大學會計學院副院長／會計學教授，並於一九九六年至一九九八年曾擔任上海財經大學會計學院博士後研究員。

自二零一一年至二零一六年，薛博士曾擔任上海申通地鐵股份有限公司(一家於上海證券交易所上市的公司，股份代號：600834)的獨立董事，自二零一三年七月起擔任上海寶信軟件股份有限公司(一家於上海證券交易所上市的公司，股份代號：600845)的獨立董事，自二零一三年九月起擔任地素時尚股份有限公司(一家於上海證券交易所上市的公司，股份代號：603587)的獨立董事，及自二零一五年四月起擔任百年人壽保險股份有限公司的獨立董事。

Directors and Senior Management 董事及高級管理層

Dr. Xue graduated with a bachelor's degree in economics from Sichuan Finance Institute (四川財經學院, now renamed as the Southwestern University of Finance and Economics (西南財經大學)) in July 1984. He received a Ph.D. from the Southwest Agriculture University (西南農業大學, now renamed as Southwest University (西南大學)) in June 1995 and completed postdoctorate research in accounting with the Shanghai University of Finance and Economics (上海財經大學) in July 1999.

Mr. Zhang Huaqiao, aged 55, has been an Independent Non-executive Director since September 2014.

Mr. Zhang is also the Chairman and a non-executive director of China Smartpay Group Holdings Limited (previously known as Oriental City Group Holdings Limited, stock code: 8325), an independent non-executive director of Fosun International Limited (stock code: 656), Luye Pharma Group Ltd. (stock code: 2186), Zhong An Real Estate Limited (stock code: 672), China Huirong Financial Holdings Limited (stock code: 1290) and Logan Property Holdings Company Limited (stock code: 3380), and a non-executive director of Boer Power Holdings Limited (stock code: 1685), all of which are companies with shares listed on the Hong Kong Stock Exchange. From June 1999 to April 2006, Mr. Zhang worked with UBS Securities Asia Limited, ultimately becoming the managing director and co-head of the China research team. Between March 2006 and September 2008, Mr. Zhang worked with Shenzhen Investment Limited (stock code: 604), a company listed on the Hong Kong Stock Exchange, as its chief operating officer. From September 2008 to June 2011, Mr. Zhang worked with UBS AG (Hong Kong branch) with his last position as deputy head of the investment banking department of UBS China and managing director of UBS AG (Hong Kong branch). Mr. Zhang was an executive director and chief executive officer of Man Sang International Limited (stock code: 938), a company listed on the Hong Kong Stock Exchange, between September 2011 and April 2012. From 15 April 2014 to 30 January 2018, Mr. Zhang was also an independent non-executive director of Yancoal Australia Limited (stock code: YAL), a company listed on the Australian Stock Exchange. Mr. Zhang was also an independent non-executive director of Sinopec Oilfield Service Corporation (with its shares dually listed on the Hong Kong Stock Exchange (stock code: 1033) and the Shanghai Stock Exchange (stock code: 600871) from 9 February 2015 to 28 March 2018.

薛博士於一九八四年七月畢業於四川財經學院(現更名為西南財經大學),取得經濟學學士學位。彼於一九九五年六月取得西南農業大學(現更名為西南大學)博士學位,並於一九九九年七月完成上海財經大學會計專業博士後研究。

張化橋先生, 55歲,自二零一四年九月起擔任獨立非執行董事。

張先生亦為中國支付通集團控股有限公司(前稱為奧思知集團控股有限公司,股份代號:8325)的主席及非執行董事,及復星國際有限公司(股份代號:656)、綠葉製藥集團有限公司(股份代號:2186)、眾安房產有限公司(股份代號:672)、中國匯融金融控股有限公司(股份代號:1290)及龍光地產控股有限公司(股份代號:3380)的獨立非執行董事和博耳電力控股有限公司(股份代號:1685)的非執行董事,該等公司的股份全部於香港聯交所上市。自一九九九年六月至二零零六年四月,張先生任職於瑞銀證券亞洲有限公司,最終升任至董事總經理及中國研究團隊的聯席主管。於二零零六年三月至二零零八年九月期間,張先生任職於香港聯交所上市公司深圳控股有限公司(股份代號:604),擔任首席運營官。自二零零八年九月至二零一一年六月,張先生任職於瑞士銀行香港分行,其最終職位為瑞銀中國投資銀行部副主管及瑞士銀行香港分行的董事總經理。張先生於二零一一年九月至二零一二年四月期間擔任香港聯交所上市公司民生國際有限公司(股份代號:938)的執行董事兼行政總裁。張先生亦於二零一四年四月十五日至二零一八年一月三十日期間為澳洲證券交易所上市公司Yancoal Australia Limited(股份代號:YAL)的獨立非執行董事。張先生亦於二零一五年二月九日至二零一八年三月二十八日期間為中石化石油工程技術服務股份有限公司(其股份同時於香港聯交所(股份代號:1033)及上海證券交易所(股份代號:600871)上市)的獨立非執行董事。

Directors and Senior Management

董事及高級管理層

Mr. Zhang obtained a master's degree in economics from the Graduate School of the People's Bank of China in 1986 and a master's degree in development economics from the Australian National University in 1991.

張先生於一九八六年獲得中國人民銀行研究生部頒發的經濟學碩士學位及於一九九一年獲得澳大利亞國立大學頒發的發展經濟學碩士學位。

SENIOR MANAGEMENT

Ms. Hui Wai Man, Shirley, aged 50, joined the Group in December 2000. She is the Company Secretary of the Company. She is responsible for the company secretarial affairs of the Group. Ms. Hui has over 20 years of professional experience in public accounting and corporate finance. She is a fellow member of The Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She is also a member of the Society of Chinese Accountants and Auditors and the Hong Kong Securities Institute.

Mr. Tse Chi Cheung, aged 38, joined the Group in November 2015. He is the Company's Deputy Chief Financial Officer and is responsible for the financial management of the Group. Mr. Tse holds a Master of Business Administration degree from City University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also a member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. Prior to joining the Group, Mr. Tse had held senior positions in an international accounting firm and listed companies in Hong Kong. Mr. Tse has more than 10 years of experience in financial management, corporate finance and auditing.

高級管理層

許惠敏女士，50歲，於二零零零年十二月加入本集團。彼為本公司之公司秘書。彼負責本集團之公司秘書工作。許女士在執業會計及企業融資方面擁有逾20年專業經驗。彼為英國特許公認會計師公會、香港會計師公會、英國特許秘書及行政人員公會以及香港特許秘書公會資深會員，亦為香港華人會計師公會及香港證券專業學會會員。

謝志翔先生，38歲，於二零一五年十一月加入本集團。彼為本公司財務副總監，負責本集團之財務管理。謝先生持有香港城市大學工商管理碩士學位。彼為香港會計師公會之資深會員。彼亦為香港特許秘書公會及英國特許秘書及行政人員公會會員。在加入本集團前，彼曾先後於一家國際會計師事務所及香港多家上市公司出任高級職位。謝先生在財務管理、企業融資及審計方面累積逾十年經驗。

Directors' Report

董事會報告書

The Directors are pleased to submit the annual report and the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company and the Group are property development, property leasing, property management and investment holding activities. The principal activities and other particulars of the subsidiaries are set out in note 1 to the financial statements.

BUSINESS REVIEW

A review of the Group's business for the year ended 31 December 2017 is presented in Chairman's Statement, Business Review and Financial Review on page 4, pages 5 to 10 and pages 11 to 19 respectively. The Financial Review also includes an analysis of the Group's performance during the financial year ended 31 December 2017 in terms of financial key performance indicators on page 14. Likely future developments in the Group's business are disclosed in Chairman's Statement and Outlook section of Business Review which forms part of this Directors' Report on page 4 and page 10 respectively. The geographical analysis of the Group's revenue and operating profit is set out in note 4 to the financial statements. The particulars of important events affecting the Group that have occurred since 31 December 2017 (including but not limited to transactions in relation to subsidiaries) are set out in Business Review and Financial Review on pages 18 to 19.

Principal risks and uncertainties facing the Group can be found in Business Review and note 45 to the financial statements on pages 5 to 10 and pages 245 to 254 respectively, with financial risk management policies and practices of the Group covered under the aforesaid note 45 to the financial statements.

The Group is committed to the sound performance of its corporate social responsibilities and believes that a high standard of performance is very helpful for maintaining sound relationships between corporate and society as well as promoting staff confidence. The Group is a keen supporter of environmental protection and takes the protection of ecological environment and promotion of sustainable development as its goal. We have introduced eco-friendly measures in our business of property development, leasing and management. For instance, we have reduced our carbon emission by implementing green building and

董事欣然提呈本公司及其附屬公司(「本集團」)截至二零一七年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司及本集團之主要業務為物業發展、物業租賃、物業管理及投資控股活動。附屬公司之主要業務及其他詳情載於財務報表附註1。

業務回顧

本集團截至二零一七年十二月三十一日止年度之業務之回顧分別於第4頁、第5頁至第10頁及第11頁至第19頁之主席致辭、業務回顧及財務回顧呈列。財務回顧亦包括第14頁本集團於截至二零一七年十二月三十一日止財政年度按主要財務表現指標計之表現分析。本集團業務之未來可能發展分別於第4頁及第10頁之主席致辭及業務回顧(構成本董事會報告書之一部分)之展望一節披露。本集團收益及經營溢利之地區分析載於財務報表附註4。自二零一七年十二月三十一日後所發生對本集團有影響的重大事件詳情(包括但不限於有關附屬公司的交易詳情)載於第18頁至第19頁之業務回顧及財務回顧。

本集團面對之主要風險及不確定性分別載於第5頁至第10頁及第245頁至第254頁之業務回顧及財務報表附註45，而本集團財務風險管理政策及常規載於上述財務報表附註45。

本集團致力於積極履行其企業社會責任，並相信高水平的履行十分有益於維持企業與社會之間的良好關係以及提升員工信心。本集團全力支持環保，並以保護生態環境及推動可持續發展作為其目標。我們已於物業發展、租賃及管理業務推行環保措施。舉例而言，我們透過實行綠色建築及節約能源措施降低碳排放量。我們亦通過適當之廢物處置減低我們之業務對生態環境造成之潛在影響。環境、社會及管治事

Directors' Report

董事會報告書

energy-saving measures. We have also reduced the potential impact of our business on the ecological environment through proper waste disposal. Further discussion of environmental, social and governance matters, covering the Group's environmental policies and performance is set out in Corporate Governance Report and Environmental, Social and Governance Report on pages 45 to 64 and pages 65 to 89 respectively.

The Group recognises the importance of compliance with rules and regulations and the impact of non-compliance with such rules and regulations on the business. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators through effective communications. During the year ended 31 December 2017, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Company.

The Company strives to achieve corporate sustainability through providing quality services for our customers and collaborating with our suppliers. To enhance customer satisfaction and promote a customer-oriented culture within the Company, we take 'Customer First' as one of our core values. We value feedback from customers and have also established the mechanism in handling customer service, support and complaints. We also proactively collaborate with our suppliers and contractors to deliver quality and sustainable products and services. We have developed certain requirements in our standard tender documents. These requirements include regulatory compliance, labour practices, anti-corruption and other business ethics.

The Group values its employees and encourages its staff to achieve a good work-life balance. The Group continued to devote resources to improve staff benefits with a view to improving staff morale as well as attracting and retaining talents. We have established fair, open and comprehensive employment policies to attract talent.

The applicable discussion and analysis as cross-referenced above shall form an integral part of this Directors' Report.

宜(涵蓋本集團之環境政策及表現)之進一步討論分別載於第45頁至第64頁及第65頁至第89頁之企業管治報告及環境、社會及管治報告。

本集團深明遵守規則及規例的重要性，以及違反有關規則及規例對業務的影響。本集團已分配系統及人力資源，確保持續遵守規則及規例，並通過有效溝通與監管部門保持良好工作關係。於截至二零一七年十二月三十一日止年度，盡我們所知，本集團已遵守所有對本公司有重大影響的相關規則及規例。

本公司為顧客提供優質服務，同時與供應商協力同心，致力達至企業可持續發展。為提高客戶滿意度及在本公司內提倡以客為本的服務文化，我們奉「顧客至上」為核心價值之一。我們非常重視顧客的意見，亦訂立了處理顧客服務、支援和投訴的機制。此外我們亦積極與供應商及承建商合作，提供優質及可持續的產品及服務。我們並於招標文件中訂明若干規定。有關規定包括遵守法規、勞工僱傭守則、防貪及其他商業道德守則。

本集團十分重視其僱員，並鼓勵其員工在工作與生活之間達致良好平衡。本集團會繼續投放資源以改善員工福利，從而提高員工士氣以及吸納及挽留人才。我們已設立公平、公開及全面之僱傭政策以吸納人才。

上文交叉提述之適用討論及分析構成本董事會報告書之組成部分。

Directors' Report

董事會報告書

RESULTS

The results of the Group for the year ended 31 December 2017 and the Group's financial position at that date are set out in the financial statements on pages 98 to 101 of this annual report.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2017.

DONATIONS

During the year, the Group has made donations of approximately HK\$2.7 million in total.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers accounted for 40.1% of the Group's total sales in 2017 while the sales attributable to the Group's largest customer was approximately 27.1% of the Group's total sales in 2017.

The aggregate purchases during the year attributable to the Group's five largest suppliers comprised approximately 72.2% of the Group's total purchases while the purchases attributable to the Group's largest supplier was approximately 36.2% of the Group's total purchases.

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

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 259 to 260. This summary does not form part of the audited 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以及本集團於該日之財務狀況載於本年報第98頁至第101頁之財務報表。

股息

董事不建議派發截至二零一七年十二月三十一日止年度之末期股息。

捐款

於本年度，本集團已作出合共約2,700,000港元的捐款。

主要客戶及供應商

於本年度，本集團五大客戶所佔銷售額共計佔本集團二零一七年總銷售額40.1%，而本集團最大客戶所佔銷售額為本集團二零一七年總銷售額之約27.1%。

於本年度，本集團五大供應商所佔採購額共計約為本集團總採購額之約72.2%，本集團最大供應商所佔之採購額約佔本集團總採購額之約36.2%。

董事、彼等之緊密聯繫人或任何股東（就董事所知擁有本公司已發行股本逾5%）於本集團五大供應商或客戶中概無任何權益。

財務概要

本集團最近五個財政年度之業績、資產及負債概要，摘自經審核財務報表並載於第259頁至260頁。此概要並不構成經審核財務報表之一部分。

INVESTMENT PROPERTIES

Details of the movements in investment properties of the Group during the year are set out in note 17 to the financial statements.

JOINT VENTURE

Particulars of the Group's joint venture at 31 December 2017 are set out in note 20 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

Particulars of the major properties and property interests of the Group are shown on pages 261 to 264 of the annual report.

RETIREMENT SCHEMES

The Group operates a Mandatory Provident Fund scheme in Hong Kong and certain subsidiaries outside Hong Kong are required to contribute a certain percentage of their payroll costs to pension schemes operated by the respective governments. The only obligation of the Group with respect to the pension schemes is to pay the required ongoing contributions.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 33 to the financial statements.

RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity to the financial statements.

投資物業

本集團投資物業於本年度之變動詳情載於財務報表附註17。

合營企業

本集團合營企業於二零一七年十二月三十一日之詳情載於財務報表附註20。

物業、廠房及設備

本集團物業、廠房及設備於本年度之變動詳情載於財務報表附註15。

本集團之主要物業及物業權益詳情於本年報第261頁至第264頁呈列。

退休計劃

本集團於香港設立一項強制性公積金計劃及香港以外地區之若干附屬公司須按其薪金成本之若干百分比向當地政府設立之退休金計劃供款。本集團就退休金計劃須承擔之惟一責任為持續支付計劃所需之供款。

股本

本年度本公司之股本變動詳情載於財務報表附註33。

儲備

本集團儲備於本年度之變動載於財務報表之綜合股權變動表。

Directors' Report

董事會報告書

DIRECTORS AND SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were as follows:

Executive Director:

Mr. Liu Chaohui
(resigned with effect from 17 November 2017)
Mr. Ning Qifeng
(appointed with effect from 17 November 2017)

Non-executive Directors:

Mr. Ding Benxi (*Chairman*)
Mr. Qi Jie (resigned with effect from 17 November 2017)
Mr. Qu Dejun
(resigned with effect from 17 November 2017)
Mr. Zhang Lin
(appointed with effect from 17 November 2017)
Mr. Hui Yung, Chris
(appointed with effect from 17 November 2017)

Independent Non-executive Directors ("INED"):

Mr. He Zhiping
(appointed with effect from 29 March 2018)
Mr. Liu Jipeng
Dr. Xue Yunkui
Mr. Zhang Huaqiao

In accordance with clause 99 and 102 of the Bye-Laws of the Company and code provision A.4.2 in Appendix 14 of the Listing Rules, Mr. Ning Qifeng, Mr. Zhang Lin, Mr. Hui Yung, Chris, Mr. He Zhiping, Mr. Zhang Huaqiao and Mr. Liu Jipeng will retire as Directors at the Annual General Meeting. Mr. Ning Qifeng, Mr. Zhang Lin, Mr. Hui Yung, Chris, Mr. He Zhiping and Mr. Liu Jipeng, being eligible, will offer themselves for re-election at the annual general meeting. Mr. Zhang Huaqiao shall retire at the conclusion of the AGM to be held on 30 May 2018 and shall not offer himself for re-election.

All of the directors of the Company have entered into services contracts with the Company. The term of appointment of Mr. Ding Benxi, Mr. Liu Jipeng and Dr. Xue Yunkui is 3 years from 3 July 2013 to 2 July 2016; the term of appointment of Mr. Zhang Huaqiao is 3 years from 1 September 2014 to 31 August 2017; the term of appointment of Mr.

董事及服務合約

年內及直至本報告日期之本公司董事如下：

執行董事：

劉朝暉先生
(自二零一七年十一月十七日起辭任)
寧奇峰先生
(自二零一七年十一月十七日起獲委任)

非執行董事：

丁本錫先生(*主席*)
齊界先生(自二零一七年十一月十七日起辭任)
曲德君先生
(自二零一七年十一月十七日起辭任)
張霖先生
(自二零一七年十一月十七日起獲委任)
許勇先生
(自二零一七年十一月十七日起獲委任)

獨立非執行董事(「獨立非執行董事」)：

何志平先生
(自二零一八年三月二十九日起獲委任)
劉紀鵬先生
薛雲奎博士
張化橋先生

根據本公司之公司細則第99及102條以及上市規則附錄十四所載守則條文A.4.2條，寧奇峰先生、張霖先生、許勇先生、何志平先生、張化橋先生及劉紀鵬先生將於股東週年大會上退任董事。寧奇峰先生、張霖先生、許勇先生、何志平先生及劉紀鵬先生將合資格並願在股東週年大會上膺選連任。張化橋先生將於在二零一八年五月三十日舉行之股東週年大會結束時退任及將不會膺選連任。

本公司全體董事已與本公司訂立服務合約。丁本錫先生、劉紀鵬先生及薛雲奎博士之任期為三年，自二零一三年七月三日至二零一六年七月二日；張化橋先生之任期為三年，自二零一四年九月一日至二零一七年八月三十一日；

Directors' Report

董事會報告書

Ning Qifeng, Mr. Zhang Lin and Mr. Hui Yung, Chris is 3 years from 17 November 2017 to 16 November 2020; the term of appointment of Mr. He Zhiping is 3 years from 29 March 2018 to 28 March 2021; each of which is renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term, unless terminated by not less than three months' notice in writing served by either party. None of the above service contracts is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2017, the interests of the Directors and their associates in the ordinary shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and Hong Kong Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Interests in shares of DWCM (Note 1)

Name of Director	Long position/ Short position	Capacity/Nature of interest	Interest in Shares of DWCM	Approximate percentage of the issued share capital of DWCM
董事姓名	好倉／淡倉	身份／權益性質	於大連萬達商業管理股份中之權益	佔大連萬達商業管理已發行股本之概約百分比
Mr. Ding Benxi 丁本錫先生	Long 好倉	Beneficial owner 實益擁有人	50,000,000	1.10%
Mr. Ning Qifeng 寧奇峰先生	Long 好倉	Beneficial owner 實益擁有人	6,000,000	0.13%
Mr. Zhang Lin 張霖先生	Long 好倉	Beneficial owner 實益擁有人	10,000,000	0.22%
Mr. He Zhiping 何志平先生	Long 好倉	Beneficial owner 實益擁有人	25,000,000	0.55%

寧奇峰先生、張霖先生及許勇先生之任期為三年，自二零一七年十一月十七日至二零二零年十一月十六日；何志平先生之任期為三年，自二零一八年三月二十九日至二零二一年三月二十八日；各自之任期可於當期任期屆滿後翌日起自動續約一年，惟任何一方以書面形式向另一方發出不少於三個月的終止合約通知除外。概無上述服務合約不得由本公司於一年內終止而毋須支付賠償（法定賠償除外）。

董事之證券權益

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條之規定而存置之登記冊所記錄或根據上市公司董事進行證券交易的標準守則（「標準守則」）而知會本公司及香港聯交所，董事與彼等之聯繫人於本公司及其相聯法團（定義見證券及期貨條例第XV部）之普通股之權益如下：

於大連萬達商業管理股份中之權益（附註1）

Directors' Report

董事會報告書

Notes:

- (1) DWCM, being an indirect holding company of the Company, is an associated company of the Company under Part XV of the SFO. The calculation is based on the total number of 4,527,347,600 shares in issue as at 31 December 2017.

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); or which have been entered in the register maintained by the Company pursuant to Section 352 of the SFO; or which have been notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE OPTIONS SCHEME

The Company did not have any effective share option scheme during the year ended and as at 31 December 2017.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company or any of its subsidiaries, a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and neither the Directors nor chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

附註：

- (1) 根據證券及期貨條例第XV部，本公司之間接控股公司大連萬達商業管理為本公司之聯營公司。計算乃基於於二零一七年十二月三十一日已發行股份總數4,527,347,600股進行。

除上文所披露者外，於二零一七年十二月三十一日，概無董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及第8分部已知會本公司及香港聯交所之任何權益或淡倉（包括董事及本公司主要行政人員根據證券及期貨條例之該等條文被當作或視為擁有之權益及淡倉）；或根據證券及期貨條例第352條記入本公司所存置登記冊之任何權益或淡倉；或根據標準守則已知會本公司及香港聯交所之任何權益或淡倉。

購股權計劃

本公司於截至二零一七年十二月三十一日止年度以及於二零一七年十二月三十一日並無任何仍然生效之購股權計劃。

董事收購股份或債權證之權利

本公司、其控股公司或其任何附屬公司於年內任何時間並無訂立任何安排，致使本公司董事可透過收購本公司或任何其他法人團體之股份或債權證獲得利益，亦無董事、主要行政人員或彼等之配偶或18歲以下子女有任何權利認購本公司證券或行使任何此等權利。

Directors' Report

董事會報告書

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 December 2017, so far as was known to the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company pursuant to section 336 of Part XV of the SFO, or were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

根據證券及期貨條例股東須披露之權益及淡倉

於二零一七年十二月三十一日，就本公司所知，以下人士（董事及本公司主要行政人員除外）於股份及相關股份中擁有根據證券及期貨條例第XV部第336條須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可在任何情況下於本集團任何成員公司之股東大會上投票之任何類別股本面值5%或以上之權益或淡倉如下：

Name	Long position/ Short position	Capacity/Nature of interest	Interest in shares and underlying shares of the Company 於本公司股份及相關股份中之權益	Approximate percentage of the issued share capital of the Company 於本公司已發行股本之概約百分比
姓名／名稱	好倉／淡倉	身份／權益性質		
Wanda Commercial Properties Overseas Limited ("Wanda Overseas") 萬達商業地產海外有限公司 (「萬達海外」)	Long 好倉	Beneficial owner 實益擁有人	3,055,043,100	65.04%
Wanda Real Estate Investments Limited 萬達地產投資有限公司	Long 好倉	Interest in controlled corporation (Note 1) 於受控制法團之權益 (附註1)	3,055,043,100	65.04%
Wanda HK 萬達香港	Long 好倉	Interest in controlled corporation (Note 2) 於受控制法團之權益 (附註2)	3,055,043,100	65.04%
DWCM 大連萬達商業管理	Long 好倉	Interest in controlled corporation (Note 3) 於受控制法團之權益 (附註3)	3,055,043,100	65.04%
Dalian Wanda Group 大連萬達集團	Long 好倉	Interest in controlled corporation (Note 4) 於受控制法團之權益 (附註4)	3,055,043,100	65.04%

Directors' Report

董事會報告書

Name	Long position/ Short position	Capacity/Nature of interest	Interest in shares and underlying shares of the Company 於本公司股份及相關股份中之權益	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
姓名／名稱	好倉／淡倉	身份／權益性質		
Dalian Hexing Investment Co., Ltd. ("Dalian Hexing") 大連合興投資有限公司 〔大連合興〕	Long 好倉	Interest in controlled corporation (Note 5) 於受控制法團之權益 (附註5)	3,055,043,100	65.04%
Mr. Wang Jianlin 王健林先生	Long 好倉	Interest in controlled corporation (Note 6) 於受控制法團之權益 (附註6)	3,055,043,100	65.04%
Mr. Chen Chang Wei ("Mr. Chen") 陳長偉先生 〔陳先生〕	Long 好倉	Beneficial owner and held by controlled corporation (Note 7) 實益擁有人及 由受控制法團持有(附註7)	297,460,230	6.33%
	Long 好倉	Interest of spouse (Notes 7 and 8) 配偶權益 (附註7及8)	27,683,423	0.59%
Ms. Chan Sheung Ni 陳双妮女士	Long 好倉	Beneficial owner 實益擁有人	27,683,423	0.59%
	Long 好倉	Interest of spouse (Note 9) 配偶權益(附註9)	297,460,230	6.33%
Ever Good Luck Limited (Note 10) Ever Good Luck Limited (附註10)	Long 好倉	Beneficial owner 實益擁有人	73,860,230	1.57%
	Long 好倉	Trustee 受託人	204,237,800	4.35%

Directors' Report

董事會報告書

Notes:

- (1) Wanda Real Estate Investments Limited holds more than one-third of the issued shares of Wanda Overseas and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda Overseas is interested.
- (2) Wanda HK holds more than one-third of the issued shares of Wanda Real Estate Investments Limited and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda Real Estate Investments Limited is deemed to be interested.
- (3) DWCM holds more than one-third of the issued shares of Wanda HK and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda HK is deemed to be interested. Mr. Ding Benxi, being a Non-executive Director and the Chairman of the Board, is an executive director and the chairman of the board of directors of DWCM. Mr. Liu Jipeng and Dr. Xue Yunkui, each being an INED were independent non-executive directors of DWCM until 29 January 2016. Mr. Hui Yung, Chris, being a Non-executive Director, is a vice president, secretary of the Board of Directors and the general manager of securities department of DWCM. Mr. Ning Qifeng, being an Executive Director, was a senior vice president of DWCM from June 2015 to July 2017.
- (4) Dalian Wanda Group holds more than one-third of the issued shares of DWCM and is therefore deemed to have an interest in the shares and underlying shares of the Company in which DWCM is deemed to be interested. Mr. Ding Benxi, being a Non-executive Director and the Chairman of the Board, is a director and the president of Dalian Wanda Group. Mr. Zhang Lin, being a Non-executive Director, is a director of Dalian Wanda Group.
- (5) Dalian Hexing holds more than one-third of the issued shares of Dalian Wanda Group and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Dalian Wanda Group is deemed to be interested.
- (6) Mr. Wang Jianlin holds more than one-third of the issued shares of Dalian Hexing and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Dalian Hexing is deemed to be interested.

附註：

- (1) 萬達地產投資有限公司持有超過三分之一萬達海外已發行股份，因此被視為於本公司(萬達海外在其中擁有權益)之股份及相關股份中擁有權益。
- (2) 萬達香港持有超過三分之一萬達地產投資有限公司已發行股份，因此被視為於本公司(萬達地產投資有限公司被視為在其中擁有權益)之股份及相關股份中擁有權益。
- (3) 大連萬達商業管理持有超過三分之一萬達香港已發行股份，因此被視為於本公司(萬達香港被視為在其中擁有權益)之股份及相關股份中擁有權益。非執行董事兼董事會主席丁本錫先生為大連萬達商業管理之執行董事兼董事會主席。獨立非執行董事劉紀鵬先生及薛雲奎博士均曾為大連萬達商業管理之獨立非執行董事，直至二零一六年一月二十九日為止。非執行董事許勇先生為大連萬達商業管理之副總裁、董事會秘書兼證券部總經理。執行董事寧奇峰先生曾於二零一五年六月至二零一七年七月擔任大連萬達商業管理之高級副總裁。
- (4) 大連萬達集團持有超過三分之一大連萬達商業管理已發行股份，因此被視為於本公司(大連萬達商業管理被視為在其中擁有權益)之股份及相關股份中擁有權益。非執行董事兼董事會主席丁本錫先生為大連萬達集團之董事兼總裁。非執行董事張霖先生為大連萬達集團之董事。
- (5) 大連合興持有超過三分之一大連萬達集團已發行股份，因此被視為於本公司(大連萬達集團被視為在其中擁有權益)之股份及相關股份中擁有權益。
- (6) 王健林先生持有超過三分之一大連合興已發行股份，因此被視為於本公司(大連合興被視為在其中擁有權益)之股份及相關股份中擁有權益。

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- (7) As at 31 December 2017, Mr. Chen was deemed to have a long position of 325,143,653 Shares, of which (i) 19,362,200 Shares were beneficially and legally owned by him, (ii) 204,237,800 Shares were held on trust for him by Ever Good Luck Limited ("Ever Good"), (iii) 73,860,230 Shares were beneficially owned by Ever Good, and (iv) 27,683,423 Shares were held by his spouse, Ms. Chan Sheung Ni, as beneficial owner.
- (8) Ms. Chan Sheung Ni is the spouse of Mr. Chen.
- (9) Ms. Chan Sheung Ni is the spouse of Mr. Chen. Ms. Chan Sheung Ni is therefore deemed to have an interest in the shares of the Company in which Mr. Chen is interested.
- (10) The entire issued share capital of Ever Good Luck Limited is ultimately owned by Mr. Chen and Mr. Chen is the sole director of Ever Good Luck Limited. See note (7) in the section headed "Discloseable interest and short positions of shareholders under the SFO" in this Directors' Report.
- (7) 於二零一七年十二月三十一日，陳先生被視為擁有325,143,653股股份之好倉，其中(i) 19,362,200股股份由彼實益合法擁有，(ii) 204,237,800股股份由Ever Good Luck Limited(「Ever Good」)以信託方式為彼持有，(iii) 73,860,230股股份由Ever Good實益擁有，及(iv) 27,683,423股股份由其配偶陳双妮女士作為實益擁有人持有。
- (8) 陳双妮女士為陳先生之配偶。
- (9) 陳双妮女士為陳先生之配偶。陳双妮女士因此被視為於本公司(陳先生在其中擁有權益)之股份中擁有權益。
- (10) Ever Good Luck Limited 全部已發行股本由陳先生最終擁有，而陳先生為Ever Good Luck Limited 之唯一董事。見本董事會報告書「根據證券及期貨條例股東須披露之權益及淡倉」一節附註(7)。

CONNECTED TRANSACTION

The Group has conducted the following connected transactions during the year ended 31 December 2017.

Acquisition of Wanda Hotel Management

On 26 September 2017, the Company and Wanda HK entered into a sale and purchase agreement, pursuant to which the Company agreed to purchase and Wanda HK agreed to sell the entire equity interest in Wanda Hotel Management at a cash consideration of HK\$878 million (subject to downward adjustment). The acquisition was approved in the special general meeting convened on 8 December 2017.

Since Wanda HK is directly and wholly owned by DWCM, an indirect holding company and a controlling shareholder and therefore a connected person of the Company, Wanda HK is an associate of DWCM and therefore a connected person of the Company under the Listing Rules. Wanda Hotel Management is a leading hotel services provider in China and is principally engaged in the business of hotel management and operation, hotel design, hotel construction management and related consultancy and other ancillary business, with comprehensive capabilities in hotel management and operation. The Company considers that the hotel management and operation business of Wanda

關連交易

本集團已於截至二零一七年十二月三十一日止年度進行以下關連交易。

收購萬達酒管

於二零一七年九月二十六日，本公司與萬達香港訂立買賣協議，據此，本公司同意收購及萬達香港同意出售萬達酒管之全部股權，現金代價為878,000,000港元(可向下調整)。收購已於二零一七年十二月八日召開的股東特別大會上獲得批准。

由於萬達香港由本公司之間接控股公司及控股股東大連萬達商業管理直接全資擁有，並因此成為本公司之關連人士，故此萬達香港為大連萬達商業管理之聯繫人，並因此根據上市規則成為本公司之關連人士。萬達酒管為中國領先酒店服務供應商，主要從事酒店管理及營運業務，以及酒店設計、酒店建設管理、相關顧問及其他附屬業務，於酒店管理及營運方面具備全方位能力。本公司認為萬達酒管之酒店管理及營運業務符合本集團之業務願景，並與本集

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Hotel Management are in line with the Group's business aspiration and closely related to the existing property development and management business of the Group. The acquisition serves as further development and expansion of the existing business of the Group.

The acquisition of Wanda Hotel Management has not yet been completed as at the date of this report.

CONTINUING CONNECTED TRANSACTIONS

The Group has conducted the following continuing connected transactions during the year ended 31 December 2017.

Leasing of premises for children entertainment, playground and related business ("Kidsland Tenancy Agreement")

Pursuant to the Kidsland Tenancy Agreement dated 8 June 2015 entered into between Guilin Gaoxin Wanda Plaza Co., Ltd. ("Guilin Project Company") as landlord and Wanda Kidsland Co. Limited ("Wanda Kidsland") as tenant, certain portions of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of five years commencing from 12 September 2015 to 11 September 2020 for the operation of children entertainment and playground business and other related business, including the sale of kids clothing and food and beverage.

Guilin Project Company is an indirect non-wholly owned subsidiary of the Company. Since Wanda Kidsland is indirectly wholly-owned by Mr. Wang Jianlin who is a controlling shareholder of the Company, Wanda Kidsland is a connected person of the Company under the Listing Rules.

The annual cap of the total rent payable to the Guilin Project Company under the Kidsland Tenancy Agreement for the year ended 31 December 2017 was RMB1,473,000, and the actual amount incurred was approximately RMB1,351,000.

團之現有物業發展及管理業務息息相關。上述收購將進一步發展及擴大本集團之現有業務。

於本報告日期，萬達酒管的收購尚未完成。

持續關連交易

本集團已於截至二零一七年十二月三十一日止年度進行以下各項持續關連交易。

租賃物業以經營兒童娛樂、遊樂場及相關業務（「兒童娛樂租賃協議」）

根據桂林高新萬達廣場有限公司（「桂林項目公司」，作為業主）與萬達兒童娛樂有限公司（「萬達兒童娛樂」，作為租戶）於二零一五年六月八日訂立之兒童娛樂租賃協議，位於中國桂林市桂林高新廣場之若干部分乃被租賃用以經營兒童娛樂及遊樂場業務以及其他相關業務，包括銷售童裝以及食品及飲料。租期由二零一五年九月十二日起至二零二零年九月十一日止，為期五年。

桂林項目公司為本公司之間接非全資附屬公司。由於萬達兒童娛樂由本公司之控股股東王健林先生間接全資擁有，故根據上市規則，萬達兒童娛樂為本公司之關連人士。

截至二零一七年十二月三十一日止年度，兒童娛樂租賃協議項下應付桂林項目公司租金總額之年度上限為人民幣1,473,000元，而產生之實際金額為約人民幣1,351,000元。

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Leasing of premises for operation of cinema and related business ("Cinema Tenancy Agreement")

Pursuant to the Cinema Tenancy Agreement dated 8 September 2015 entered into between Guilin Project Company as landlord and Wanda Cinema Line Co., Ltd. ("Wanda Cinema") as tenant, certain portions of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of 20 years commencing from 12 September 2015 to 11 September 2035 for the operation of cinema business and related business, including sale of food and beverages.

Guilin Project Company is an indirect non-wholly owned subsidiary of the Company. Since Wanda Cinema is indirectly wholly-owned by Dalian Wanda Group which is a controlling shareholder of the Company, Wanda Cinema is a connected person of the Company under the Listing Rules.

The annual cap of the total rent payable to the Guilin Project Company under the Cinema Tenancy Agreement for the year ended 31 December 2017 was RMB3,580,000, and the actual amount incurred was approximately RMB2,299,000.

Leasing of premises for carpark business ("Carpark Tenancy Agreement")

Pursuant to the Carpark Tenancy Agreement dated 27 March 2017 entered into between Guilin Project Company as landlord and Guilin Wanda Shopping Plaza Business Management Co., Ltd ("Wanda Plaza Business Management") as tenant, certain carpark premises of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of one year commencing from 27 March 2017 to 26 March 2018 for the operation of carpark business.

Guilin Project Company is an indirect non-wholly owned subsidiary of the Company. Since Wanda Plaza Business Management is indirectly wholly-owned by DCWM who is an indirect holding company and a controlling shareholder of the Company, Wanda Plaza Business Management is a connected person of the Company under the Listing Rules.

The annual cap of the total amount payable to the Guilin Project Company under the Carpark Tenancy Agreement for the year ended 31 December 2017 was RMB1,900,000, and the actual amount incurred was approximately RMB1,093,000.

租賃物業經營電影院線及相關業務 (「電影院線租賃協議」)

根據桂林項目公司(作為業主)與萬達電影院線股份有限公司(「萬達電影院線」,作為租戶)於二零一五年九月八日訂立之電影院線租賃協議,中國桂林市桂林高新廣場之若干部分已被租賃用以經營電影院線業務及相關業務,包括銷售食品及飲料。租期由二零一五年九月十二日起至二零三五年九月十一日止,為期20年。

桂林項目公司為本公司之間接非全資附屬公司。由於萬達電影院線由本公司之控股股東大連萬達集團間接全資擁有,故根據上市規則,萬達電影院線為本公司之關連人士。

截至二零一七年十二月三十一日止年度,電影院線租賃協議項下應付桂林項目公司租金總額之年度上限為人民幣3,580,000元,而產生之實際金額為約人民幣2,299,000元。

租賃物業經營停車場業務(「停車場租賃協議」)

根據桂林項目公司(作為業主)與桂林萬達廣場商業管理有限公司(「萬達廣場商業管理」,作為租戶)所訂立日期為二零一七年三月二十七日之停車場租賃協議,位於中國桂林市桂林高新廣場之若干停車場物業乃被租賃用以經營停車場業務,租期由二零一七年三月二十七日起至二零一八年三月二十六日止為期一年。

桂林項目公司為本公司之間接非全資附屬公司。由於萬達廣場商業管理由本公司之間接控股公司及控股股東大連萬達商業管理間接全資擁有,故根據上市規則,萬達廣場商業管理為本公司之關連人士。

截至二零一七年十二月三十一日止年度,停車場租賃協議項下應付桂林項目公司之總額之年度上限為人民幣1,900,000元,而產生之實際金額約為人民幣1,093,000元。

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Review by and Confirmation of INEDs

The INEDs have reviewed the above continuing connected transactions, and confirmed that such transactions were entered into:

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

Confirmation by the Auditors

Pursuant to Rule 14A.56 of the Listing Rules, the Directors engaged the auditors of the Company to perform certain work on continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. The auditors of the Company have confirmed by way of a letter to the Board that, for the year ended 31 December 2017:

- (1) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

獨立非執行董事進行之審閱及確認

獨立非執行董事已審閱上述持續關連交易，並確認有關交易乃：

- (1) 於本集團日常及一般業務過程中訂立；
- (2) 按正常商業條款或對本集團更佳之條款訂立；及
- (3) 根據相關交易協議屬公平及合理之條款訂立，並符合股東之整體利益。

核數師確認

根據上市規則第14A.56條，董事已根據香港會計師公會頒佈之香港核證委聘準則第3000號歷史財務資料審核或審閱以外之核證委聘，並參照《實務說明》第740號關於香港上市規則所述持續關連交易的核數師函件委聘本公司核數師進行有關本集團持續關連交易之工作。本公司核數師已致函董事會，確認於截至二零一七年十二月三十一日止年度：

- (1) 彼等並不知悉任何致使彼等相信已披露之持續關連交易未獲董事會批准之事項；
- (2) 就涉及由本集團提供商品或服務之交易而言，彼等並不知悉任何致使彼等相信有關交易於所有重大方面均未遵守本集團定價政策之事項；

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- (3) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions set out in this annual report, nothing has come to their attention that causes them to believe that such continuing connected transactions have exceeded the annual cap set and disclosed by the Company.

During the year, the Group has not entered into any other significant connected transaction or continuing connected transaction which should be disclosed pursuant to the requirement under the Listing Rules. The Directors confirmed that the Company has complied with the applicable requirements under Chapter 14A of the Listing Rules with regard to the related party transactions set out in note 42 to the financial statements which were also connected transactions or continuing connected transactions.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance to which the Company, its holding company or any of their respective subsidiaries was a party, and in which a Director or any entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2017.

- (3) 彼等並不知悉任何致使彼等相信有關交易於所有重大方面均未根據規管該等交易之相關協議訂立之事項；及
- (4) 就本年報所載各項持續關連交易之總金額而言，彼等並不知悉任何致使彼等相信有關持續關連交易已超出本公司設定及披露之年度上限之事項。

本集團於年內並無訂立任何其他根據上市規則之規定須予披露之重大關連交易或持續關連交易。就財務報表附註42所載亦屬關連交易或持續關連交易之關連人士交易而言，董事確認本公司已遵守上市規則第十四A章項下之適用規定。

董事之重大合約權益

本公司、其控股公司或任何彼等各自之附屬公司概無訂有董事或任何與董事有關之實體於其中直接或間接擁有重大權益，而於年末或截至二零一七年十二月三十一日止年度內任何時間仍然有效之重大交易、安排或合約。

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MANAGEMENT CONTRACTS

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

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors are reviewed and recommended by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID DIRECTORS/EMPLOYEES

Details of emoluments of the Directors and the five highest paid Directors/employees of the company are set out in notes 9 and 10 to the financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2017, the interest of Directors and their respective associates in businesses which compete or are likely to compete, either directly or indirectly, with business of the Group:

管理合約

於本年度，本公司並無訂立或存在任何與本公司全部或任何重大部分業務有關之管理及行政合約。

酬金政策

本集團之僱員酬金政策由薪酬委員會按僱員之表現、資格及能力而釐定。

董事之酬金由薪酬委員會參照本集團之經營業績、個人表現及可資比較市場統計數據作出檢討及建議。

董事及五名最高薪董事／僱員之酬金

董事及本公司五名最高薪董事／僱員之酬金詳情載於財務報表附註9及10。

董事於競爭業務之權益

於二零一七年十二月三十一日，董事及其各自聯繫人於與本集團業務（不論直接或間接）構成競爭或可能構成競爭之業務中擁有權益如下：

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Name of Director/ associate 董事／聯繫人姓名	Name of company 公司名稱	Nature of interest in the company 於該公司中權益之性質	Business of the company 該公司之業務
Mr. Ding Benxi	DWCM	Being a director and shareholder with 1.10% interest	Engaging in property development, property lease, property management and investment holding
丁本錫先生	大連萬達商業管理	擔任董事及股東，擁有 1.10% 權益	從物業開發、物業租賃、物業管理及投資控股
Mr. Ning Qifeng	DWCM	Being a shareholder with 0.13% interest	Engaging in property development, property lease, property management and investment holding
寧奇峰先生	大連萬達商業管理	擔任股東，擁有 0.13% 權益	從物業開發、物業租賃、物業管理及投資控股
Mr. Zhang Lin	DWCM	Being a shareholder with 0.22% interest	Engaging in property development, property lease, property management and investment holding
張霖先生	大連萬達商業管理	擔任股東，擁有 0.22% 權益	從物業開發、物業租賃、物業管理及投資控股
Mr. He Zhiping	DWCM	Being a shareholder with 0.55% interest	Engaging in property development, property lease, property management and investment holding
何志平先生	大連萬達商業管理	擔任股東，擁有 0.55% 權益	從物業開發、物業租賃、物業管理及投資控股

Directors' Report

董事會報告書

As at 31 December 2017, save as disclosed above, none of the Directors or their respective associates was interested in any business which competes or is likely to compete either directly or indirectly, with business of the Group.

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

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

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each INED an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the INEDs to be independent.

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.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-Laws, subject to the relevant statutes, every Director of the Company shall be indemnified and secured harmless by the Company from and against all actions, costs, charges, losses, damages and expenses which they incur in the execution of their duty or supposed duty. Such provisions were in force during the course of the financial year ended 31 December 2017 and remained in force as of the date of this report.

In addition, the Company has taken out and maintained insurance for the Directors against liabilities to third parties that may be incurred in the course of performing their duties as at the date of this report.

於二零一七年十二月三十一日，除上文所披露者外，概無董事或其各自之聯繫人於任何與本集團業務（不論直接或間接）構成競爭或可能構成競爭之業務中擁有權益。

購買、出售或贖回本公司之上市證券

於本年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

獨立非執行董事之確認書

本公司已接獲每名獨立非執行董事根據上市規則第3.13條發出有關獨立性之年度確認書，並認為所有獨立非執行董事均為獨立。

優先購買權

本公司之公司細則或百慕達法例並無要求本公司須按持股比例向現有股東提呈發售新股之優先購買權規定。

獲准許之彌償條文

根據本公司之公司細則，在有關法規規限下，本公司各董事於執行其職責或假定職責時招致之所有訴訟、費用、收費、損失、損害及開支，須由本公司作出彌償保證，使其免受任何損害。該等條文於截至二零一七年十二月三十一日止財政年度有效，並於截至本報告日期仍然有效。

此外，本公司已為董事就可能於本報告日期履行彼等職責時招致之第三方責任進行投保及續保。

Directors' Report

董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 December 2017.

AUDIT COMMITTEE

The consolidated financial statements for the year ended 31 December 2017 have been reviewed by the Audit Committee.

AUDITORS

During the year, Ernst & Young was re-appointed as the Company's auditors for the year ended 31 December 2017 at the Company's Annual General Meeting held on 17 May 2017 and to hold office until the conclusion of the next Annual General Meeting.

On behalf of the Board

NING Qifeng

Executive Director

Hong Kong, 28 March 2018

充足公眾持股量

於本報告日期，根據本公司之公開資料及就本公司董事所知，本公司於截至二零一七年十二月三十一日止年度一直維持上市規則規定之公眾持股量。

審核委員會

截至二零一七年十二月三十一日止年度之綜合財務報表經由審核委員會審閱。

核數師

年內，安永會計師事務所於二零一七年五月十七日舉行之本公司股東週年大會上再次獲委任為本公司截至二零一七年十二月三十一日止年度之核數師，任期直至下屆股東週年大會結束為止。

代表董事會

寧奇峰

執行董事

香港，二零一八年三月二十八日

Corporate Governance Report

企業管治報告

The Company is committed to maintaining a high standard of corporate governance with an emphasis on the principles of transparency, accountability and independence. The Board of Directors of the Company (the “Board”) believes that good corporate governance is essential for the effective management, a healthy corporate culture and balancing of business risk. And it is also essential to the success of the Company and the enhancement of shareholders’ value.

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the “CG Code”) during the period from 1 January 2017 to 31 December 2017 as contained in Appendix 14 to the Listing Rules. Except for deviation from CG Code provision A.6.7 as explained in the relevant paragraphs on page 49 in this report, the Company has complied with the code provision set out in the CG Code throughout the year ended 31 December 2017.

The Board will continue to monitor and review the Company’s corporate governance practices to ensure compliance.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 December 2017.

本公司致力維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。本公司董事會（「董事會」）相信優良之企業管治是有效管理、健康之企業文化及均衡之業務風險之關鍵，亦對本公司之成功及提升股東之價值至關重要。

企業管治守則

本公司已於二零一七年一月一日至二零一七年十二月三十一日期間採納上市規則附錄十四所載之企業管治守則（「企業管治守則」）。除本報告第49頁之相關段落所述偏離企業管治守則條文A.6.7條外，本公司於截至二零一七年十二月三十一日止整個年度已遵守企業管治守則所載之守則條文。

董事會將繼續監察及檢討本公司之企業管治常規以確保遵守該等常規。

董事之證券交易

本公司已採納上市規則附錄十所載之標準守則作為有關董事進行證券交易之行為守則。經本公司作出特定查詢後，全體董事均確認彼等於截至二零一七年十二月三十一日止年度已遵守標準守則所載之規定準則。

Corporate Governance Report

企業管治報告

THE BOARD OF DIRECTORS

The Board currently comprises eight Directors, including one Executive Director, three Non-executive Directors and four Independent Non-executive Directors. The Company has maintained four Independent Non-executive Directors which represent over one-third of the Board during the year ended 31 December 2017. The Board's composition during the year ended 31 December 2017 and up to the date of this report is set out as follows:

Executive Director:

Mr. Liu Chaohui
(resigned with effect from 17 November 2017)
Mr. Ning Qifeng
(appointed with effect from 17 November 2017)

Non-executive Directors:

Mr. Ding Benxi (*Chairman*)
Mr. Qi Jie
(resigned with effect from 17 November 2017)
Mr. Qu Dejun
(resigned with effect from 17 November 2017)
Mr. Zhang Lin
(appointed with effect from 17 November 2017)
Mr. Hui Yung, Chris
(appointed with effect from 17 November 2017)

Independent Non-executive Directors:

Mr. He Zhiping
(appointed with effect from 29 March 2018)
Mr. Liu Jipeng
Dr. Xue Yunkui
Mr. Zhang Huaqiao

All Directors have distinguished themselves in their respective fields of expertise and have exhibited high standards of personal and professional ethics and integrity. The brief biographical details of the Directors are set out in the "Directors and Senior Management" section on pages 20 to 25. There are no financial, business, family or other material relationships amongst the Directors.

董事會

董事會目前由八名董事組成，包括一名執行董事、三名非執行董事及四名獨立非執行董事。本公司保持擁有四名獨立非執行董事，佔截至二零一七年十二月三十一日止年度內董事會成員人數逾三分之一。截至二零一七年十二月三十一日止年度及截至本報告日期止，董事會成員載列如下：

執行董事：

劉朝暉先生
(自二零一七年十一月十七日起辭任)
寧奇峰先生
(自二零一七年十一月十七日起獲委任)

非執行董事：

丁本錫先生(主席)
齊界先生
(自二零一七年十一月十七日起辭任)
曲德君先生
(自二零一七年十一月十七日起辭任)
張霖先生
(自二零一七年十一月十七日起獲委任)
許勇先生
(自二零一七年十一月十七日起獲委任)

獨立非執行董事：

何志平先生
(自二零一八年三月二十九日起獲委任)
劉紀鵬先生
薛雲奎博士
張化橋先生

所有董事均為彼等專業範疇內的翹楚，以及具備高度的個人及專業道德誠信。董事之簡歷詳情載於第20頁至第25頁之「董事及高級管理層」一節內。董事之間概無任何財務、業務、家族或其他重大關係。

Corporate Governance Report

企業管治報告

BOARD PRACTICE

The Board is collectively and ultimately responsible for how the Company is managed, its strategic direction and performance. There is a formal schedule of matters specifically reserved to and delegated by the Board. The Board has given clear directions to the management team that certain matters (including the following) must be reserved to the Board:

- Publication of final and interim results of the Company;
- Dividend distribution or other distributions;
- Treasury, accounting and remuneration policies;
- Review on internal control system and risk management;
- Changes to major group corporate structure or Board composition requiring notification by announcement;
- Notifiable transactions and non-exempted connected transactions/ continuing connected transactions;
- Proposed transactions requiring shareholders' approval;
- Capital re-structuring and issue of new securities;
- Joint-ventures with outside party involving capital commitment from the Group of over 5% of the relevant size test of the Company; and
- Financial assistance to Directors.

Day-to-day operations of the Group and implementation of the Board's decisions and strategy are delegated to the Company's management team.

The Chairman, assisted by the Company Secretary, has ensured that the Board adheres strictly to all rules and requirements for its meetings and the maintenance of full and proper records. Procedures are established for every Director to have access to Board papers and related information, to have the services of the Company Secretary, and to seek independent professional advice at the Company's expense upon reasonable request.

董事會常規

董事會對本公司之管理、策略性方向及表現集體及最終負責。本公司應有一項正式的預定計劃，列載特別要董事會決定的事項及授權決定的事項。董事會已就須董事會決定的若干事項（包括以下各項）給予管理層清晰的指引：

- 發佈本公司全年及中期業績；
- 股息分派或其他分派；
- 財務政策、會計政策及酬金政策；
- 檢討內部監控系統及風險管理；
- 須以公告通知有關集團主要企業架構或董事會組成之變動；
- 須予公佈的交易及非豁免關連交易／持續關連交易；
- 需股東批准之建議交易；
- 資本重組及發行新證券；
- 與外來方組建需要本集團出資超過本公司相關規模測試5%之合資企業；及
- 對董事之財務援助。

本集團之日常營運及董事會決定及策略之執行則授權本公司管理層處理。

公司秘書協助主席確保董事會嚴格遵守所有會議規則及要求，並保存全面與適當之會議記錄。相關程序經已確立，以便每位董事有權查閱董事會文件及相關資料、向公司秘書尋求服務，並在提出合理要求時，由本公司付費以尋求獨立專業建議。

Corporate Governance Report

企業管治報告

The Board acknowledges their responsibilities for the preparation of the financial statements of the Company and ensures that they are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publications of such financial statements.

The Board held five meetings during the year ended 31 December 2017, to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. At least 14 days' notice is given for all regular Board meetings together with the meeting agenda such that all Directors are given the opportunity to include matters for discussion in the agenda. In addition, two general meetings was held during the year ended 31 December 2017 and attendance of each Director at these meetings is set out as follows:

董事會明白須負責編製本公司之財務報表，並確保其符合法定要求及適用之會計準則編製而成。董事會亦需確保及時發佈該等財務報表。

截至二零一七年十二月三十一日止年度內，董事會已舉行五次會議，以討論本集團之整體策略以及營運及財務表現，並審閱及批准本集團之全年及中期業績。所有董事會常規會議均會於最少十四日前發出連同會議議程的通知，以令所有董事均有機會於議程內加入討論事項。此外，於截至二零一七年十二月三十一日止年度內已舉行兩次股東大會，各董事出席該等會議之情況載列如下：

		Number of Board meetings attended/held 董事會會議次數 出席/舉行	Number of general meetings attended/held 股東大會次數 出席/舉行
Executive Director:			
Mr. Liu Chaohui (resigned with effect from 17 November 2017)	執行董事： 劉朝暉先生(自二零一七年十一月十七日起辭任)	5/5	0/1
Mr. Ning Qifeng (appointed with effect from 17 November 2017)	寧奇峰先生(自二零一七年十一月十七日起獲委任)	0/0	0/1
Non-executive Directors:			
Mr. Ding Benxi (<i>Chairman</i>)	非執行董事： 丁本錫先生(主席)	5/5	0/2
Mr. Qi Jie (resigned with effect from 17 November 2017)	齊界先生(自二零一七年十一月十七日起辭任)	5/5	0/1
Mr. Qu Dejun (resigned with effect from 17 November 2017)	曲德君先生(自二零一七年十一月十七日起辭任)	5/5	0/1
Mr. Zhang Lin (appointed with effect from 17 November 2017)	張霖先生(自二零一七年十一月十七日起獲委任)	0/0	0/1
Mr. Hui Yung, Chris (appointed with effect from 17 November 2017)	許勇先生(自二零一七年十一月十七日起獲委任)	0/0	1/1
Independent Non-executive Directors:			
Mr. He Zhiping (appointed with effect from 29 March 2018)	獨立非執行董事： 何志平先生(自二零一八年三月二十九日起獲委任)	N/A 不適用	N/A 不適用
Mr. Liu Jipeng	劉紀鵬先生	5/5	0/2
Dr. Xue Yunkui	薛雲奎博士	5/5	0/2
Mr. Zhang Huaqiao	張化橋先生	5/5	0/2

Corporate Governance Report

企業管治報告

CG Code provision A.6.7 stipulates that Independent Non-executive Directors and other Non-executive Directors should attend general meetings. Due to other business engagements, certain Independent Non-executive Directors and Non-executive Directors did not attend the annual general meeting and special general meeting. Please refer to the preceding table for details of attendance of the Non-executive Directors and the Independent Non-executive Directors.

General meeting is one of the channels for communication between the Board and the Company's shareholders. The Company's auditors, were available to answer questions at the annual general meeting held on 17 May 2017. Other than the general meetings, the shareholders may also communicate with the Company through the contact information listed on the Company's website. Measures for effective communication between the Board and the shareholders are described in the paragraphs under "Communication with Shareholders" and "Shareholders' Rights" in this report.

Mr. Ding Benxi was appointed as Non-executive Director and Chairman of the Company on 3 July 2013, and Mr. Ning Qifeng was appointed as Executive Director of the Company on 17 November 2017. Whilst the Company has not appointed a chief executive officer, the duties of the chief executive officer have been performed by Mr. Ning Qifeng, the Executive Director of the Company. The Board considers that the current arrangement is adequate in view of the size and complexity of the Group's operations. The Board will consider appointing chief executive officer at an appropriate stage when the Group has increased the size of operation.

NON-EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Non-executive Directors and Independent Non-executive Directors provide the Group with a wide range of expertise and experience. Their active participation in Board and committee meetings brings independent judgment on issues relating to the Group's strategy, performance and management process, taking into account the interests of all shareholders.

企業管治守則條文A.6.7條訂明獨立非執行董事及其他非執行董事應出席股東大會。由於其他公務在身，部分獨立非執行董事以及非執行董事並未出席股東週年大會及特別股東大會。有關非執行董事及獨立非執行董事出席情況之詳情，請參閱上文列表。

股東大會乃董事會及本公司股東之溝通渠道之一。本公司核數師出席於二零一七年五月十七日舉行之股東週年大會上解答提問。除股東大會外，股東亦可透過本公司網站所載之聯絡資料與本公司溝通。董事會與股東有效進行溝通之方法載於本報告「與股東之溝通」及「股東權利」各段。

丁本錫先生於二零一三年七月三日獲委任為本公司非執行董事兼主席，而寧奇峰先生於二零一七年十一月十七日獲委任為本公司執行董事。本公司並無委任行政總裁，行政總裁之職務由本公司執行董事寧奇峰先生履行。鑒於本集團營運之規模及複雜性，董事會認為現時的安排屬充份。董事會將於本集團營運規模增長時在適當階段考慮委任行政總裁。

非執行董事及獨立非執行董事

非執行董事及獨立非執行董事為本集團提供廣泛之專業知識及經驗。彼等積極參與董事會及委員會會議，對本集團之策略、表現及管理過程等事宜提供獨立判斷，並顧及全體股東之利益。

Corporate Governance Report

企業管治報告

The Company has three Non-executive Directors and four Independent Non-executive Directors representing over one-third of the Board. One of the Independent Non-executive Directors has appropriate accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each Independent Non-executive Director an annual confirmation of his independence in accordance with Rule 3.13 of the Listing Rules and considers that all the Independent Non-executive Directors are independent.

According to the service contracts, terms of appointment of the Non-executive Directors are three years, from 3 July 2013 to 2 July 2016 for Mr. Ding Benxi, and from 17 November 2017 to 16 November 2020 for Mr. Zhang Lin and Mr. Hui Yung, Chris. The terms of appointment for all Non-executive Directors are renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term, unless terminated by not less than three months' notice in writing served by either the Non-executive Director or the Company.

According to the service contracts, terms of appointment of the Independent Non-executive Directors are three years, from 3 July 2013 to 2 July 2016 for Mr. Liu Jipeng and Dr. Xue Yunkui, from 1 September 2014 to 31 August 2017 for Mr. Zhang Huaqiao and from 29 March 2018 to 28 March 2021 for Mr. He Zhiping. The terms of appointment for all Independent Non-executive Directors Mr. Liu Jipeng, Dr. Xue Yunkui and Mr. Zhang Huaqiao are renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term, unless terminated by not less than three months' notice in writing served by either the Independent Non-executive Director or the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board has established and adopted a written nomination procedure (the "Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

本公司之三名非執行董事及四名獨立非執行董事佔董事會人數逾三分之一。其中一名獨立非執行董事具備上市規則第3.10條所指適當之會計或相關財務管理專業知識。董事會已接獲每名獨立非執行董事根據上市規則第3.13條發出之有關其獨立性之年度確認書，並認為所有獨立非執行董事均為獨立人士。

根據服務合約，非執行董事之委任期限為期三年，丁本錫先生之任期為自二零一三年七月三日起至二零一六年七月二日止，而張霖先生及許勇先生之任期則自二零一七年十一月十七日起至二零二零年十一月十六日止。全體非執行董事之任期可於當時任期屆滿後翌日起計自動續任一年，惟非執行董事或本公司可透過發出不少於三個月的書面通知予以終止。

根據服務合約，獨立非執行董事之委任期限為期三年，劉紀鵬先生及薛雲奎博士之任期為自二零一三年七月三日起至二零一六年七月二日止，張化橋先生之任期為自二零一四年九月一日起至二零一七年八月三十一日止，而何志平先生之任期為自二零一八年三月二十九日起至二零二一年三月二十八日止。全體獨立非執行董事(劉紀鵬先生、薛雲奎博士及張化橋先生)之任期可於當時任期屆滿後翌日起計自動續任一年，惟獨立非執行董事或本公司可透過發出不少於三個月的書面通知予以終止。

董事之委任及重選

董事會已設立並採納一套以書面載列之提名程序(「提名程序」)，具體列明本公司董事候選人之挑選及推薦程序及準則。提名委員會應以提名程序所載之準則(如恰當資歷、個人專長及投放時間等)作為基礎向董事會物色及建議人選以供批准委任。

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企業管治報告

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's business and activities.

According to Clause 99 of the Bye-Laws of the Company, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office by rotation save any Director holding office as Chairman or Managing Director. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. The Company at any general meeting at which any Directors retire may fill the vacated offices. Further, any Director appointed to fill a casual vacancy or as an addition to the Board should hold office only until the next general meeting and shall then be eligible for re-election at the meeting.

According to code provision A.4.2 of the CG Code of the Listing Rules, all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

During the year, no amount was paid or payable by the Company to the Directors or any of the 5 highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a Director waived or agree to waive any remuneration during the year.

新董事在獲委任後將會取得一份就任資料，載有所有主要法律及上市規則規定，以及董事應遵守之責任及義務之指引。資料亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理人員其後將於有需要時提供說明，為新董事提供更多有關本集團業務及活動之詳細資料。

根據本公司之公司細則第99條，在每屆股東週年大會上，三分之一當時在任之董事（或倘董事人數並非三或三之倍數，則最接近三分之一之人數）須輪席退任，惟任何出任主席或董事總經理之董事除外。每年退任之董事指自上次當選後出任時間最長者，惟於同日出任董事之人士（除彼等之間已有協定者外）須以抽籤方式決定。退任董事符合資格可膺選連任。本公司在任何有董事退任之股東大會中均可選出填補空缺之董事。再者，任何填補臨時空缺而獲委任之董事或為董事會新增之成員僅可任職至下屆股東大會為止，屆時彼將合資格可於會上膺選連任。

根據上市規則企業管治守則之守則條文A.4.2條，所有為填補臨時空缺而被委任之董事應在接受委任後之首次股東大會上接受股東選舉。每名董事（包括有指定任期之董事）應輪席退任，至少每三年一次。

年內，本公司概無已付或應付予董事或任何五名最高薪人士之酬金，作為彼等加盟或於加盟本集團時之獎勵或離職補償。年內，概無董事放棄或同意放棄任何酬金之安排。

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企業管治報告

BOARD COMMITTEES

The Board has established various committees, including a Remuneration Committee, an Audit Committee and a Nomination Committee, each of which has its specific written terms of reference, which are available on the website of the Hong Kong Stock Exchange and the Company. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned on pages 47 to 49 in the section “Board Practice” above, have been adopted for the committee meetings so far as practicable.

Remuneration Committee

The Remuneration Committee meet at least once a year. Two committee meetings were held in 2017 to, among other things, assess the performance of Executive Director, review and discuss the existing policy and structure for the remuneration of Directors, and the remuneration packages of the Directors. The members of the Remuneration Committee and the attendance of each member at the committee meeting are set out as follows:

Committee member	委員會成員	Number of Committee meetings attended/held 委員會會議次數 出席／舉行
Mr. Liu Jipeng (<i>Chairman</i>)	劉紀鵬先生 (<i>主席</i>)	2/2
Mr. Qi Jie (resigned with effect from 17 November 2017)	齊界先生 (自二零一七年 十一月十七日起辭任)	2/2
Mr. He Zhiping (appointed with effect from 29 March 2018)	何志平先生 (自二零一八年 三月二十九日起獲委任)	N/A 不適用
Mr. Zhang Huaqiao	張化橋先生	2/2
Mr. Hui Yung, Chris (appointed with effect from 17 November 2017)	許勇先生 (自二零一七年 十一月十七日起獲委任)	0/0

Details of the Directors’ remuneration are set out in note 9 to the financial statements.

董事委員會

董事會已成立多個委員會，包括薪酬委員會、審核委員會及提名委員會，各委員會均以書面具體列明其職權範圍(載於香港聯交所及本公司網站)。委員會之所有會議記錄及決議案由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需向董事會匯報其決定及建議(倘適用)。董事會會議之程序及安排(上文第47頁至第49頁之「董事會常規」一節所述)在可行情況下已獲委員會會議所採納。

薪酬委員會

薪酬委員會每年至少召開一次會議。於二零一七年已舉行兩次委員會會議，以(其中包括)評估執行董事之表現，檢討及討論董事現時之薪酬政策及架構，以及董事之薪酬待遇。薪酬委員會之成員以及各成員出席委員會會議之情況載列如下：

董事薪酬之詳情載於財務報表附註9。

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企業管治報告

The Remuneration Committee of the Company has been established since June 2005 to comply with Rule 3.25 of the Listing Rules. The Remuneration Committee currently consists of four members, including a Non-executive Director and three Independent Non-executive Directors, with the chairmanship being assumed by an Independent Non-executive Director. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (i) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and establish a formal and transparent procedure for developing remuneration policy;
- (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) to make recommendations to the Board on the remuneration package of individual executive directors and senior management;
- (iv) to make recommendations to the Board on the remuneration of Non-executive Directors;
- (v) to consider salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the group of which the Company is a member company;
- (vi) to review and approve compensation payable to Executive Directors and senior management for any loss or termination of their office or appointment;
- (vii) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- (viii) to ensure that no Director or any of his associates is involved in deciding his own remuneration.

本公司自二零零五年六月成立薪酬委員會，以遵守上市規則第3.25條。薪酬委員會現時由四名成員組成，包括一名非執行董事及三名獨立非執行董事，主席由獨立非執行董事擔任。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司之政策在認為有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能為：

- (i) 就本公司董事及高級管理人員之全體薪酬政策及架構，及就設立正規而具透明度之程序制訂薪酬政策，向董事會提出建議；
- (ii) 參照董事會訂立之公司目標及宗旨，檢討並批准管理層之薪酬提案；
- (iii) 就個別執行董事及高級管理層之薪酬待遇向董事會提出建議；
- (iv) 就非執行董事之薪酬向董事會提出建議；
- (v) 考慮同類公司支付之薪酬、須付出的時間及職責以及本公司為成員公司之集團內其他職位之僱用條件；
- (vi) 檢討並批准向執行董事及高級管理層支付任何喪失或終止職務或委任之賠償；
- (vii) 檢討並批准因董事行為失當而遭解僱或罷免所涉及之賠償安排；及
- (viii) 確保概無董事或其任何聯系人士參與釐定其本身之薪酬。

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企業管治報告

For the year ended 31 December 2017, the remuneration of the members of the senior management who are not Directors are within the following bands:

截至二零一七年十二月三十一日止年度，並非董事之高級管理層成員之薪酬介乎以下範圍：

Total remuneration bands (HK\$)	薪酬總額範圍(港元)	Number of individuals 人數
HK\$2 million or below	2,000,000 港元或以下	2

Audit Committee

The Audit Committee meet at least twice each year. In 2017, the Audit Committee met two times to, among other things, consider the annual results of the Group for the financial year ended 31 December 2016 and the interim results of the Group for the 6 months ended 30 June 2017, discuss with the auditors of the Company on internal control, risk management, compliance with rules and regulations, auditors' independence, auditors' remuneration and the scope of work in relation to the annual audit. The members of the Audit Committee and the attendance records of each member at the committee meetings in 2017 are set out as follows:

審核委員會

審核委員會每年至少召開兩次會議。審核委員會於二零一七年已舉行兩次會議，以(其中包括)考慮本集團截至二零一六年十二月三十一日止財政年度之年度業績及本集團截至二零一七年六月三十日止六個月之中期業績，與本公司核數師討論內部監控、風險管理、遵守規則及規例的情況、核數師獨立性、核數師薪酬及年度核數工作範圍。於二零一七年，審核委員會成員以及各成員出席委員會會議之情況載列如下：

Committee member	委員會成員	Number of Committee meetings attended/held 委員會會議次數 出席/舉行
Dr. Xue Yunkui (Chairman)	薛雲奎博士(主席)	2/2
Mr. Qi Jie (resigned with effect from 17 November 2017)	齊界先生(自二零一七年 十一月十七日起辭任)	2/2
Mr. He Zhiping (appointed with effect from 29 March 2018)	何志平先生(自二零一八年 三月二十九日起獲委任)	N/A 不適用
Mr. Zhang Huaqiao	張化橋先生	2/2
Mr. Hui Yung, Chris (appointed with effect from 17 November 2017)	許勇先生(自二零一七年 十一月十七日起獲委任)	0/0

The Company has established the Audit Committee with written terms of reference in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. As at the date of this report, The Audit Committee is comprised of one Non-executive Director and three Independent Non-executive Directors, namely Dr. Xue Yunkui, Mr. He Zhiping, Mr. Hui Yung, Chris and Mr. Zhang Huaqiao.

本公司已成立審核委員會，根據企業管治守則之規定以書面具體列明其職權範圍，以檢討及監督本集團之財務報告程序及內部監控。於本報告日期，審核委員會由一名非執行董事及三名獨立非執行董事薛雲奎博士、何志平先生、許勇先生及張化橋先生組成。

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企業管治報告

The major roles and functions of the Audit Committee are:

- (i) to consider and recommend to the Board on the appointment, re-appointment and removal of the external auditors;
- (ii) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (iii) to approve the engagement of the external auditors to perform non-audit services;
- (iv) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication quarterly reports and to review significant financial reporting judgments contained in them;
- (v) to liaise with the Board and senior management and must meet with the Company's auditors;
- (vi) to review the Company's financial controls, internal control and risk management systems;
- (vii) to discuss the risk management and internal control system with management to ensure that management has performed its duty to have effective internal control and risk management systems;
- (viii) to review the Group's financial and accounting policies and practices;
- (ix) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (x) to ensure coordination between the internal and external auditors;
- (xi) to review the external auditors' management letter;
- (xii) to ensure the Board will provide a timely response to the issues raised in the external auditors' management letter; and
- (xiii) to review reports on the Company's compliance with the CG Code and disclosures in this report.

審核委員會之主要角色及職能為：

- (i) 考慮外聘核數師之委任、重新委任及罷免，並向董事會提出建議；
- (ii) 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；
- (iii) 批准僱用外聘核數師執行非審計服務；
- (iv) 監察本公司的財務報表以及年度報告及賬目、半年度報告及(若擬編製刊發)季度報告的完整性，並審閱報表及報告所載有關財務申報的重大判斷；
- (v) 與董事會及高級管理人員聯絡，並須與本公司核數師會面；
- (vi) 檢討本公司的財務監控、內部監控及風險管理制度；
- (vii) 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的內部監控及風險管理系統；
- (viii) 檢討本集團的財務及會計政策及實務；
- (ix) 應董事會的委派或主動就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；
- (x) 確保內部和外聘核數師的工作得到協調；
- (xi) 檢查外聘核數師給予管理層的函件；
- (xii) 確保董事會及時回應於外聘核數師給予管理層的函件中提出的事宜；及
- (xiii) 審閱有關本公司遵守企業管治守則之情況及於本報告內之披露資料之報告。

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The Audit Committee has explicit authority to investigate into any matter under the scope of its duties and the authority to obtain independent professional advice. It is given full access to and assistance from management and reasonable resources to discharge its duties properly. The Audit Committee meets with the external auditors at least twice every year.

審核委員會對任何其職權範圍內之事宜有明確之權力進行調查，並有權向獨立專業人士尋求建議。審核委員會可全面接觸管理層及獲得管理層之協助，並可合理地獲得所需資源以妥為履行其職責。審核委員會最少每年與外聘核數師開兩次會議。

Nomination Committee

The Nomination Committee shall meet at least once a year. Two committee meetings were held in 2017 to, among other things, review the composition of the Board, consider the independence of the Independent Non-executive Directors and the retirement and re-election of directors. The members of the Nomination Committee and the attendance of each member at the committee meeting are set out as follows:

提名委員會

提名委員會每年須至少召開一次會議。於二零一七年已舉行兩次委員會會議，以(其中包括)檢討董事會之組成、考慮獨立非執行董事之獨立性以及董事之退任及重選。提名委員會成員以及各成員出席委員會會議之情況載列如下：

Committee member	委員會成員	Number of Committee meetings attended/held 委員會會議次數 出席/舉行
Mr. Ding Benxi (<i>Chairman</i>)	丁本錫先生 (<i>主席</i>)	2/2
Mr. Liu Jipeng	劉紀鵬先生	2/2
Dr. Xue Yunkui	薛雲奎博士	2/2

The Company established the Nomination Committee with written terms of reference in June 2005. It currently consists of three members, including a Non-executive Director and two Independent Non-executive Directors. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

本公司於二零零五年六月成立提名委員會，並以書面具體列明其職權範圍。其現時由三名成員組成，包括一名非執行董事及兩名獨立非執行董事。提名委員會獲提供充裕資源以履行其職務，並可按本公司之政策在認為有需要時尋求獨立專業意見。

Corporate Governance Report

企業管治報告

The major roles and functions of the Nomination Committee are:

- (i) to review the structure, size, composition and diversity of the Board annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iii) to assess the independence of Independent Non-executive Directors;
- (iv) to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors;
- (v) to review the board diversity policy of the Board and to make disclosure of its review results in this report; and
- (vi) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board, or contained in the constitution of the Company or imposed by the Listing Rules or any applicable law or regulation.

Board Diversity

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length service. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. According to A.5.6 of the CG Code, the above board diversity policy of the Company has been approved by the Board and adopted by the Nomination Committee on 23 August 2013.

提名委員會之主要角色及職能為：

- (i) 每年一次檢討董事會的架構、人數、組成及多元化，並就任何為配合公司之企業策略而擬對董事會作出的變動提出建議；
- (ii) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- (iii) 評核獨立非執行董事的獨立性；
- (iv) 就董事委任或重新委任以及董事繼任計劃向董事會提出建議；
- (v) 審閱董事會的董事會成員多元化政策，並於本報告內披露其審閱結果；及
- (vi) 符合董事會不時指定或本公司章程文件所載或上市規則或任何適用法律或法規所施加的任何要求、指示及規例。

董事會成員多元化

為達致可持續的均衡發展，本公司視董事會層面日益多元化為支援其達到戰略目標及維持可持續發展的關鍵元素。本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則。並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。根據企業管治守則第A.5.6條，上述本公司之董事會成員多元化政策已於二零一三年八月二十三日由董事會通過及由提名委員會採納。

Corporate Governance Report

企業管治報告

The Nomination Committee holds meeting at least once a year to review the diversity of the Board and discuss the measurable objectives, including knowledge, appropriate professional qualifications, relevant business background and experience, skills, related management expertise and independence of directors, and give recommendation to the Board. During the year, the Nomination Committee takes the view that the measurable objectives were achieved to a large extent. It pays particular attention on the cultural and educational background, professional and technical experience, and skills of the members of Board and also reviewed the composition between Executive Directors and Independent Non-executive Directors so to ensure appropriate independence inside the Board.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from the Group's finance department, the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group. The Directors also confirm that, to the best of their knowledge, information and belief, having made all reasonable enquires, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as going concern.

The report of the Company's external auditors, Ernst & Young, and their reporting responsibilities on the financial statements of the Group are set out in the Independent Auditors' Report from pages 90 to 97.

提名委員會每年最少舉行一次會議，審閱董事會成員多元化政策，並討論可計量目標(包括知識、適當之專業資格、相關業務背景及經驗、技能、相關管理專長、以及董事之獨立性)及向董事會提供意見。年內提名委員會認為在相當程度上達致可計量目標。提名委員會專注文化及教育背景、專業及技能專長、董事會成員技能，並審閱執行董事及獨立非執行董事之組成，以確保董事會內適當之獨立性。

問責及審核

財務匯報

董事確認彼等於本集團財務部之協助下編製本集團財務報表之責任，並確保財務報表符合法定要求及適用之會計準則。董事亦確保及時發佈本集團之財務報表。董事經作出一切合理查詢後確認，就彼等所知、所悉及所信，董事並不知悉有任何重大不明朗因素，乃有關於可能使本公司按持續基準經營之能力存在重大疑問之事件或狀況。

本公司外聘核數師安永會計師事務所之報告及其對本集團財務報表之匯報責任載於第90頁至第97頁之獨立核數師報告。

Corporate Governance Report

企業管治報告

External Auditors' Independence and Remuneration

The Audit Committee is mandated to monitor the independence of the external auditors to ensure the objectivity in the financial statements. Members of the Committee are of the view that the Company's external auditors are independent. During the year, the remuneration paid/payable to the Company's external auditors are set out as follows:

外聘核數師之獨立性及酬金

審核委員會獲授權監察外聘核數師之獨立性，以確保財務報表之客觀性。委員會成員認為本公司之外聘核數師具獨立性。於年內，已付／應付本公司外聘核數師之酬金載列如下：

Services rendered for the Group	向本集團提供之服務	Fee paid/payable 已付／應付費用 HK\$'000 千港元
Annual audit services	年度核數服務	1,074
Non-audit services:	非核數服務：	
Review of interim report	審閱中期報告	323
Special projects	特別項目	1,523

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibilities for maintaining sound and effective risk management and internal control systems of the Group. The Group's system of risk management and internal control includes a defined management structure with limited authority, and is designed to achieve business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provisions of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is put in place to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives. The Board has conducted review of the Group's risk management and internal control systems during the year ended 31 December 2017 including financial, operational controls and risk management functions and ensured the adequacy of resources, staff qualifications and experience, training programmes and budget for the Group's accounting and financial reporting functions. The Board has also reviewed the effectiveness of the risk management and internal control systems and considered them to be effective and adequate.

風險管理及內部監控

董事會全面負責維持本集團良好有效之風險管理及內部監控系統。本集團之風險管理及內部監控系統包括界定管理層架構之權力範圍，並旨在達致業務目標、保護資產以防未經授權使用或處置、確保適當之會計記錄得以保存以便提供可靠之財務資料供內部使用或對外發放，並保證遵守有關法例及規例。上述已制訂之系統合理（但並非絕對）保證並無重大失實陳述或損失，及管理（但並非完全消除）營運系統失誤及本集團未能達標之風險。董事會於截至二零一七年十二月三十一日止年度內對本集團風險管理及內部監控系統進行檢討，包括財務、營運監控及風險管理職能，並確保本集團在會計及財務匯報職能方面的資源、員工資歷及經驗、培訓以及預算均為足夠。董事會亦已檢討風險管理及內部監控系統的有效性，認為該等系統均為有效、充足。

Corporate Governance Report

企業管治報告

In relation to the Board's risk management and internal control functions, the Board fulfils its duties by determining the policy for the corporate governance of the Company by reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, developing and monitoring the codes of conduct applicable to employees and the Directors of the Company, reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, and receiving and monitoring the training and continuous professional development of Directors and senior management of the Company. Where any significant risks are identified, the Board will evaluate and manage such risks by considering the severity of the impact of the risk on the Company's financial results, the probability that the risk will occur and the imminence of the risk.

The Group does not have an internal audit function, but instead shares and benefits from the internal audit function of its parent, DWCM, which operates an internal audit function for all of its subsidiaries, including the Group. The Board has reviewed the effectiveness of the risk management and internal control systems of the Company and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the efficiency and effectiveness of the current internal audit arrangement. The situation will be reviewed from time to time.

The Group has adopted procedures for the handling and dissemination of inside information in a timely manner and in compliance with the SFO, such procedures are subject to review on a regular basis.

Directors' Training

Pursuant to CG Code Provision A.6.5, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Directors have been given relevant guideline materials to ensure that they are apprised of the latest changes in the commercial, legal and regulatory requirements in relation to the Company's businesses, and to refresh their knowledge and skills on the roles, functions and duties of a listed company director.

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board.

關於董事會的風險管理和內部監控職能，董事會已通過審閱和監督本公司對遵守法律與監管要求的政策和慣例以制定本公司治理政策，發展並監察適用於本公司職工和董事的行為守則，審閱本公司遵守企業管治守則情況及企業管治報告中披露情況，接受和監督本公司董事、高級管理人員的培訓和持續專業發展等各項以履行職責。如果發現重大風險，董事會將通過考慮該等風險對本公司財務業績影響的嚴重程度、該等風險發生的可能性和即將發生與否，以評估和管理該等風險。

本集團並無設有內部審計職能部門，但受惠自其母公司大連萬達商業管理（為其所有附屬公司（包括本集團）運作內部審計職能部門）之內部審計職能。董事會已檢討本公司風險管理及內部監控系統之成效，目前認為鑒於當前之內部審計安排之效率及成效，毋須即時於本集團設立內部審計職能部門。本集團將不時檢討該情況。

本集團已實行及時處理及發佈內幕消息的程序，而根據證券及期貨條例，該等程序須定期檢討。

董事培訓

根據企業管治守則條文A.6.5條，所有董事應參與持續專業發展，發展及更新其知識及技能。各董事已獲相關指引材料，以確保其獲悉與本公司業務相關的商業、法律與監管規定的最新變化，並更新其作為上市公司董事於角色、職能及職責方面的知識及技能。

新董事在獲委任後將會取得一份就任資料，載有所有主要法律及上市規則規定，以及董事應遵守之責任及義務之指引。資料亦將包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。

Corporate Governance Report

企業管治報告

The Company also continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are also issued to Directors where appropriate to ensure their awareness of best corporate governance practices.

The Directors are continually updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged where necessary. Individual Directors also participated in the courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of attending training courses or via online aids or reading relevant materials.

All the Directors (namely, Mr. Ding Benxi, Mr. Zhang Lin, Mr. Hui Yung, Chris, Mr. Ning Qifeng, Mr. He Zhiping, Mr. Liu Jipeng, Dr. Xue Yunkui, and Mr. Zhang Huaqiao) have participated in relevant trainings and have provided the relevant records to the Company. The Directors developed and updated their knowledge and skills through participation in the training programmes, which in turn ensures that they could make suitable contribution to the Board.

Company Secretary's Training

Pursuant to Rule 3.29 of the Listing Rules, the Company Secretary must take no less than 15 hours of relevant professional training in each financial year. The Company Secretary provided her training records to the Company indicating more than 15 hours of relevant professional development by means of attending in-house briefings, attending seminars and reading relevant guideline materials.

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good and effective communication with its shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim reports, annual reports, announcements, notices and circulars, which are published to the Company's own website.

本公司亦持續為董事提供有關上市規則及其他適用監管規定之最新發展，以確保董事遵守該等規則及提高其對良好企業管治常規之意識。在適當的情況下，本公司亦會向董事發出通函或指引附註，以確保彼等對最佳企業管治常規保持警覺性。

董事將持續獲提供有關法定及監管制度以及業務環境之最新資料，以協助彼等履行職責。本公司將於有需要時持續向董事提供資訊及專業發展。個別董事亦參與有關上市公司董事角色、職能及職責之課程或透過參加培訓課程或透過網上支援或閱讀有關資料而進一步提高其專業發展水平。

全體董事(即丁本錫先生、張霖先生、許勇先生、寧奇峰先生、何志平先生、劉紀鵬先生、薛雲奎博士及張化橋先生)已參與有關培訓，並向本公司提供有關記錄。董事透過參與培訓計劃發展及更新彼等之知識及技能，亦確保彼等能為董事會作出適當貢獻。

公司秘書培訓

根據上市規則第3.29條，公司秘書必須於每個財政年度接受不少於15小時的相關專業培訓。公司秘書向本公司提供其培訓記錄，顯示其透過出席內部簡介會、出席講座及閱讀相關指引材料的方式接受超過15小時的相關專業培訓。

與股東之溝通

董事會瞭解與其股東保持良好及有效聯繫之重要性。有關本集團之資料乃透過多種正式途徑適時向股東傳達，包括於本公司本身的網站內刊登之中期報告、年報、公告、通告及通函。

Corporate Governance Report

企業管治報告

The Company's annual general meeting (the "AGM") is a valuable forum for the Board to communicate directly with the Company's shareholders. The Chairman actively seeks to participate at the AGM and personally chair the AGM to answer any questions from the Company's shareholders. A separate resolution is proposed by the Chairman in respect of each issue to be considered at the AGM. An AGM circular is distributed to all shareholders at least 21 days prior to the AGM, setting out details of each propose resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. The Chairman explains the procedures for demanding and conducting a poll again at the beginning of the AGM, and (except where a poll is demanded) reveals how many proxies for and against have been received in respect of each resolution.

SHAREHOLDERS' RIGHTS

Set out below is a summary of certain rights of the Company's shareholders as required to be disclosed pursuant to the CG Code.

Convening an Extraordinary General Meeting and Procedures for Putting Forward Proposals by Shareholders at General Meeting

Shareholders may request the Company to convene a general meeting according to the provision as set out in the Company's Bye-Laws and the Companies Act of Bermuda. A copy of the Company's Bye-Laws is available on the Company's website.

Shareholders holding not less than one-twentieth (5%) of the total voting rights of the Company, or not less than 100 shareholders, can put forward a proposal at a general meeting of the Company pursuant to and in accordance with the Companies Act of Bermuda. The requisition specifying the proposal, duly signed by the requisitionists, together with a statement with respect to the matter referred to in the proposal, must be deposited at the principal office of the Company in Hong Kong or the Company's Hong Kong branch share registrar and transfer office with a sum reasonably sufficient to meet the Company's relevant expenses.

本公司股東週年大會(「股東週年大會」)乃董事會直接與本公司股東聯繫之寶貴機會。主席尋求積極參與並親自主持股東週年大會，以於股東週年大會上回應本公司股東之任何詢問。主席就每項將於股東週年大會上審議之議題提呈個別之決議案。股東週年大會之通函於股東週年大會舉行前最少二十一天發送予全體股東，通函載列每項擬提呈決議案之詳情、投票程序(包括要求以投票方式進行表決之程序)及其他相關資料。主席於股東週年大會開始時，會再次解釋要求以投票方式進行表決之程序，及(要求以投票方式表決者除外)宣佈就每項決議案已接獲委任代表之贊成及反對票數。

股東權利

以下為本公司股東根據企業管治守則須予披露之若干權利之概要。

召開股東特別大會及股東於股東大會上提呈建議之程序

股東可要求本公司根據本公司之公司細則及百慕達公司法所載之條文召開股東大會。本公司之公司細則副本載於本公司網站。

根據及按照百慕達公司法，持有本公司不少於二十分之一(5%)總投票權之股東，或不少於100名股東，可於本公司股東大會上提呈建議。經請求人簽妥的要求書須註明提呈之建議，載有關於該建議內所述事宜，並隨附合理足夠金額以滿足本公司相關開支的要求，送交本公司香港主要辦事處或本公司的香港股份過戶登記分處。

Corporate Governance Report

企業管治報告

The procedure for shareholders to nominate a person for election as a Director of the Company is also available on the Company's website. Subject to the Bye-Laws of the Company, any shareholder wishing to nominate an individual for election as a Director of the Company at the AGM shall, no later than 7 days prior to the relevant general meeting, submit a completed form of nomination to the principal place of business of the Company in Hong Kong, and in default the form of nomination submitted shall be treated as invalid. Any such form of nomination shall be accompanied by a biographical profile of each proposed nominee and a written statement from the proposed nominee consenting to be nominated and, if nominated and elected, consenting to serve as a Director of the Company. The biographical profile of each proposed nominee shall include at least the following information: (i) full name, age and address of the proposed nominee; (ii) past and present directorships (if any) and employment of the proposed nominee; (iii) the information as required to be included in the announcement of the Company under Rule 13.51(2) of the Listing Rules.

Enquiries from shareholders to the Board

In order to ensure effective communication between the Company's shareholders and the Board, the Company adopted the shareholders communication procedures on 28 February 2012. According to the shareholders communication procedures, the Board is responsible for maintaining an on-going dialogue with the Company's shareholders and in particular, use AGMs or other general meetings to communicate with them and encourage their participation. The chairman of the Board should attend the annual general meeting. He should also invite the Independent Non-executive Directors, the chairmen of the Audit, Remuneration, Nomination and any other Committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the AGM.

The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval.

股東提名人士參選本公司董事之程序亦載於本公司網站。根據本公司之公司細則，任何股東如欲於股東週年大會上提名個別人士參選本公司董事，須於有關股東大會前七天將已填妥之提名表格遞交本公司之香港主要營業地點，未能如期遞交提名表格即視作無效。任何提名表格須連同每名建議提名人士之履歷，以及建議提名人士同意被提名及（如獲提名及參選）同意出任本公司董事之書面陳述遞交。每名建議提名人士之履歷須最少包括以下資料：(i) 建議提名人士之全名、年齡及住址；(ii) 建議提名人士過去及現時擔任之董事職務（如有）及職業；(iii) 根據上市規則第 13.51(2) 條須載於本公司公告之資料。

股東向董事會作出查詢

為確保本公司股東與董事會能有效溝通，本公司於二零一二年二月二十八日採納股東溝通程序。根據股東溝通程序，董事會應負責與本公司股東持續保持對話，尤其是藉股東週年大會或其他股東大會與股東溝通及鼓勵彼等參與。董事會主席應出席股東週年大會，亦應邀請獨立非執行董事、審核委員會、薪酬委員會、提名委員會及任何其他委員會之主席（視何者適用而定）出席。倘彼等未克出席，主席應邀請委員會另一名成員或如該成員未克出席，則其適當委任之代表出席。該等人士應在股東週年大會上回答提問。

獨立董事委員會的主席（如有）亦應在任何批准關連交易或須獨立股東批准之任何其他交易之股東大會上回答提問。

Corporate Governance Report

企業管治報告

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

The Board of Directors
Wanda Hotel Development Company Limited
Unit 3007, 30th Floor
Two Exchange Square
8 Connaught Place
Central, Hong Kong

The Board and/or relevant board committees of the Company will consider the enquiries and concerns raised by the shareholders and reply as appropriate.

CONSTITUTIONAL DOCUMENTS

There are no significant changes in the Company's constitutional documents during the year ended 31 December 2017.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders are also welcome.

股東可隨時以書面形式向董事會提出查詢及關注事項，董事會的聯絡資料如下：

香港中環
康樂廣場8號
交易廣場2座
30樓3007室
萬達酒店發展有限公司
董事會

董事會及／或本公司相關董事委員會將會審議股東提出的查詢及關注事項，並於適當時候作出回覆。

章程文件

截至二零一七年十二月三十一日止年度，本公司之章程文件並無重大改變。

提升企業管治水平

提升企業管治並非單純應用及遵守企業管治守則，乃關乎推動及建立道德與健全之企業文化。本公司將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司亦歡迎股東提供任何意見及建議。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

This report is the 2017 Environmental, Social and Governance Report (the “Report”) issued by the Group, which adheres to the principle of materiality, quantitative, balance and consistency and focuses mainly on the disclosure of the Group’s environmental, social and governance (“ESG”) principles and measures as well as the results achieved. The reporting year of this Report is consistent with our financial year.

This report was prepared in accordance with the ESG Reporting Guide contained in Appendix 27 to the Main Board Listing Rules of the Hong Kong Stock Exchange. An independent consulting firm was also engaged to provide professional advices. Through our close and in-depth communication with the stakeholders, we have identified the key issues in relation to ESG and carried out works such as compilation of data and collection of information to comply with the requirements of the Guide.

The policy documents, statements and data contained in this Report cover the Group’s business in Hong Kong, the PRC, the UK, the USA and Australia.

This Report has been approved by the Board before publication.

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

The Group always regards corporate social responsibility as an integral part of its sustainable development. In 2017, while cautiously developing its business, the Group also actively undertook its social responsibilities and showed its care to the environment, staff and community, making continuous contribution to the building of a harmonious society.

關於本報告

本報告是本集團發佈的二零一七年度環境、社會與管治報告(下稱「本報告」)，秉承重要性、量化、平衡及一致性原則，重點披露本集團在環境、社會與管治(「ESG」)方面的理念、舉措及取得的成效。本報告的報告年度與我們的財政年度一致。

本報告根據香港聯合交易所《主板上市規則》附錄二十七《環境、社會及管治報告指引》進行編制，同時委託獨立顧問機構提供專業意見，透過與持份者進行緊密深入溝通，識別ESG相關的重要議題並進行數據編制和資料收集等工作，以符合指引的要求。

本報告中的政策文件、聲明、數據等覆蓋本集團在香港、中國、英國、美國及澳大利亞的業務。

本報告於發佈前已經過董事會批核通過。

我們的可持續發展理念

本集團一直視企業社會責任為可持續發展中不可或缺的一環。二零一七年，本集團在謹慎發展業務的同時，積極踐行社會責任，心繫我們的環境、員工及社區，為建設和諧社會持續作出貢獻。

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Governance of Environmental and Social Affairs

We believe that sound and stable ESG governance are critical for the sustainable development of the Group. The Board takes full responsibilities for ESG-related strategy and reporting, including the evaluation and monitoring of ESG-related risks and the maintenance of an effective system for the Group's internal ESG management and monitoring. Under the guidance of the Board, the management of our regional operations shall be responsible for daily ESG matters. It shall ensure that the Group strictly complies with all local ESG regulations and laws in relation to its business operation, and report to the Directors in due course. The Group regularly reviews and evaluates our ESG performance, and makes disclosure to the stakeholders in the annual ESG report to demonstrate the values we have created for the environment and the society.

To maintain a fair and efficient business and working environment, the Group attaches great importance to its responsibilities towards anti-corruption practices and implements a series of anti-corruption measures. Members and employees of the Group are required to follow the anti-corruption and anti-bribery policies formulated by the Group. It is the Group's policy that no form of corruption will be tolerated. Employees are prohibited to request, receive or accept any forms of benefits from any persons, companies or organizations having business transactions with the Group. In 2017, no legal cases regarding corruption practices were brought against the Group and its employees.

Stakeholders Engagement

The Group has a wide spectrum of stakeholders, including staff, shareholders, investors, suppliers, customers, tenants and community partners across Hong Kong, the PRC, the UK, the USA, Spain and Australia. The Group is committed to creating long-term value for its stakeholders. To this end, we listened carefully to the opinions of our stakeholders to understand their needs and hence providing them with the products and services they desire. For years, the Group has maintained close communication and contact with different stakeholders through channels such as daily communication and general meeting.

環境和社會事務的管治

我們相信良好和穩健的ESG管治對集團的可持續發展尤為重要。董事會對ESG策略及彙報肩負全面責任，包括評估及監視與ESG相關的風險以及維持集團的內部ESG管理及監控制度的有效性。在董事會帶領下，各營運地區的管理層負責日常的ESG事務，確保集團嚴格遵守一切與業務運營當地的相關ESG法規法律，並在適當時候向董事匯報。集團會定期檢討及評估我們的ESG表現，並在年度的ESG報告中向持份者作出披露，以彰顯我們為環境和社會創造的價值。

為維持一個公平及高效率的營商及工作環境，集團高度重視在反貪污方面的責任，並落實了一系列的反貪污舉措，集團成員及員工均須遵從集團制定的反貪污及反賄賂的政策。本集團不會容忍任何形式的貪污行為，禁止員工向與集團有業務來往之人士、公司或機構要求、收取或接受任何形式之利益。本集團及員工於二零一七年未有涉及任何貪污訴訟的案件。

與持份者溝通

本集團的持份者涉及廣泛層面，包括員工、股東及投資者、供應商、顧客、租戶及社區合作夥伴等，遍佈香港、中國、英國、美國、西班牙及澳大利亞。本集團致力為持份者創造長遠的價值，為此我們用心聆聽各持份者的意見，以了解他們的需求，從而能夠為我們的持份者提供稱心滿意的產品和服務。一直以來，集團透過日常溝通及股東大會等渠道，與不同持份者維持緊密的溝通和聯繫。

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Materiality Analysis

During the year, the Group engaged an independent third party consultant for the first time to conduct an online ESG survey. The survey was conducted on an anonymous basis to ensure that we can listen to our stakeholders' advice and expectation in a honest, fair and objective manner, which will help us to evaluate the Group's previous ESG strategies and performance, understand the stakeholders' expectation or recommendation for the Group's ESG strategies in the future, at the same time identifying the more material ESG issues for the Group.

Upon analysis on the advice from the stakeholder survey, we have identified a total of 10 ESG issues which are more material to the Group, the details of which were as follows:

評估重要範疇

本年度集團更首次委託獨立第三方顧問就ESG方面展開網上問卷調查，並採用不記名方式進行，以確保我們能在坦誠、公正、客觀的情況下聆聽各持份者的意見及期望，協助我們評估集團過往的ESG策略和表現，了解持份者對集團未來的ESG策略有何期望或建議，同時識別對集團較為重要的ESG議題。

本次持份者問卷調查的意見經分析後我們共識別出十個對本集團較為重要的ESG議題，詳情如下：

Key Areas 主要範疇	ESG issues that are more material to the Group 對本集團較為重要的 ESG 議題
Environmental protection 環境保護	<ul style="list-style-type: none"> Waste management 廢棄物處理
Social — Employment and labour practices 社會 — 僱傭及勞工常規	<ul style="list-style-type: none"> No child labour/forced labour 不存在童工及強迫勞動 Equal opportunities 平等機會 Diversity and no-discrimination 多元化及不歧視 Safe working environment 安全的工作環境
Social — Operating practices 社會 — 營運慣例	<ul style="list-style-type: none"> Anti-corruption 反貪污 Health and safety of products and services 產品及服務的健康與安全 Customer satisfaction 顧客滿意度 Privacy of customer data 客戶資訊隱私
Social — Community 社會 — 社區	<ul style="list-style-type: none"> Community investment 社區投資

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ENVIRONMENTAL PROTECTION

The Group is a keen supporter of environmental protection and takes the protection of ecological environment and promotion of sustainable development as its goal. As a property developer, we have introduced eco-friendly measures in our business of property development, leasing and management. For instance, we have reduced our carbon emission by implementing green building and energy-saving measures. We have also reduced the potential impact of our business on the ecological environment through proper waste management. The Group also made a dedicated effort in ensuring the compliance of relevant local environmental regulations in the place where the business operations are located. In 2017, there were no confirmed regulatory breaches which were related to environmental protection and had significant impact on the Group, and no complaints, penalties or sanctions were brought against the Group as a result of breach of environmental regulations.

Promoting Green Buildings

The Group proactively promotes the sustainable development of the construction industry. It insisted on maximizing the use of green building designs and strategies when developing its property projects, so that the consumption of energy, land, water and materials in the life cycle of the buildings can be reduced to the greatest extent, thereby creating buildings that can harmoniously coexist with the nature and hence benefiting the environment, economy and society at the same time. The Group's Chicago Project in the USA and London Project in the UK, both were currently under construction, are the best examples of the Group's strenuous efforts in promoting green building.

The construction project in Chicago, USA was implemented in accordance with the silver grade standards and requirements of the Leadership in Energy and Environmental Design (LEED) initiated by the U.S. Green Building Council (USGBC). LEED is a world-renowned and widely used green building certification program. The program conducts comprehensive assessment based on building design, construction, operation, maintenance and sustainable development, which can ensure building operators and owners to make efficient use of resources and mitigate impacts on the environment.

環境保護

本集團對環境保護不遺餘力，以保護生態環境及推動可持續發展為目標。作為房地產發展商，我們在物業發展、租賃及管理的業務中引入環保元素，通過推動綠色建築及節能措施，減低碳排放，同時妥善處理廢棄物，減低我們的業務對生態環境的潛在影響。集團亦致力確保各業務運營點遵守當地的相關環境保護法規，且於二零一七年間並無與環境保護相關並對集團有重大影響的已確認違規事件，亦無因違反環境保護法規而導致集團受到投訴、罰款或制裁的情況。

推動綠色建築

集團積極促進建築行業的可持續發展，堅持在發展地產項目時盡可能應用綠色建築的設計策略，令建築物在生命週期內最大限度地節能、節地、節水、節材，從而創造與自然和諧共生的建築，為環境、經濟及社會三方面帶來益處。目前正在建設中的美國芝加哥及英國倫敦項目均是集團大力推行綠色建築的最佳實踐。

美國芝加哥的項目建設按照美國綠色建築議會 (USGBC) 推動的 Leadership in Energy and Environmental Design (LEED) 銀級標準和要求來執行。LEED 是世界知名及被廣泛應用的綠色建築認證計劃，對建築物的設計、建造、運營、維護及可持續發展進行全面評估，確保建築營運商和業主有效地利用資源，減少對環境的影響。

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Building a Green Future — One Nine Elms in London, UK (the disposal is to be completed)

One Nine Elms, the Group's London Project in UK which is currently under construction, is the most representative green building project of the Group. The construction of the project is in strict compliance with the VERY GOOD grade standards and requirements of The Building Research Establishment Environmental Assessment Methodology (BREEAM), an environmental sustainability building assessment system in UK. The project has received BREEAM's VERY GOOD pre-assessment during the design phase, demonstrating the Group's innovative and efficient use of resources in its green building.

Background

One Nine Elms comprises two skyscrapers with a total planned GFA of approximately 110,000 square meters. It is a high-end complex project comprising residential and hotel units. It is expected to be completed in 2021.

Ensure Sustainability of the Project

During the early stage of project, the Group has arranged professionals from different disciplines to conduct various assessments on the project, including ecological assessment, flood risk assessment, indoor air quality assessment and noise pollution assessment. The professionals were invited to provide appropriate and practical recommendation for improvement with a view to complying with the requirements of BREEAM and ensuring the sustainability of the project.

Upon completion of construction, the London Project in UK will be once again subject to a final assessment of BREEAM to ensure that the project will be able to create long-lasting environmental value and provide a comfortable environment for people living and working in the property.

建設綠色未來 — 英國倫敦 One Nine Elms (待完成出售)

正在建設中的英國倫敦項目 One Nine Elms 是集團最具代表性的綠色建築。該項目的建設嚴格按照英國綠色可持續性建築評估體系 Building Research Establishment Environmental Assessment Methodology (BREEAM) 的 VERY GOOD 等級標準和要求來執行，並早在設計階段已獲得 BREEAM 的 VERY GOOD 預評估，表彰集團以創新和有效的方式善用資源，建設綠色建築。

背景

One Nine Elms 包括兩棟摩天大樓，總建築面積規劃約為 11 萬平方米，為集住宅及酒店於一體的高檔綜合體項目，預計於二零二一年落成。

確保項目可持續性

在項目的早期階段，集團已安排不同範疇的專業人士就工程進行各項的評估，如生態評估、洪水風險評估、室內空氣質素評估及噪音評估等，並請他們提出合適及可行的改善建議，以符合 BREEAM 的要求並確保項目的可持續性。

在施工完成後，英國倫敦項目將再次進行 BREEAM 的最終評估，以確保此項目可創造持久的環境價值，並可為在此物業中生活和工作的人帶來舒適感。

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Ecological Conservation

In order to protect the ecological environment in the locality, before the commencement of construction, the Group has engaged third parties to conduct ecological assessment on the site selection of project. The assessment, which includes collection of historical ecological data and site visits, aimed to assess and explore the ecological values of the region and formulate compensation measures for the animals and plants in the region to minimize the negative impact of the project on the ecological environment.

Use of Green Energy

The Group will also install renewable energy facilities for the project to reduce carbon emission. After careful consideration, we have decided to install solar panels with an area of 120 square meters for the building to utilize natural resources by converting solar energy into electricity.

Reduction of Energy Consumption

In order to reduce energy consumption, the lighting system of buildings will be equipped with intelligent control system and timer. The Group will also install motion sensor in washrooms to monitor the utilization rate. Lights will be switched off automatically when not in use. All powers in the public areas, such as lobbies, staircases and basement, will be switched off during designated time slots.

Enhance Water Efficiencies

In addition to giving consideration to energy conservation and consumption reduction, the Group also reduced the use of resources in its operation under the premise that no compromise on building quality will be tolerated. In order to enhance water efficiencies, bathrooms in hotel and residential units have adopted a water recycling system to maximize the use of water resources. All sewage will be collected, filtered and cleaned, and then stored in the underground reservoir for cleansing toilet bowls in washrooms. Moreover, bathrooms in hotel and residential units will replace traditional faucets with low flow faucets to reduce water usage. These measures have helped reduce the consumption of freshwater significantly.

保育生態

為保育地區生態環境，集團在工程開展前已委託第三方對該項目選址進行生態評估，包括搜集過往生態數據及進行實地調查，以評估及了解該區域的生態價值，為該區的動物及植物訂立補償措施，減低工程對生態環境的負面影響。

使用綠色能源

集團亦會在此項目安裝可再生能源設施以減低碳排放。經仔細考量後，我們決定在大樓安裝面積達120平方米的太陽能板，將太陽的能源轉化成電力，善用天然資源。

降低能源消耗

為減低能源消耗，建築物的照明系統將實施智能控制及定時管制。集團將在洗手間內安裝移動探測器，監察使用情況，於閒置狀態時自動關閉電燈，並在指定時間關閉公共空間如大堂、樓梯及地庫的所有電源。

提升用水效益

集團不僅考慮節能降耗，同時亦在不降低建築物質量的前提下減少營運時的資源使用。為加強用水效益，酒店及住宅浴室中採用了循環用水系統，盡量善用水資源。所有污水將會被收集，經過濾及清洗後儲存於地下儲水池用作沖洗各洗手間內的馬桶。此外，酒店及住宅浴室將使用低流量的水龍頭代替傳統的水龍頭，以減低用水量。這些措施將大幅度降低淡水的消耗。

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Bring Greater Comfort to Users

In order to bring greater comfort to users, the Group has reserved space for leisure (such as public gallery, swimming pool and sports facilities) and green belts (such as rooftop garden and greenery landscape) during the design stage of the project, so that users can easily take a break from their busy daily lives and enjoy themselves with their families and friends.

提高用戶舒適度

為提高使用者的舒適感，集團早在項目的設計階段已預留地方作公共畫廊、游泳池和健身設施等休憩空間及屋頂花園和園景場地等綠化地，讓使用者可輕易跳出繁忙的日常生活，與家人、朋友歡聚同樂。

Efficient Use of Resources

The Group recognizes that the exploitation of resources are often accompanied by certain environmental cost. However, we believe that by implementing appropriate and effective management measures, we would be able to enhance the efficiency of use of resources, at the same time reducing the impact of our development and operation on the environment. The Group strives to reduce the consumption of energy and raw materials by enhancing construction efficiency and recycling of materials for all of its projects, and reduce unnecessary waste by adopting various measures to save energy and other resources in its daily operation.

The Group's Wanda Plaza in Guilin has adopted the "Huiyun Smart Management System" developed by DWCM, its parent company, to integrate and standardize the operation of five management systems covering fire-fighting, security, equipment, operation and energy conservation on one single platform. The system not only helped to lower operation cost, but also enhanced the efficiency of energy consumption in respect of management of electric and mechanic system under the premise of ensuring service quality, thereby realizing safe, green and smart operation.

As for the Group's Gold Coast Project in Australia which is currently under construction, the sea sand generated during the excavation stage was backfilled to local beaches after being filtered and cleaned, which not only helped recycling natural resources and prevent the sea sand from becoming wastes, but also helped the local municipal government to solve the problem of backfilling the beaches.

有效使用資源

集團深明資源開採通常會伴隨著一定的環境成本，但我們相信通過落實適當及有效的管理措施，能夠提高資源的使用效率，並減少開發及營運對環境的影響。集團的所有項目均通過提升工程效率及循環使用物資以減少能源及原料消耗，而日常營運方面則透過多項節省能源及其他資源的措施來減少不必要的浪費。

集團位於桂林的萬達廣場採用了母公司大連萬達商業管理自主研發的「慧雲智慧化管理系統」，將消防、安防、設備、運營和節能五大管理體系集合於一個平臺上統一操作。此系統不但能減低營運成本，同時在確保服務品質的前提下提升了管理機電系統能源消耗的效能，實現了安全、綠色、智慧的運營。

而在正在建設的澳大利亞黃金海岸項目中，集團把大開挖階段挖出的海沙經過濾清洗後回填當地沙灘。這不但循環利用天然資源，令海沙不必變成廢棄物，更幫助當地市政府解決了沙灘回填的一大難題。

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The Group actively implements eco-friendly measures in its daily operation to minimize the consumption of energy and other resources in its business operation. These measures have also proven effective in terms of reduction of carbon emission. As for energy conservation, all electrical appliances used in our Hong Kong office have obtained Grade 1 energy labels, signifying that such products deliver the highest energy efficiency in the market. Moreover, the air conditioning system of our offices will be switched off automatically during non-office hours, which can further reduce energy consumption and thus reduce emission of greenhouse gases. For most of the leased offices, we will require the lighting to be controlled with the use of smart building management system. The Group also strongly recommends and encourages its staff who go out for work to use public transportation as much as possible after taking efficiency into consideration. In terms of saving papers, the Group will use double-side printing to the greatest extent when printing documents. Electronic management and filing of drawings, reports, contracts and other documents will be used, supplemented by paper-based approach with a view to reducing the generation of office wastes.

於日常營運中，集團積極推行環保措施以儘量減少業務營運中的能源及其他資源的消耗，這些舉措亦有效減低碳排放。在節省能源方面，我們在香港的辦公室所使用的電器產品均獲得一級能源標籤，這表示該產品在市面上擁有最高的能源效益。辦公室的冷氣機系統亦會在非辦公時間自動關，以進一步減低能源消耗，從而減少溫室氣體排放；大部分租用的辦公室，要求燈光由智慧建築管理系統控制；集團亦大力提倡和鼓勵員工外出辦事時，在平衡效率的情況下儘量使用公共交通工具。在節約紙張方面，集團在列印檔案時儘量做到雙面列印；對於圖紙、報告、合約等文件的管理和歸檔採取電子化為主，紙質化為輔的管理方式，儘量減少辦公室廢棄物的產生。

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	Unit 單位	2017 二零一七年
Total greenhouse gas emissions and intensity¹ 溫室氣體總排放量及密度 ¹		
Direct greenhouse gas emissions (Scope 1) 直接溫室氣體排放量 (範疇 1)	Tonnes (carbon dioxide equivalent) 公噸 (二氧化碳當量)	33
Indirect greenhouse gas emissions (Scope 2) 間接溫室氣體排放量 (範疇 2)	Tonnes (carbon dioxide equivalent) 公噸 (二氧化碳當量)	10,072
Total greenhouse gas emissions 溫室氣體總排放量	Tonnes (carbon dioxide equivalent) 公噸 (二氧化碳當量)	10,105
Greenhouse gas emissions intensity 溫室氣體排放密度	Tonnes (carbon dioxide equivalent)/ square meter 公噸 (二氧化碳當量) / 平方米	0.03
Total energy consumption and intensity¹ 能源總耗量及密度 ¹		
Direct energy consumption — diesel 直接能源消耗 — 柴油	kWh 千瓦時	130,431
Indirect energy consumption — electricity 間接能源消耗 — 電力	kWh 千瓦時	11,310,725
Total energy consumption 總能源消耗量	kWh 千瓦時	11,441,156
Total energy consumption intensity 總能源消耗密度	kWh/square meter 千瓦時 / 平方米	29
Total water consumption and intensity² 總耗水量及密度 ²		
Total water consumption 總耗水量	Cubic meter 立方米	23,081
Total water consumption intensity* 總耗水量密度*	Cubic meter/square meter 立方米 / 平方米	0.1

¹ The data covers the Group's five designated offices and three construction sites in the PRC, Hong Kong and overseas, as well as the public area of Guilin Gaoxin Wanda Plaza

² The data covers the Group's five designated offices and three construction sites in the PRC, Hong Kong and overseas

¹ 數據涉及集團位於中國、香港及海外的5個指定辦公室、3個建築工地及桂林高新萬達廣場的公共空間

² 數據涉及集團位於中國、香港及海外的5個指定辦公室及3個建築工地

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Effective Waste Management

Effective waste management was selected as one of the ten most material ESG issues in the stakeholder survey for the year. The Group always strives to reduce the impact of wastes generated from business on the environment through its eco-friendly measures.

Garbage in all offices shall be sorted before disposal. Materials with recycling values, such as paper, will be recycled. In 2017, the Group has recycled 806kg of paper in total.

For construction sites, the Group engaged qualified professional companies to handle hazardous wastes generated during construction to minimize the potential pollution to the ecological environment caused by its project construction. Taking Gold Coast Project in Australia as an example, we have sorted out and removed all hazardous materials discovered during the demolition, relocation and excavation stage of project, which has ensured that no material impact will be resulted on the surrounding area by the hazardous materials. Subsequently, the Group has obtained the certification from the environmental government department of Queensland in Australia.

良好的廢棄物管理

良好的廢棄物管理於本年度的持份者問卷調查中被評為十個最重要的ESG議題之一。集團一直致力採取環保措施以減低因業務而產生的廢棄物對環境所造成的影響。

我們對所有辦公室垃圾進行分類處置，並把具有回收價值的物料如紙張等進行回收。二零一七年，集團共回收了806公斤的廢紙。

在建築工地，集團聘請合資格的專業公司處理在工程中產生的有害廢棄物，竭力減低項目工程造成生態環境污染的可能性。以澳大利亞黃金海岸項目為例，我們把項目拆遷、開挖階段發現的所有有害物分類清除，確保有害物沒有對周邊環境造成重大影響。集團其後更獲得澳大利亞昆士蘭省政府環保部門認證。

	Unit 單位	2017 二零一七年
Amount of waste generated³ 廢棄物產生量 ³		
Amount of non-hazardous waste generated 無害廢棄物產生量	Tonnes 公噸	3,132

³ The data covers the Group's five designated offices and three construction sites in the PRC, Hong Kong and overseas

³ 數據涉及集團位於中國、香港及海外的5個指定辦公室及3個建築工地

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WALKING HAND IN HAND WITH EMPLOYEES

Staffs are the key drivers of the Group's corporate development. Excellent staff not only can maintain business operation, but also provide customers with quality products and services and enhance customer experience. The Group continued to devote resources to improve staff benefits with a view to improving staff morale as well as attracting and retaining talents. We have established fair, open and comprehensive employment policies which strictly prohibit the employment of child labor and forced labor and guarantee that all labour, dismissal and other employment-related matters are in compliance with the local regulations, laws and policies in the place where the business operation is located. During 2017, there were no confirmed regulatory breaches which were related to labor and dismissal regulations, laws and policies and had significant impact on the Group. Meanwhile, the Group strives to provide its staff with diversified training and a friendly, safe working environment so that both the staff and the company can deliver excellent performance.

Recruitment of Talents

In order to attract talents, the Group has established and maintained fair, open and comprehensive employment policies. The Group adheres to an open and transparent process of recruitment and provides equal career development opportunities to all its employees. The employment policies clearly and strictly prohibit the employment of child labor and forced labor. In case of any suspected breaches of policies, the management will provide the most appropriate treatment for the child labor or forced labor in the circumstances to ensure legality and compliance of the Group's operation.

The Group provided its employees with market competitive remuneration based on their performance, experience and the prevailing market salaries. Performance related bonuses were granted on a discretionary basis. Other employee benefits included provident funds, social insurance, commercial insurance, annual medical examination, medical benefits, housing subsidy, free meals at work, education subsidy and training programs.

與員工同行

員工是推動集團企業發展的關鍵，優秀的員工不但能維持業務營運，更名為客戶提供高質素的产品和服務，優化客戶體驗。集團持續投放資源增進員工待遇，藉此提高員工士氣，吸納及保留人才。我們訂立公平、公開及全面的僱傭政策，嚴禁僱用童工或強制勞動，確保所有有關勞動、解聘及其他僱傭事項均符合業務運營當地的法規法律政策，且於二零一七年間並無與勞動及解聘法規法律政策相關並對集團有重大影響的已確認違規事件。同時，集團致力為員工提供多元化的培訓及友善、安全的工作環境，讓員工和企業也可達致卓越績效。

人才吸納

為吸納人才，本集團已訂立及維持公平、公開及全面的僱傭政策，我們的招聘流程公開透明，集團亦為全體員工提供平等的職業發展機會。僱傭政策清楚嚴禁聘用童工及強迫勞動，若發現任何疑似違反政策的事件，管理層按情況作出對該童工或強迫勞動最合適的處理，確保集團的營運合法合規。

本集團按員工表現、經驗及市場行情給予具有市場競爭力的薪酬，而表現掛鉤花紅則按酌情基準給予。其他僱員福利包括公積金、社會保險、商業保險、年度體檢、醫療福利、住房補貼及免費工作餐、教育津貼及培訓課程。

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In order to retain its talents, the Group provided its staff with clear promotion path and a certain rate of promotion as a reward for their hard work. The Group conducts performance review on its employees annually, and provides complaint channels for persons being reviewed to ensure the fairness and impartiality of the process. When there are internal vacancies within the Group, apart from external recruitment, the Group will also consider promoting its internal staff to provide its staff with more promotion opportunities.

The Group advocates a no-discrimination and diversified culture. We support honest communication and cooperation with our staff, maintain good, harmonious and simple working relationship with our partners and create a friendly working environment. We encourage our staff to build up their peer relationship and team spirit through various bonding activities, including birthday parties, dinners, picnics, barbeques, Christmas and New Year celebration.

In 2017, the Group has a total of 267 employees in Hong Kong, the PRC, Australia, the UK and the USA.

為保留人才，集團為員工提供明確的晉升階梯和一定的晉升比例，作為員工努力工作的回報。集團每年對員工進行考核，亦提供申訴渠道予被考核人，確保過程公平、公正。如集團內部出現職位空缺，在外部招聘的同時，集團也會考慮調升內部員工，為員工提供更多的晉升機會。

集團提倡不歧視，鼓勵多元化，支持員工坦誠地溝通與合作，維持良好、融洽、簡單的工作夥伴關係，營造友善的工作空間。我們鼓勵員工透過各式聯誼活動，包括慶生會、聚餐活動、郊遊、燒烤活動、聖誕及新年慶祝會等以增進員工之間的感情，建立團隊精神。

二零一七年，集團於香港、中國、澳大利亞、英國及美國共聘用267名員工。

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

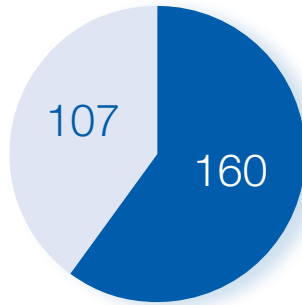
Employee Distribution⁴

員工分佈⁴

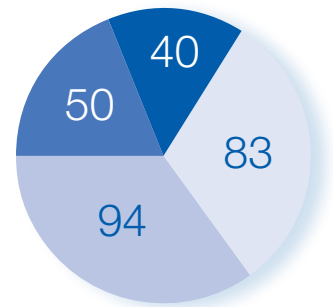
As of 31 December 2017

截至二零一七年十二月三十一日

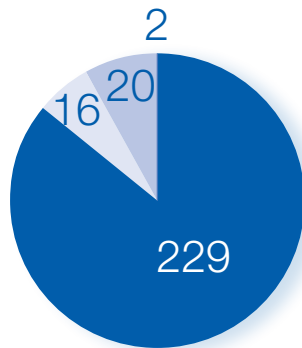
Distribution by Gender 按性別分佈	No. of people 人數
Male 男性	160
Female 女性	107



Distribution by Age 按年齡分佈	No. of people 人數
Aged 30 or below 30歲以下	40
Aged 31-40 31-40歲	83
Aged 41-50 41-50歲	94
Aged above 50 50歲以上	50



Distribution by Geographical Location 按地區分佈	No. of people 人數
Hong Kong and the PRC 香港及中國	229
Australia 澳大利亞	16
The UK 英國	20
The USA 美國	2



⁴ The data covers the Group's eight designated offices in the PRC, Hong Kong and overseas
⁴ 數據涉及集團位於中國、香港及海外的8個指定辦公室

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Facilitating Development of Talents

The Group places great emphasis on staff development and hope to grow with its staff. We encourage and support our staff to attend on-job trainings and further education to help them develop their own career goals. In 2017, the Group provided trainings to most of its staff to enhance their various working skills and recorded a total of over 500 training hours.

During the reporting period, the Group offered its employees with diversified trainings, covering topics such as induction, pension insurance concepts, team building, health and safety at work sites, IT, corporate governance and corporate social responsibilities, etc.. The Group also formulated the “Talent Scheme (英才計劃)” and “Quality Talent Scheme (優才計劃)”, which provides trainings on professional development for staff and managers promoting to senior levels, so that they can develop and update their knowledge and skills. In addition, the Group utilized the training resources from the Independent Commission Against Corruption (ICAC) as necessary to assist senior management and employees to understand corruption-preventing practices and guidelines, so as to remind them to comply with personal and business conducts and strictly abide by laws, regulations and policies in the place where the business operation is located.

The Group also allowed its staff to reimburse the expenses required to maintain their professional qualifications, including course fees, transportation fees, accommodation fees and wages during in-service training courses, so that staff are provided with sufficient resources and support to receive trainings on professional knowledge.

Protecting Employees' Health and Safety

We are committed to provide a safe, healthy and comfortable working environment for our staff. Meanwhile, we also encourage our staff to maintain work-life balance, so as to protect the most valuable asset of the Group — our staff.

促進人才發展

本集團重視員工發展，期望與員工一同成長。我們鼓勵及支持員工參與在職培訓及持續進修，協助員工確立發展自己的職業生涯目標。於二零一七年，本集團為超過大部分員工提供各項工作技能提升的培訓，總培訓時數超過500學習小時。

報告期內，集團為員工提供多元化的培訓，內容包括入職培訓、養老保險意識、團隊建設、工地健康和 safety、IT、企業管治及企業社會責任等等。集團亦制定「英才計劃」及「優才計劃」，分別為擬晉升高職的員工及經理提供專業發展培訓，使他們發展和更新自己的知識和技能。集團亦在有需要時利用廉政公署的培訓資源，協助高級管理層及員工認識防貪污常規與指引，以提醒各人須遵守個人及商業操守，嚴格遵守業務運營當地的法規法律政策。

集團亦准許員工報銷其維持專業資格之所需費用，包括課程費、交通費、住宿費及脫產培訓期間的工資，為接受專業知識培訓的員工提供足夠的資源支援。

保障員工健康與安全

我們致力提供一個安全、健康與舒適的工作環境予員工，同時鼓勵員工保持工作與生活的平衡，以守護集團最珍貴的資產——我們的員工。

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The Group arranges safety education and training for each of its staff to enhance their safety awareness and equip them with certain level of ability to prevent accidents and handle emergencies. In addition, we provide relevant personal protective equipment for our staff at our project sites, including helmet, safety belts, masks and protective clothing, to prevent occupational hazards. In 2017, the total number of work-related fatal accidents of the Group and the number of lost working days due to work-related injuries were both zero, which fully demonstrated the effectiveness of our occupational health and safety measures.

Furthermore, the Group supports its staff to maintain work-life balance, keep up sound relationship with families and friends, and uphold a positive attitude to take up challenges and enjoy lives. The Group adopts a working system of five days a week and eight hours a day. We discourage employees to sacrifice their personal or family lives for work, and never allow work to affect their mental or physical health. We also attaches great importance to the physical health of our staff. We provide membership card for gym and distribute fruits to staff regularly at certain operating offices to promote a healthy life.

RESPONSIBLE OPERATION

The Group consistently implements its supply chain management in a socially responsible manner. We have achieved open, honest and responsible supply chain management through close communication with the suppliers, the product and service quality we achieved has received high recognition from our customers. It is the Group's policy that no form of corruption and bribery will be tolerated. We require all staff of the Group to strictly implement the policies in relation to anti-corruption and anti-bribery and strictly forbid any forms of corruption and bribery in the tendering process. Meanwhile, we encourage other stakeholders, including people who have business transactions with the Group, such as customers, suppliers, creditors and debtors, to proactively report any suspected impropriety, misconduct and malpractice in relation to the Group so as to further prevent the possibility of all forms of corruption and bribery. Law-abiding is the core foundation of the Group's operation. We require all project companies within the Group to strictly comply with the local regulations in relation to health, safety, advertisement, privacy and other aspects when rendering products and services, so as to ensure the legality and compliance of all of the Group's business operations.

集團為每名員工提供安全教育和培訓，以提高員工的安全意識，使他們具備一定的事務預防和應急處理能力。此外，我們於各項目工地向員工提供相關個人防護裝備，包括頭盔、安全帶、口罩及保護性衣物，以避免職業性危害。二零一七年，集團因工死亡事故總數為零，因工傷損失工作日數為零；這些數據充分反映我們的職業健康及安全措施的成效。

另外，集團支持員工維持工作和生活的平衡，維繫良好的親朋關係，保持正面積極的心態迎接挑戰、享受生活。集團實行每周五天、每天八小時工作制，不鼓勵員工因工作犧牲個人或家庭生活，甚至因工作而影響精神或身體健康。我們亦重視同事們的身體狀態，部分運營點為員工提供健身會員卡及定時派發水果，提倡健康生活。

負責任的營運

集團堅持實行對社會負責的供應鏈管理。我們通過與供應商進行緊密的溝通，達至公開、廉潔及負責任的供應鏈管理，從而令我們的產品及服務質素得到客戶的認可。集團不容忍任何形式的貪污及賄賂行為，我們要求集團所有員工嚴格執行相關的反貪污及防賄賂政策，杜絕招投標項目中的任何貪污及賄賂行為。同時，我們鼓勵其他持份者，包括顧客、供應商、債權人及債務人等與集團有業務往來的人士主動舉報與集團有關的懷疑不當、失當及不良行為，從而進一步杜絕任何貪污及賄賂的可能性。遵紀守法是集團營運的核心基礎，我們要求屬下項目公司在提供產品及服務時嚴格遵守當地與健康安全、廣告及私隱事宜等方面的相關法規，保證集團的所有業務運作合法合規。

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Stringent Supply Chain Management

We realised comprehensive and effective management over the supply chain by carefully selecting our suppliers and contractors, formulating standardized tendering procedures, closely monitoring the performance of suppliers and contractors and maintaining diversity of suppliers.

When selecting suppliers and contractors, the Group will seek to balance various factors to minimize the potential risks brought by cooperation with suppliers and ensure the stability of service and product quality and compliance of regulations. In order to realise effective risk management, the Group has formulated standardized tendering procedures to avoid corruption, bribery, extortion, fraud and money laundering that may occur during the tendering process. Meanwhile, the Group also requires its staff to stay alert and handle properly conflicts of interest that may be resulted from or caused by the process. Suppliers will be subjected to stringent review process including internal primary selection, audit and public tendering before becoming official suppliers of the Group. For instance, the project company of the Group in Sydney, Australia has adopted stringent supplier management measures. When the company carry out procurement that worth over RMB0.3 million in total, it shall obtain quotation from three suppliers or more, and phase out the unsatisfactory suppliers by comparing various factors such as prices, grading and service quality. When the company negotiates the prices, it shall arrange three personnel from two different departments to witness the negotiation so as to ensure the fairness of the process and the rationality of the results.

The Group strives to provide its customers with quality products and services, and one of the keys to our success is the unfailing support of our suppliers. During the year, the Group maintained close cooperation and communication with 809 suppliers and contractors. While making strenuous efforts to ensure the stability of the supply chain, the Group also paid great attention to avoid over-reliance on a particular supplier and ensure diversity of suppliers.

The Group's businesses are dispersed across multiple regions. Priorities will be given to local suppliers in a hope to promote local economic development and reduce carbon footprints by shortening the distance of transportation.

嚴謹的供應鏈管理

我們通過嚴選供應商及承包商、制定標準化的招標流程、密切監督供應商及承包商的表現和保持供應商多元化等途徑，實現對供應鏈的全面有效管理。

集團在選擇供應商及承包商需平衡各項因素，盡可能減低與供應商合作時帶來的潛在風險，保證服務及產品質素的穩定性，以及是否遵守法規。為實現有效的風險管理，集團制定了標準化的招標流程，避免出現招投標中可能出現的貪污、行賄、勒索、欺詐及洗黑錢等行為，同時亦要求員工保持警惕，妥善處理在此過程之中可能產生及導致的利益衝突。供應商需經過內部的初選、審計及公開招標等嚴格的審核流程，才能正式成為集團的供應商。舉例而言，集團位於澳大利亞悉尼的項目公司採取了嚴格的供應商管理措施，在進行總值超過人民幣30萬元的採購時，公司需取得三個或以上供應商的報價，通過比較價格、質量與服務質素等多種因素，優勝劣汰；在協商報價時，公司要求安排來自兩個不同部門的三名職員在場談判，確保過程的公平性和結果的科學性。

集團致力為客戶提供優質的產品和服務，而我們成功的其中一個關鍵是獲得供應商的鼎力支持。於年內，集團與809個供應商和承包商進行緊密合作及溝通，努力確保供應鏈保持穩定的同時，亦注重避免過度依賴特定的供應商，保持供應商的多元化。

集團的業務遍佈多個地區，我們會優先選擇本地供應商，希望推動本地經濟發展的同時亦能夠縮短運輸距離減少碳足跡。

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Enhancing Quality of Product and Services

The Group always upholds a high level of integrity and ethical conducts, and requires its employees to respect and protect intellectual properties in the daily operations. Apart from regular review of relevant internal policies and systems, the Group also monitors the use of intellectual properties on an ongoing basis, including the use of authentic computer systems, to ensure that no infringement of intellectual properties will be involved in its operation process. Meanwhile, the Group requires its staff to comply with the regulations in relation to collection, holding, processing, disclosure and use of personal data in place where it operates. They shall respect privacy and keep confidential the personal data obtained during the business process in accordance with the relevant confidential requirement as set out in internal policies to protect the privacy of our customers.

The Group always takes 'Customer First' as one of its core values. To enhance customer satisfaction and promote a customer-oriented service culture, we highly value feedback from customers and have established a mechanism for handling customer service, support and complaints in addition to a dedicated team for answering customer enquiries before and after sale to ensure proper handling and response of customer complaints. During the reporting period, we have not received any complaints about the Group's products and services from external parties or regulatory authorities.

COMMUNITY INVESTMENT

The Group takes seeking well-being and prosperity for the region as its responsibility. To this end, it has proactively engaged in diversified community activities and developed community investment strategies to cope with development needs of the local community. While actively contributing to the society, it has also ensured that its business operations are in line with the concept of sustainability. During the reporting period, the Group made strenuous efforts particularly in promoting cultural education and caring for vulnerable groups by proactively organizing numerous charitable fund-raising activities and encouraging its employees to participate in various community activities to give back to the society. The charitable donations and in-kind sponsorships provided by the Group during the reporting year totalled approximately HK\$2.7 million.

提升產品及服務質素

集團維持高度誠信和道德操守，並規定僱員須於日常營運中尊重及保護知識產權。除了定期檢討內部相關的政策及系統外，集團亦持續監察知識產權的使用，包括使用正版的電腦系統，確保營運過程中不涉及任何侵權行為。同時要求員工遵守業務所在地有關收集、持有、處理、披露及使用個人資料的法規，尊重私隱，並根據內部制訂的相關保密規定把在業務過程中獲得的個人資料保密，保障客戶私隱。

「顧客至上」一直以來都是集團的核心價值之一。為提升顧客滿意度和提倡以客為本的服務文化，我們十分重視客戶的意見，除設立專責團隊回覆客戶銷售前後的疑問外，還制定了處理客戶服務、支援和投訴的機制，確保客戶的投訴得到適當的處理及回應。報告期內，我們並無接獲外界或監管機構對集團的產品和服務的投訴。

社區投資

本集團將為地區謀求福祉和繁榮視為己任，一直積極參與多元化的社區活動，並制定社區投資方針以配合當地社區的發展需要。在確保業務營運符合可持續發展理念的同時，積極貢獻社會。集團報告期內在推動文化教育及關懷弱勢群體的努力尤其顯著，積極舉辦了多個慈善籌款活動，更鼓勵員工踴躍參與不同的社區活動，以回饋社會。集團於報告年度的慈善捐款及物資援助的總額約270萬港元。

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Caring the Community

The Group actively supported cultural education, hoping to introduce cultural and art events of high quality into the community and hence enhance the quality of life of residents in the community. During the reporting period, the Group donated approximately HK\$2.3 million to South South Education Foundation, striving to help the Foundation to facilitate the sharing of educational contents, training of talents, donations of teaching equipment and special studies programs among South-South countries. The Group hoped to improve the facilities and conditions of learning of schools for left-behind children and special schools in China through the Foundation, as well as provide occupational education to underprivileged teenagers.

In addition, the Group's project company in Australia donated approximately HK\$0.4 million to Sydney Symphony Orchestra during the reporting period to support development of the local music and culture industry, which demonstrated that the Group attached great importance to the field of arts.

The Group also showed care to local disadvantaged groups in places where its business operations are located. The Group's project in London organized the charitable donation activities named Jeans for Genes at the company on 22 September 2017. The funds raised would be used to help children suffering from genetic disease and their families to improve their lives and overcome difficulties.

Apart from the above, 20 employees from the Group's project company in London, UK participated in the caring activity organized by Nightingale Hammerson House and visited the elderly with Alzheimer's disease, with over 160 service hours involved. Alzheimer's disease causes material impact on the ability to understand and memorize and the patients will therefore suffer from extreme depression easily. During the visit, the volunteers showed the elderly their encouragement and care through various activities, including playing word puzzles, baking cakes, reading and drawing, with a view to helping the elderly to keep a joyful and relaxing mood, so as to slow down the progression of the disease. The volunteers also took this opportunity to improve the living environment of the elderly home by assisting in the cleaning and greening of the elderly home and renovating the tables and chairs in the garden.

致力關懷社區

集團積極支持文化教育，希望為社區帶來高質素的文化藝術活動，從而提升社區居民的生活質量。報告期內，集團向南南教育基金會捐出約230萬港元的款項，致力協助基金會推廣南南國家間的教育交流、人才培訓、教學設備捐贈和專題研究。集團希望透過基金會支持國內留守兒童學校和特殊教育學校改善設施和學習條件，為貧困青年提供職業教育。

另外，集團屬下的澳大利亞項目公司於報告期內向悉尼交響樂團捐款約40萬港元，支持本地的音樂文化產業發展，體現本集團對藝術領域的重視。

本集團亦在各業務運營點關顧當地的社會弱勢群體。集團位於倫敦的項目於二零一七年九月二十二日在公司舉辦 Jeans for Genes 慈善捐助活動，籌得的善款會用於幫助患有遺傳病的兒童及其家庭改善生活、渡過難關。

除此以外，英國倫敦項目公司的20名員工還參與了南丁格爾哈默森敬老院舉辦的關懷活動，到護老院探望患有阿茲海默症的長者，投入超過160個服務時數。阿茲海默症會嚴重影響理解力及記憶力，令患者較容易產生極端沮喪的情緒。在探望的過程中，義工們透過猜字謎、做蛋糕、讀書及繪畫等活動給予長者鼓勵與關懷，讓長者保持愉快放鬆的心情，從而減慢病情的惡化。義工們亦藉此機會協助敬老院清理和綠化花園及翻新花園桌椅，改善了院舍的居住環境。

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環境、社會及管治報告

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香港交易所《環境、社會及管治指引》內容索引

General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference Section 參考章節
Environmental 環境		
Aspect A1: Emissions 層面 A1：排放物		
General Disclosure 一般披露	Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。 relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection — Effective Waste Management 環境保護 — 良好的廢棄物管理
KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Not Applicable — The operations of the Group did not cause any significant gas emissions and no relevant data was disclosed accordingly 不適用 — 本集團的營運並無顯著的氣體排放，因此並未有披露相關數據
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity. 溫室氣體總排放量（以噸計算）及（如適用）密度。	Environmental Protection — Efficient Use of Resources 環境保護 — 有效使用資源

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KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生有害廢棄物總量(以噸計算)及(如適用)密度。	Environmental Protection — Effective Waste Management 環境保護 — 良好的廢棄物管理
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生無害廢棄物總量(以噸計算)及(如適用)密度。	Environmental Protection — Effective Waste Management 環境保護 — 良好的廢棄物管理
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Environmental Protection — Efficient Use of Resources 環境保護 — 有效使用資源
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Environmental Protection — Efficient Use of Resources 環境保護 — 有效使用資源 Environmental Protection — Effective Waste Management 環境保護 — 良好的廢棄物管理
Aspect A2: Use of Resources 層面 A2：資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources. 有效使用資源的政策。	Environmental Protection — Efficient Use of Resources 環境保護 — 有效使用資源
KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity. 按類型劃分的直接及／或間接能源總耗量(以千個千瓦時計算)及密度。	Environmental Protection — Efficient Use of Resources 環境保護 — 有效使用資源
KPI A2.2 關鍵績效指標 A2.2	Water consumption in total and intensity. 總耗水量及密度。	Environmental Protection — Efficient Use of Resources 環境保護 — 有效使用資源
KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Environmental Protection — Efficient Use of Resources 環境保護 — 有效使用資源

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General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference Section 參考章節
KPI A2.4 關鍵績效指標 A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Environmental Protection — Promoting Green Buildings 環境保護 — 推動綠色建築
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	Not Applicable — The Group's products require no use of packaging material 不適用 — 集團的產品無須使用包裝材料
Aspect A3: The Environment and Natural Resources 層面 A3：環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Environmental Protection 環境保護
KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Environmental Protection — Promoting Green Buildings 環境保護 — 推動綠色建築 Environmental Protection — Efficient Use of Resources 環境保護 — 有效使用資源

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General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference Section 參考章節
Social — Employment and Labour Practices 社會 — 僱傭及勞工常規 Aspect B1: Employment 層面 B1：僱傭 General Disclosure 一般披露	Information on: 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： <ul style="list-style-type: none"> (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。 relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Walking Hand in Hand with Employees — Recruitment of Talents; 與員工同行 — 人才吸納； Walking Hand in Hand with Employees — Protecting Employees' Health and Safety 與員工同行 — 保障員工健康與安全
Aspect B2: Health and Safety 層面 B2：健康與安全 General Disclosure 一般披露	Information on: 有關提供安全工作環境及保障僱員避免職業性危害的： <ul style="list-style-type: none"> (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。 relating to providing a safe working environment and protecting employees from occupational hazards.	Walking Hand in Hand with Employees — Protecting Employees' Health and Safety 與員工同行 — 保障員工健康與安全

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Aspect B3: Development and Training 層面 B3：發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Walking Hand in Hand with Employees — Facilitating Development of Talents 與員工同行 — 促進人才發展
Aspect B4: Labour Standards 層面 B4：勞工準則		
General Disclosure 一般披露	Information on: 有關防止童工或強制勞工的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。 relating to preventing child or forced labour.	Walking Hand in Hand with Employees — Recruitment of Talents 與員工同行 — 人才吸納
Social — Operating Practices 社會 — 營運慣例		
Aspect B5: Supply Chain Management 層面 B5：供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Responsible Operation — Stringent Supply Chain Management 負責任的營運 — 嚴謹的供應鏈管理

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General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference Section 參考章節
<p>Aspect B6: Product Responsibility 層面 B6：產品責任</p> <p>General Disclosure 一般披露</p>	<p>Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>Responsible Operation — Enhancing Quality of Products and Services 負責任的營運 — 提升產品及服務質素</p> <p>During the reporting period, there was no incident relating to any recall of products and services 報告期內沒有發生任何的產品及服務回收事件</p>
<p>Aspect B7: Anti-corruption 層面 B7：反貪污</p> <p>General Disclosure 一般披露</p>	<p>Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	<p>Our Approach to Sustainable Development — Governance of Environmental and Social Affairs 我們的可持續發展理念 — 環境和社會事務的管治</p> <p>Walking Hand in Hand with Employees — Facilitating Development of Talents 與員工同行 — 促進人才發展</p> <p>Responsible Operation — Stringent Supply Chain Management 負責任的營運 — 嚴謹的供應鏈管理</p>

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Social – Community 社會 – 社區 Aspect B8: Community Investment 層面 B8：社區投資 General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its business activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Community Investment 社區投資

Independent Auditor's Report

獨立核數師報告



To the shareholders of
Wanda Hotel Development Company Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Wanda Hotel Development Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 98 to 258, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

致萬達酒店發展有限公司股東之
獨立核數師報告
(於百慕達註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第98頁至第258頁萬達酒店發展有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，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、截至該日止年度的綜合損益表、綜合全面收入表、綜合股權變動表和綜合現金流量表以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況，及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》（「香港審計準則」）進行審計。我們就該等準則承擔的責任在本報告的核數師就審計綜合財務報表承擔的責任一節中進一步闡述。根據香港會計師公會的職業會計師道德守則（「守則」），我們獨立於貴集團，並已履行守則中的其他道德責任。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意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表時進行處理及以此出具審計意見。我們不會對這些事項提供單獨的意見。下文載有我們的審計如何處理以下各項事項的資料。

我們已履行本報告核數師就審計綜合財務報表承擔的責任一節所述的責任，包括有關該等事項的責任。因此，我們的審計包括執行為應對綜合財務報表重大錯誤陳述風險的評估而設的程序。審計程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p data-bbox="164 472 523 534"><i>Fair value of investment properties</i> 投資物業之公允價值</p> <p data-bbox="164 556 785 955">As at 31 December 2017, the carrying amount of investment properties, which were stated at fair value, was approximately HK\$3,934.6 million. Management engages an external valuer to support its determination of the fair value of the investment properties. The valuation of the investment properties is highly dependent on estimates and assumptions, such as prevailing monthly market rents, prevailing market prices, the reversionary yield, capitalisation rates, occupancy rates and market knowledge. The use of different estimates and assumptions could result in significantly different fair values.</p> <p data-bbox="164 1004 785 1181">The disclosures about investment properties are included in note 2.4 summary of significant accounting policies, note 3 significant accounting judgements and estimates and note 17 investment properties to the consolidated financial statements.</p> <p data-bbox="164 1224 785 1440">於二零一七年十二月三十一日，按公允價值列賬之投資物業賬面值約為3,934,600,000港元。管理層委聘一名外部估值師幫助釐定投資物業之公允價值。投資物業之估值主要取決於各種估計及假設，如現行每月市場租金、現行市場價格、復歸收益率、資本化比率、租用率及市場知識。採用不同的估計及假設可導致公允價值出現重大差異。</p> <p data-bbox="164 1483 785 1591">有關投資物業的披露載於綜合財務報表附註2.4主要會計政策概要、附註3重大會計判斷及估計以及附註17投資物業。</p>	<p data-bbox="809 556 1430 1106">Our audit procedures included, among others, assessing the competence, capabilities and objectivity of the external valuer; reviewing the valuation report and holding discussion with management and the valuer to understand and assess the relevance and appropriateness of the valuation basis, methodology used and underlying assumptions applied; and obtaining and verifying the underlying data including comparable market transactions used by the valuer. We also involved our internal valuation specialists to assist us in evaluating the assumptions and methodologies used and assessing the reasonableness of data used in the valuation report, by comparing the prevailing monthly market rents, prevailing market prices, reversionary yield, capitalisation rates, occupancy rates with comparative cases in active markets.</p> <p data-bbox="809 1155 1430 1218">Moreover, we assessed the adequacy of the related disclosures in the consolidated financial statements.</p> <p data-bbox="809 1267 1430 1591">我們的審計程序包括(其中包括)評估外部估值師之資歷、能力及客觀性；審閱估值報告並與管理層及估值師討論，以了解及評估估值基準、所採用之方法及所應用之相關假設之相關性及適當性；及取得並核實相關數據(包括估值師所採用之可資比較市場交易)。我們亦委聘內部估值專家協助我們評估所採用之假設及方法，並透過將現行每月市場租金、現行市場價格、復歸收益率、資本化比率及租用率與活躍市場之比較案例進行比較，評估估值報告所採用數據之合理性。</p> <p data-bbox="809 1640 1430 1703">此外，我們已評估綜合財務報表中相關披露資料之充足性。</p>

Independent Auditor's Report

獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<i>Net realisable value of properties under development and completed properties held for sale</i> 在建物業及待售已竣工物業的可變現淨值	
<p>As at 31 December 2017, the Group's properties under development and completed properties held for sale were stated at approximately HK\$1,878.0 million and HK\$239.7 million respectively, and they were carried at the lower of cost and net realisable value. The determination of the net realisable value is highly dependent on management's judgement and estimates, such as assumptions of the expected sales price and costs to be incurred until completion and sale. The assumptions adopted in the valuation are affected by expectations of future market or economic conditions. To assist management with the determination of the net realisable value, the Group has engaged external valuer to perform valuation of certain selected properties.</p> <p>The disclosures about the net realisable values of properties under development and completed properties held for sale are included in note 2.4 summary of significant accounting policies, note 3 significant accounting judgements and estimates, note 22 properties under development and note 23 completed properties held for sale to the consolidated financial statements.</p> <p>於二零一七年十二月三十一日，貴集團在建物業及待售已竣工物業分別以約1,878,000,000港元及239,700,000港元列賬，彼等均按成本及可變現淨值兩者間的最低者列賬。釐定可變現淨值主要取決於管理層的判斷及估計，如對預期售價及竣工及銷售前產生的成本作出假設。估值中採納的假設受對未來市場或經濟狀況預期的影響。為協助管理層釐定可變現淨值，貴集團已委聘外部估值師進行若干選定物業的估值。</p> <p>有關在建物業及待售已竣工物業可變現淨值的披露載於綜合財務報表附註2.4主要會計政策概要、附註3重大會計判斷及估計、附註22在建物業及附註23待售已竣工物業。</p>	<p>Our audit procedures included, among others, evaluating the appropriateness of the estimated sales price by comparing it with the recent sales price and recently available public sales information of neighbouring properties; and reviewing the reasonableness of the construction costs to be incurred and estimated selling expenses by reference to information such as project construction budgets, development costs or budgets of similar properties of the Group and historical selling expenses information. Additionally, we assessed the objectivity, independence and competence of the external valuer, and compared the net realizable value of properties under development and completed properties held for sale with which made by the external valuer to verify if there is any significant difference and assess the appropriateness of the conclusion made by the management.</p> <p>Moreover, we assessed the adequacy of the related disclosures in the consolidated financial statements.</p> <p>我們的審計程序包括(其中包括)透過將估計售價與近期售價及周邊物業近期公開可得的銷售資料進行比較，評估估計售價之適當性；及透過參考項目建設預算、本集團類似物業之發展成本或預算及過往銷售開支資料等資料，檢討將予產生之建設成本及估計銷售開支之合理性。此外，我們評估外部估值師的客觀性、獨立性及資歷，並將在建物業及待售已竣工物業之可變現淨值與外部估值師作出之可變現淨值進行比較，以核實當中是否出現任何重大差異，並評估管理層作出之結論之適當性。</p> <p>此外，我們已評估綜合財務報表中相關披露資料之充足性。</p>

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料(綜合財務報表及我們就此發出的核數師報告除外)。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不會就其發表任何形式的鑒證結論。

就審計綜合財務報表而言，我們的責任是閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所瞭解的情況有重大不符，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告有關事實。就此而言，我們無需報告任何事項。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公允的反映，及其認為編製綜合財務報表所必要落實的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

Independent Auditor's Report

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致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。我們是根據百慕達一九八一年公司法第90條的規定，僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按國際審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果按合理預期而錯誤陳述個別或匯總起來可能影響綜合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。

在根據國際審計準則進行審計的過程中，我們運用了職業判斷，保持了職業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足及適當的審計憑證，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較因錯誤而導致的重大錯誤陳述的風險為高。
- 瞭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合適性及作出會計估計及相關披露資料的合理性。

Independent Auditor's Report

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論，並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關注綜合財務報表中的相關披露資料，假若有關披露資料不足，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期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。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事項。
- 就 貴集團實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們對審計意見承擔全部負責。

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

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

我們與審核委員會溝通計劃審計範圍、時間安排、重大審計發現等事項，包括我們於審計期間識別出內部控制的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通所有合理地被認為會影響我們獨立性的關係及其他事項，以及（倘適用）相關的防範措施。

Independent Auditor's Report

獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Cheong Ming Yik.

Ernst & Young
Certified Public Accountants
Hong Kong

28 March 2018

就與審核委員會溝通的事項而言，我們釐定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們於核數師報告中描述該等事項，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，若有合理預期於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。

本獨立核數師報告的審計項目合夥人為張明益。

安永會計師事務所
執業會計師
香港

二零一八年三月二十八日

Consolidated Statement of Profit or Loss

綜合損益表

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

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

	Notes 附註	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
CONTINUING OPERATIONS	持續經營業務		
Revenue	收益	5	213,440
Cost of sales	銷售成本		(61,189)
Gross profit	毛利		152,251
Other revenue	其他收益	6	8,424
Other net (loss)/gain	其他(虧損)/收益淨額	6	(99,488)
Net valuation (loss)/gain on investment properties	投資物業估值(虧損)/收益淨額	17	(9,310)
Selling expenses	銷售開支		(98,688)
Administrative expenses	行政開支		(62,407)
(Loss)/profit from continuing operations	持續經營業務之(虧損)/溢利		(109,218)
Finance costs	融資成本	8	(211,216)
(Loss)/profit before tax from continuing operations	持續經營業務之除稅前(虧損)/溢利	7	(320,434)
Income tax expense	所得稅開支	11	(139,033)
(Loss)/profit for the year from continuing operations	持續經營業務之本年度(虧損)/溢利		(459,467)
DISCONTINUED OPERATIONS	終止經營業務		
(Loss)/profit for the year from discontinued operations	終止經營業務之本年度(虧損)/溢利	12	(379,669)
(LOSS)/PROFIT FOR THE YEAR	本年度(虧損)/溢利		(839,136)
(Loss)/profit attributable to:	以下各項應佔(虧損)/溢利：		
Owners of the parent	母公司擁有人	14	(470,335)
Non-controlling interests	非控股權益		(368,801)
			(839,136)
Loss per share attributable to ordinary equity holders of the parent (HK cents)	母公司普通股持有人應佔每股虧損(港仙)	14	
Basic and diluted	基本及攤薄		
— For loss for the year	— 本年度虧損		(10.0)
— For loss from continuing operations	— 持續經營業務虧損		(5.2)

Consolidated Statement of Comprehensive Income

綜合全面收入表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

	Notes 附註	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
(Loss)/profit for the year	本年度(虧損)/溢利	(839,136)	76,069
Other comprehensive income/(loss)	其他全面收入/(虧損)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	其後期間將重新分類計入損益賬之其他全面收入/(虧損)：		
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	480,038	(280,331)
Reclassification adjustments for a foreign operation disposed of during the year	本年度出售海外業務之重新分類調整	540,235	—
	36		
Other comprehensive income/(loss) for the year, net of tax	本年度其他全面收入/(虧損)(扣除稅項)	1,020,273	(280,331)
Total comprehensive income/(loss) for the year	本年度全面收入/(虧損)總額	181,137	(204,262)
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	135,658	(205,922)
Non-controlling interests	非控股權益	45,479	1,660
		181,137	(204,262)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

		Notes 附註	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	366,062	985,638
Freehold land	永久業權土地	16	158,794	1,310,682
Investment properties	投資物業	17	3,934,631	3,795,711
Prepaid land lease payments	預付土地租賃款項	18	18,036	17,313
Goodwill	商譽	19	4,636	15,654
Investment in a joint venture	於一間合營企業之投資	20	—	506,752
Deferred tax assets	遞延稅項資產	21	38,104	139,665
Total non-current assets	非流動資產總值		4,520,263	6,771,415
CURRENT ASSETS	流動資產			
Properties under development	在建物業	22	1,878,000	4,357,658
Completed properties held for sale	待售已竣工物業	23	239,665	250,227
Trade and other receivables	貿易及其他應收款項	24	36,670	43,976
Prepaid tax	預付稅項	32	—	752
Other current assets	其他流動資產		8,374	—
Restricted bank deposits	受限制銀行存款	25	202,833	502,856
Cash and cash equivalents	現金及現金等值物	25	2,087,969	2,680,562
			4,453,511	7,836,031
Assets classified as held for sale	分類為持作出售之資產	12, 26	10,277,000	2,032,755
Total current assets	流動資產總值		14,730,511	9,868,786
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	27	5,822,486	4,138,078
Receipts in advance	預收款項	28	58,750	78,003
Loans from financial institutions	金融機構貸款	29	183,849	1,627,784
Loans from an intermediate holding company	一間中間控股公司貸款	30	3,608,449	684,380
Loans from related parties and other borrowings	關連人士貸款及其他借款	31	213,518	231,964
Current taxation	即期稅項	32	245,943	208,014
			10,132,995	6,968,223
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售之資產直接相關之負債	12	3,007,294	2,043
Total current liabilities	流動負債總值		13,140,289	6,970,266
NET CURRENT ASSETS	流動資產淨值		1,590,222	2,898,520
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		6,110,485	9,669,935

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

	Notes 附註	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元	
NON-CURRENT LIABILITIES	非流動負債			
Loans from financial institutions	金融機構貸款	29	1,631,087	1,743,994
Loans from an intermediate holding company	一間中間控股公司貸款	30	757,929	4,109,095
Loans from related parties and other borrowings	關連人士貸款及其他借款	31	73,565	34,332
Interest payable to an intermediate holding company	應付一間中間控股公司利息	27	—	344,712
Deferred tax liabilities	遞延稅項負債	21	594,018	520,982
Total non-current liabilities	非流動負債總值		3,056,599	6,753,115
Net assets	資產淨值		3,053,886	2,916,820
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	33	469,735	469,735
Accumulated losses	累計虧損		(741,425)	(267,965)
Other reserves	其他儲備	34	2,390,357	1,781,239
			2,118,667	1,983,009
Non-controlling interests	非控股權益		935,219	933,811
Total equity	總權益		3,053,886	2,916,820

Ding Benxi
丁本錫
Chairman
主席

Ning Qifeng
寧奇峰
Executive Director
執行董事

Consolidated Statement of Changes in Equity

綜合股權變動表

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

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

		Attributable to owners of the parent 母公司擁有人應佔						Non-controlling interests	Total equity	
		Share capital	Share premium	Special reserve	Exchange reserve	Statutory reserve	Accumulated losses	Total		
		股本	股份溢價	特別儲備	匯兌儲備	法定儲備	累計虧損	總計	非控股權益	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	千元	千元	千元	
		(note 33)	(note 34)	(note 34)	(note 34)	(note 34)				
		(附註33)	(附註34)	(附註34)	(附註34)	(附註34)				
As at 1 January 2016	於二零一六年一月一日	469,735	1,935,266	53,544	(163,506)	99,138	(205,246)	2,188,931	710,196	2,899,127
(Loss)/profit for the year	本年度(虧損)/溢利	—	—	—	—	—	(60,663)	(60,663)	136,732	76,069
Other comprehensive loss for the year:	本年度其他全面虧損：									
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	—	—	—	(145,259)	—	—	(145,259)	(135,072)	(280,331)
Total comprehensive loss for the year	本年度全面虧損總額	—	—	—	(145,259)	—	(60,663)	(205,922)	1,660	(204,262)
Capital injection from non-controlling interests	非控股權益注資	—	—	—	—	—	—	—	221,955	221,955
Appropriation to statutory reserve fund	轉撥至法定儲備金	—	—	—	—	2,056	(2,056)	—	—	—
As at 31 December 2016	於二零一六年十二月三十一日	469,735	1,935,266*	53,544*	(308,765)*	101,194*	(267,965)	1,983,009	933,811	2,916,820
As at 1 January 2017	於二零一七年一月一日	469,735	1,935,266	53,544	(308,765)	101,194	(267,965)	1,983,009	933,811	2,916,820
Loss for the year	本年度虧損	—	—	—	—	—	(470,335)	(470,335)	(368,801)	(839,136)
Other comprehensive loss for the year:	本年度其他全面虧損：									
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	—	—	—	281,852	—	—	281,852	198,186	480,038
Reclassification adjustments for a foreign operation disposed of during the year	本年度出售海外業務之重新分類調整	—	—	—	324,141	—	—	324,141	216,094	540,235
Total comprehensive income for the year	本年度全面收入總額	—	—	—	605,993	—	(470,335)	135,658	45,479	181,137
Dividends paid to non-controlling shareholders	已付非控股股東股息	—	—	—	—	—	—	—	(44,071)	(44,071)
Appropriation to statutory reserve fund	轉撥至法定儲備金	—	—	—	—	3,125	(3,125)	—	—	—
As at 31 December 2017	於二零一七年十二月三十一日	469,735	1,935,266*	53,544*	297,228*	104,319*	(741,425)	2,118,667	935,219	3,053,886

* These reserve accounts comprise the consolidated other reserves of \$2,390,357,000 (2016: \$1,781,239,000) in the consolidated statement of financial position.

* 該等儲備賬戶包括綜合財務狀況表所列示的綜合其他儲備2,390,357,000元(二零一六年：1,781,239,000元)。

Consolidated Statement of Cash Flows

綜合現金流量表

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

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

	Notes 附註	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Cash flows from operating activities	經營活動產生之現金流量		
(Loss)/profit before tax	除稅前(虧損)/溢利		
From continuing operations	來自持續經營業務	(320,434)	141,622
From discontinued operations	來自終止經營業務	(384,084)	59,798
Adjustments for:	按下列各項調整：		
Finance costs	融資成本	223,407	203,789
Interest income	利息收入	(8,521)	(13,713)
Depreciation	折舊	10,706	47,855
Amortisation of land lease payments	土地租賃款項攤銷	476	475
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	329,707	—
Gain on disposal of investment properties	出售投資物業之收益	(20,496)	—
Reversal of inventories to net realisable value	存貨撥回至可變現淨值	—	(160,855)
Net valuation loss/(gain) of investment properties	投資物業估值虧損/(收益)淨額	9,310	(225,959)
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損/(收益)	13	(145)
Impairment of goodwill	商譽減值	11,719	—
		(148,197)	52,867
Increase in properties under development	在建物業增加	(2,128,426)	(583,561)
Decrease in completed properties held for sale	持作出售之已竣工物業減少	18,415	70,362
(Increase)/decrease in trade receivables and other receivables	貿易應收款項及其他應收款項(增加)/減少	(382,070)	76,263
Decrease in receipts in advance	預收款項減少	(21,178)	(39,953)
Increase in trade payables and other payables	貿易應付款項及其他應付款項增加	1,063,097	1,369,770
Decrease in bills payable	應付票據減少	—	(2,148)
Cash (used in)/from operations	經營活動(所用)/所得之現金	(1,598,359)	943,600
Taxes paid	已付稅項	(60,679)	(329,817)
Net cash flows (used in)/from operating activities	經營活動(所用)/所得之現金流量淨額	(1,659,038)	613,783

Consolidated Statement of Cash Flows

綜合現金流量表

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

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

	Notes 附註	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Net cash flows (used in)/from operating activities	經營活動(所用)/所得之現金流量淨額	(1,659,038)	613,783
Cash flows from investing activities	投資活動產生之現金流量		
Purchase of items of property, plant and equipment	購置物業、廠房及設備項目	(513,743)	(631,697)
Purchase of freehold land	購置永久業權土地	—	(157,538)
Interest received	已收利息	8,521	13,713
Advance of a loan to a joint venture	向一間合營企業墊付貸款	(1,658,392)	—
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目之所得款項	52	502
Decrease/(increase) in restricted bank deposits	受限制銀行存款減少/(增加)	6,683	(492,119)
Increase in other assets	其他資產增加	(8,374)	—
Disposal of a subsidiary	出售一間附屬公司	2,324,969	—
	36		
Net cash flows from/(used in) investing activities	投資活動所得/(所用)之現金流量淨額	159,716	(1,267,139)
Cash flows from financing activities	融資活動產生之現金流量		
Proceeds from new loans from financial institutions	金融機構新借貸款所得款項	1,578,504	2,194,550
Repayment of loans to an intermediate holding company	向一間中間控股公司償還貸款	(1,107,941)	—
Increase in amounts due to an intermediate holding company	應付一間中間控股公司款項增加	2,465,773	—
Proceeds from loans from related parties	關連人士貸款所得款項	—	52,720
Proceeds from other borrowings	其他借款所得款項	73,565	—
Repayment of loans from financial institutions	償還金融機構貸款	(1,720,492)	(1,439,110)
Repayment of other borrowings	償還其他借款	(74,958)	—
Repayment of loans from related parties	償還關連人士貸款	—	(114,113)
Interest paid	已付利息	(170,703)	(243,026)
Capital injection from non-controlling shareholders	非控股股東注資	—	221,955
Net cash flows from financing activities	融資活動所得之現金流量淨額	1,043,748	672,976
Net (decrease)/increase in cash and cash equivalents	現金及現金等值物(減少)/增加淨額	(455,574)	19,620
Cash and cash equivalents at beginning of year	年初之現金及現金等值物	2,680,562	2,958,264
Cash and cash equivalents included in assets held for sale	計入持作出售資產之現金及現金等值物	(344,686)	(14,867)
Effect of foreign exchange rate changes	匯率變動之影響	207,667	(282,455)
	12		
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值物	2,087,969	2,680,562
	25		

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

Wanda Hotel Development Company Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at The Canon’s Court, 22 Victoria Street Hamilton HM12, Bermuda.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) is principally engaged in property development, property investment and property management in the People’s Republic of China (the “PRC”) and overseas during the year.

In the opinion of the Company’s directors (the “Directors”), the immediate holding company of the Company is Wanda Commercial Properties Overseas Limited (“Wanda Overseas”), a company established in the British Virgin Islands and the ultimate holding company of the Company is Dalian Wanda Group Co., Ltd., a company established in the PRC.

Information about subsidiaries

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

Name of the company 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Amazing Wise Limited	British Virgin Islands 英屬處女群島	1,000 ordinary shares of United States Dollar (“US\$”) 1 each 1,000股每股 面值1美元之 普通股	53%	—	Investment holding 投資控股
Dalong Industrial Group Limited 大隆實業集團有限公司	Hong Kong 香港	\$10,000,000 10,000,000元	—	53%	Investment holding 投資控股

1. 公司及集團資料

萬達酒店發展有限公司(「本公司」)為於百慕達註冊成立之有限公司。本公司之註冊辦事處位於The Canon’s Court, 22 Victoria Street Hamilton HM12, Bermuda。

年內，本公司及其附屬公司(以下統稱「本集團」)主要於中華人民共和國(「中國」)及海外從事物業發展、物業投資及物業管理。

本公司董事(「董事」)認為，本公司之中間控股公司為萬達商業地產海外有限公司(「萬達海外」)，一間於英屬處女群島成立之公司；本公司之最終控股公司為大連萬達集團股份有限公司，一間於中國成立之公司。

附屬公司資料

本公司主要附屬公司之詳情如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司之詳情如下(續)：

Name of the company 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Fujian Henglicheng Real Estate Development (HK) Co., Limited (previously known as Fujian Zhonglu Real Estate Development (HK) Limited)	Hong Kong	\$1,000	—	53%	Inactive
福建恒力城置業發展(香港)有限公司(前稱福建中旅房地產開發(香港)有限公司)	香港	1,000元			暫無營業
Fujian Henglicheng Real Estate Development Co., Limited (notes i & iii)	PRC	Renminbi ("RMB") 129,820,000	—	50.35%	Property development
福建恒力城置業發展有限公司 (附註i及iii)	中國	人民幣 129,820,000元			物業發展
Fujian Hengli & Savills Property Management Co., Limited (note i)	PRC	RMB500,000	—	27.69%	Property management
福州市恒力第一太平戴維斯物業管理有限公司(附註i)	中國	人民幣500,000元			物業管理

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司之詳情如下(續)：

Name of the company 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Fujian Hengli Assets Management Co., Limited (note ii) 福建恒力資產管理有限公司(附註ii)	PRC 中國	RMB50,000,000 人民幣50,000,000元	—	53%	Property management 物業管理
Wanda International Real Estate Investment Co. Limited ("Wanda International") 萬達國際地產投資有限公司(「萬達國際」)	Hong Kong 香港	\$200,000,000 200,000,000元	60%	—	Investment holding 投資控股
Wanda One (UK) Limited ("Wanda One")	United Kingdom 英國	10,000 ordinary shares of Great Britain Pound ("GBP") 1 each 10,000股每股面值1英鎊之普通股	—	60%	Property development 物業發展
Wanda One Nine Elms (UK) Limited ("Wanda One Nine Elms")	United Kingdom 英國	10,000 ordinary shares of GBP1 each 10,000股每股面值1英鎊之普通股	—	60%	Property development 物業發展

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司之詳情如下(續)：

Name of the company 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Wanda Europe Real Estate Investment Co. Ltd. ("Wanda Europe") 萬達歐洲地產投資有限公司 (「萬達歐洲」)	Hong Kong 香港	\$1 1元	60%	—	Investment holding 投資控股
Wanda Properties Investment Limited 萬達置業投資有限公司	British Virgin Islands 英屬處女群島	100 ordinary shares of US\$0.01 each 100股每股面值0.01美元之普通股	51%	—	Investment holding 投資控股
Wanda Commercial Properties Investment Limited 萬達商業地產投資有限公司	Hong Kong 香港	\$1 1元	—	51%	Investment holding 投資控股
Guilin Gaoxin Wanda Plaza Co., Ltd. (note ii) 桂林高新萬達廣場有限公司(附註ii)	PRC 中國	US\$180,000,000 180,000,000美元	—	51%	Property development 物業發展

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司之詳情如下(續)：

Name of the company 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Wanda Americas Real Estate Investment Co., Ltd. 萬達美洲地產投資有限公司	Hong Kong 香港	\$1 1元	60%	—	Investment holding 投資控股
Wanda Americas Commercial Properties Co., Ltd.	United States of America ("USA") 美利堅合眾國 ("美國")	1,000 ordinary shares of US\$0.1 each 1,000股每股面值0.1美元之普通股	—	60%	Investment holding 投資控股
Wanda Chicago Real Estate LLC	USA 美國	US\$10 10美元	—	60%	Investment holding 投資控股
Parcel C LLC	USA 美國	US\$250,000,000.66 250,000,000.66美元	—	54%	Property development 物業發展

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司之詳情如下(續)：

Name of the company 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Wanda Australia Real Estate Investment Co., Ltd. ("Wanda Australia RE") 萬達澳洲地產投資有限公司 (「萬達澳洲地產」)	Hong Kong 香港	\$1 1 元	60%	—	Investment holding 投資控股
Wanda Australia Commercial Properties Pty. Ltd. ("Wanda Australia CP") (「萬達商業澳洲」)	Australia 澳大利亞	1,000 ordinary shares of Australian Dollar ("AUD") 0.001 each 1,000 股每股面值 0.001 澳元之普通股	—	60%	Investment holding 投資控股
Wanda One Sydney Pty Ltd.	Australia 澳大利亞	1,000 ordinary shares of AUD0.001 each 1,000 股每股面值 0.001 澳元之普通股	—	60%	Property development 物業發展

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Notes:

- i These entities are equity joint ventures established in the PRC.
- ii These entities are wholly-foreign-owned enterprises established in the PRC.
- iii Pursuant to a share transfer agreement (the “Agreement”) dated 22 May 2005 between Dalong Industrial Group Limited (“Dalong”), a subsidiary of the Group, and Fujian Zhonglu Group Co., Limited (“Zhonglu Group”), Zhonglu Group agreed to transfer 95% of the equity of Fujian Henglicheng Real Estate Development Co., Ltd (“Fujian Henglicheng”) to Dalong, after which Fujian Henglicheng became a subsidiary of Dalong. Zhonglu Group has since then been the non-controlling equity holder of Fujian Henglicheng. According to the Agreement, certain assets and liabilities related to an old project commenced before the transfer were retained by Zhonglu Group, the relevant risks and benefits of the aforesaid projects were also retained by Zhonglu Group. Fujian Henglicheng maintains separate books and records for this old project. As at 31 December 2017, the relevant assets and liabilities amounting to \$53,467,000 (2016: \$49,945,000) and \$11,291,000 (2016: \$10,551,000) respectively have not been legally transferred. However, as the risks and benefits of these assets and liabilities were retained by Zhonglu Group, these assets and liabilities were excluded from the consolidated financial statements.
- iv Except for the statutory financial statements of Wanda One, Wanda One Nine Elms, Wanda International, Wanda Europe, Wanda Commercial Properties Investment Limited, Wanda Americas Real Estate Investment Co., Ltd., Wanda Australia RE, Wanda One Sydney Pty Ltd. and Wanda Australia CP for the year ended 31 December 2017, the statutory financial statements of the other subsidiaries of the Group for the year ended 31 December 2017, or since their respective dates of establishment or acquisitions by the Group, were not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

1. 公司及集團資料(續)

附屬公司資料(續)

附註：

- i 該等實體為於中國成立之股權式合營企業。
- ii 該等實體為於中國成立之外商獨資企業。
- iii 根據本集團附屬公司大隆實業集團有限公司(「大隆」)與福建中旅集團公司(「中旅集團」)日期為二零零五年五月二十二日之股份轉讓協議(「協議」)，中旅集團同意轉讓福建恒力城置業發展有限公司(「福建恒力城」)之95%權益予大隆，此後福建恒力城成為大隆之附屬公司。自此後中旅集團為福建恒力城之非控股權益持有人。根據協議，與轉讓前開始之一項原有項目有關之若干資產及負債由中旅集團保留，上述項目之相關風險及利益亦由中旅集團承擔。福建恒力城為該原有項目保留單獨賬本及記錄。於二零一七年十二月三十一日，分別為53,467,000元(二零一六年：49,945,000元)及11,291,000元(二零一六年：10,551,000元)之相關資產及負債仍未依法轉讓。然而，由於該等資產及負債之風險及利益由中旅集團承擔，該等資產及負債並無列入綜合財務報表中。
- iv 除 Wanda One、Wanda One Nine Elms、萬達國際、萬達歐洲、萬達商業地產投資有限公司、萬達美洲地產投資有限公司、萬達澳洲地產、Wanda One Sydney Pty Ltd. 及萬達商業澳洲於截至二零一七年十二月三十一日止年度之法定財務報表外，本集團其他附屬公司於截至二零一七年十二月三十一日止年度，或自其各自成立或由本集團收購的日期以來之法定財務報表，並未經香港安永會計師事務所或安永全球網絡其他成員公司審計。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited.

They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Hong Kong dollars (“\$”) and all values are rounded to the nearest thousand (“\$’000”) except when otherwise indicated.

Basis of consolidation

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

2. 編製基準及會計政策

2.1 編製基準

該等財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」，包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例之披露規定編製。該等財務報表亦符合香港聯合交易所有限公司證券上市規則（「上市規則」）之適用披露規定。

除按公允價值計量之投資物業外，財務報表已根據歷史成本法編製。誠如附註2.4進一步說明，持作出售之出售組別乃按彼等賬面值及公允價值減出售成本兩者之較低者呈列。該等財務報表以港元（「元」）呈列，除另有註明外，所有價值均調整至最接近之千元（「千元」）。

綜合基準

截至二零一七年十二月三十一日止年度，綜合財務報表包括本公司及其附屬公司之財務報表。附屬公司為本公司所直接或間接控制的實體（包括結構性實體）。當本集團就參與被投資公司所產生浮動回報而承受風險或享有權利，且有能力透過對其行使權力（即讓本集團現時能夠支配被投資公司相關活動的現有權利）而影響有關回報時，則本集團已控制該被投資公司。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

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

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

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2. 編製基準及會計政策 (續)

2.1 編製基準 (續)

綜合基準 (續)

當本公司並未直接或間接擁有被投資公司大多數投票權或類似的權力時，本集團會考慮所有相關因素及情況，以評估其是否對被投資公司具有控制權，包括：

- (a) 與被投資公司之其他投票權持有者之間的合約式安排；
- (b) 從其他合約式安排中獲取的權力；及
- (c) 本集團的投票權和潛在投票權。

附屬公司之財務報表乃就與本公司相同之報告期間採用一致之會計政策編製。附屬公司之業績於本集團取得控制權當日起直至該控制權終止當日止綜合入賬。

損益及其他全面收入之各項乃歸屬於本集團之母公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。與本集團成員公司間交易有關之所有集團內公司間資產及負債、權益、收入、開支及現金流量於綜合入賬時全數對銷。

倘事實及情況表明上述三個控制權因素中之一個或以上出現變動，本集團會重新評估其是否控制被投資公司。附屬公司之擁有權權益之變動(未喪失控制權)乃按權益交易入賬。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

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

2.2 Changes in accounting policies and disclosures

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

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

2. 編製基準及會計政策 (續)

2.1 編製基準 (續)

綜合基準 (續)

倘本集團喪失一間附屬公司之控制權，其終止確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)於權益記錄之累計換算差額；及確認(i)已收代價之公允價值；(ii)任何保留投資之公允價值及(iii)於損益中任何產生之盈餘或虧絀。本集團先前於其他全面收入確認之應佔部分按倘本集團直接出售有關資產或負債須採用之相同基準重新分類至損益或保留溢利(如適用)。

2.2 會計政策及披露之變動

本集團已於本年度財務報表首次採納下列經修訂香港財務報告準則：

香港會計準則第7號(修訂本)	<i>披露計劃</i>
香港會計準則第12號(修訂本)	<i>就未變現虧損確認遞延稅項資產</i>
香港財務報告準則二零一四年至二零一六年循環之年度改進所載之	<i>披露其他實體之權益：澄清香港財務報告準則第12號之範圍</i>
香港財務報告準則第12號(修訂本)	

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

The nature and the impact of the amendments are described below:

- (a) Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Disclosure of the changes in liabilities arising from financing activities is provided in note 37 to the financial statements.
- (b) Amendments to HKAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

2. 編製基準及會計政策(續)

2.2 會計政策及披露之變動(續)

該等修訂之性質及影響說明如下：

- (a) 香港會計準則第7號(修訂本)要求實體提供披露資料，以使財務報表使用者可評估融資活動所產生之負債變動，包括現金流量所產生之變動及非現金變動。融資活動所產生之負債變動於財務報表附註37披露。
- (b) 香港會計準則第12號(修訂本)澄清，實體於評估是否有應課稅溢利將可用作抵扣可扣減暫時性差異時，需要考慮稅法是否對其於該可扣減暫時性差異轉回時可用作抵扣之應課稅溢利來源有所限制。此外，該等修訂就實體應如何釐定未來應課稅溢利提供指引，並解釋應課稅溢利可包括收回超過其賬面值之部分資產之情況。由於本集團並無可扣減暫時性差異或屬於該等修訂範圍內之資產，故該等修訂並無對本集團之財務狀況或表現造成影響。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

- (c) Amendments to HKFRS 12 clarify that the disclosure requirements in HKFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of HKFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements.

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

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

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> ¹
HKFRS 9	<i>Financial Instruments</i> ¹
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ²
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
HKFRS 15	<i>Revenue from Contracts with Customers</i> ¹

2. 編製基準及會計政策 (續)

2.2 會計政策及披露之變動 (續)

- (c) 香港財務報告準則第12號(修訂本)澄清，香港財務報告準則第12號之披露規定(除該等於香港財務報告準則第12號第B10至B16段之披露規定外)適用於實體於附屬公司、合營企業或聯營公司之權益，或其於分類為持作出售或計入分類為持作出售之出售組別之合營企業或聯營公司之部分權益。該等修訂並無對本集團之財務報表造成影響。

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第2號(修訂本)	以股份為基礎付款交易之分類及計量 ¹
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第9號(修訂本)	具有負補償之預付款項特性 ²
香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港財務報告準則第15號	來自客戶合約之收益 ¹

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> ¹
HKFRS 16	<i>Leases</i> ²
HKFRS 17	<i>Insurance Contracts</i> ⁴
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ²
Amendments to HKAS 40	<i>Transfers of Investment Property</i> ¹
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ²
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to HKFRS 1 and HKAS 28 ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 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 No mandatory effective date yet determined but available for adoption
- ⁴ Effective for annual periods beginning on or after 1 January 2021

2. 編製基準及會計政策 (續)

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則第15號 (修訂本)	香港財務報告準則第15號來自客戶合約之收益之澄清 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ⁴
香港會計準則第28號 (修訂本)	於聯營公司及合營企業之長期權益 ²
香港會計準則第40號 (修訂本)	轉撥投資物業 ¹
香港(國際財務報告詮釋委員會)一詮釋第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)一詮釋第23號	所得稅處理之不確定性 ²
二零一四年至二零一六年 循環之年度改進	香港財務報告準則第1號及香港會計準則第28號之修訂 ¹
二零一五年至二零一七年 循環之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂 ²

- ¹ 於二零一八年一月一日或之後開始之年度期間生效
- ² 於二零一九年一月一日或之後開始之年度期間生效
- ³ 並無確定強制生效日期，惟可供採納
- ⁴ 於二零二一年一月一日或之後開始之年度期間生效

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

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

2. 編製基準及會計政策 (續)

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

預期將適用於本集團的該等香港財務報告準則的進一步資料如下：

香港會計師公會於二零一六年八月頒佈的香港財務報告準則第2號(修訂本)闡述三大範疇：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；為僱員履行與以股份為基礎付款有關的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作出令其分類由現金結算變為權益結算的修訂時的會計處理方法。該等修訂本明確說明計量以權益結算以股份為基礎付款時歸屬條件的入賬方法亦適用於以現金結算以股份為基礎付款。該等修訂本引入一項例外情況，在符合若干條件時，為僱員履行稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)，將整項分類為以權益結算以股份為基礎付款交易。此外，該等修訂本明確說明，倘以現金結算以股份為基礎付款交易的條款及條件有所修訂，令其成為以權益結算以股份為基礎付款交易，該交易自修訂日期起作為以權益結算的交易入賬。在採納時，實體須應用該等修訂本，而毋須重列過往期間之資料，惟倘有關實體選擇採納全部三項修訂本並符合其他準則，則可追溯應用。預期該等修訂本不會對本集團財務報表產生任何重大影響。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

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

(a) Classification and measurement

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value.

2. 編製基準及會計政策 *(續)*

2.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

於二零一四年九月，香港會計師公會頒佈香港財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替香港會計準則第39號及香港財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團將自二零一八年一月一日起採納香港財務報告準則第9號。本集團將不會重列比較資料，惟將確認對於二零一八年一月一日之期初權益結餘作出之任何過渡調整。於二零一七年，本集團已就採納香港財務報告準則第9號的影響進行詳細評估。預期有關分類及計量以及減值規定之影響概述如下：

(a) 分類及計量

本集團預期採納香港財務報告準則第9號將不會對其金融資產的分類及計量構成重大影響。預期本集團將繼續按公允價值計量所有目前按公允價值持有的金融資產。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

(b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. As a result of the final HKFRS 9, the recognition and measurement of impairment is intended to be more forward-looking than under HKAS 39. Except for the potential early recognition of credit losses based on the expected credit loss model in relation to the Group's financial assets measured at amortised costs, the directors of the Company anticipate that the adoption of HKFRS 9 in the future may not have any significant impact on amounts reported in respect of the Group's financial assets and financial liabilities based on an analysis of the Group's financial instruments as at 31 December 2017.

2. 編製基準及會計政策 (續)

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

(b) 減值

香港財務報告準則第9號規定，根據香港財務報告準則第9號按攤銷成本或按公允價值計入其他全面收入的債務工具、應收租賃款項、貸款承擔及並非按公允價值計入損益賬的財務擔保合約須作減值，並將按十二個月基準或可使用年期基準以預期信貸虧損模式入賬。本集團將應用簡化方式，並將根據於其所有貿易應收款項餘下年期內的所有現金差額現值估計的可使用年期預期虧損入賬。此外，本集團將會應用一般方法，並根據未來十二個月內其他應收款項可能發生的違約事件作出的估計將十二個月的預期信貸虧損入賬。因此，最終的香港財務報告準則第9號對減值的確認及計量擬定將會較香港會計準則第39號具備較大的前瞻性。除可能根據預期信貸虧損模式就本集團按攤銷成本計量之金融資產提前確認信貸虧損外，本公司董事預期，根據對本集團於二零一七年十二月三十一日之金融工具作出的分析，日後採納香港財務報告準則第9號將不會對就本集團金融資產及金融負債呈報的金額造成任何重大影響。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

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

2. 編製基準及會計政策 *(續)*

2.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營企業之間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。該等修訂將提前應用。香港會計師公會已於二零一六年一月撤銷香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)先前的強制性生效日期，而新強制性生效日期將於完成對聯營公司及合營企業之更廣泛會計審閱後釐定。然而，該等修訂本現時可供採納。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

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

2. 編製基準及會計政策(續)

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於二零一四年七月頒佈的香港財務報告準則第15號建立一個新的五步模式，用作將來自客戶合約的收益入賬。根據香港財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。香港財務報告準則第15號的原則為計量及確認收益提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額，關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代香港財務報告準則項下所有現時收益確認的規定。於初步應用該準則時，需要全面追溯應用或經修改追溯採納。於二零一六年六月，香港會計師公會頒佈香港財務報告準則第15號(修訂本)，以解決識別履約責任、委託人與代理人的應用指引、知識產權許可及過渡安排的實施問題。該等修訂本亦旨在幫助確保於實體採納香港財務報告準則第15號時更貫徹應用及降低應用準則的成本及複雜性。本集團計劃採納香港財務報告準則第15號的過渡條文，以確認初次採納的累計影響，作為對二零一八年一月一日之保留溢利期初結餘的調整。此外，本集團計劃僅對並非於二零一八年一月一日前完成的合約應用新規定。本集團預期，初次採納香港財務報告準則第15號後，將不會於二零一八年一月一日作出重大的過渡調整。然而，會計政策的預期變動(見下文進一步闡釋)將對本集團於二零一八年起的財務報表構成重大影響。於二零一七年，本集團已對採納香港財務報告準則第15號的影響進行詳細評估。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

The Group is principally engaged in the business of property development, property investment and property management in the PRC and overseas. The directors of the Company expect that revenue recognition under HKFRS 15 is similar to the method under HKAS 18. The expected impacts arising from the adoption of HKFRS 15 on the Group are summarised as follows:

(a) Timing of revenue recognition of property development

Currently, sale of properties is recognised when the significant risks and rewards of ownership of the properties are transferred to the purchasers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the properties, that is when the construction of the relevant properties has been completed and the properties have been delivered to the buyers pursuant to the sales agreements, and the collectability of related receivables is reasonably assured.

2. 編製基準及會計政策 *(續)*

2.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

本集團主要於中國及海外從事物業發展、物業投資及物業管理之業務。本公司董事預期，香港財務報告準則第15號項下的收益確認與香港會計準則第18號項下的方法相若。預期採納香港財務報告準則第15號對本集團產生的影響概述如下：

(a) 確認物業發展收益的時間

現時，銷售物業乃於物業擁有權之重大風險及回報轉移至買方時確認，前提為本集團並無保留一般與擁有權有關之物業管理權或實際控制權，即相關物業的建設工程已經完工及有關物業已根據銷售協議交付買方，且可合理確定能收取有關應收款項時。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

(a) Timing of revenue recognition of property development (Continued)

Upon the adoption of HKFRS 15, revenue from the sale of properties will be recognised when control over the properties is transferred to the purchasers. Judgement will be required to assess whether control transfers over time or at a point in time.

The Group has assessed that the sale agreements used by the Group are standardised to a large extent and in the case of pre-completion sales using standard agreements for sale and purchase, the Group does not have an enforceable right to payment for performance completed to date in accordance with HKFRS 15, and accordingly, the criteria for recognising revenue over time are not met for the majority of the sales of properties. The Group expects to recognise the majority of the sale of properties until the point in time at which the Group delivers the properties to the purchasers. The Group does not anticipate that the application of HKFRS 15 will have a material impact on the timing of revenue recognition.

2. 編製基準及會計政策(續)

2.3 已頒佈但尚未生效之香港財務報告準則(續)

(a) 確認物業發展收益的時間(續)

採納香港財務報告準則第15號後，來自銷售物業的收益將於物業控制權轉移至買方時確認。在評估控制權是隨著時間或於某一時刻轉讓時需要作出判斷。

本集團已作出評估，認為本集團所用的銷售協議很大程度上屬標準協議，而在進行預售時，則會使用標準買賣協議，故此，根據香港財務報告準則第15號，本集團並無就迄今為止已完成的履約部份獲得付款的可強制執行權利。因此，大部分物業銷售均未能符合隨時間確認收益的準則。本集團預期大部分物業銷售在直至本集團交付物業予買方時方會予以確認。本集團預期應用香港財務報告準則第15號將不會對確認收益的時間造成重大影響。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

(b) Sale of property with commissions

The Group has several projects located in the PRC and overseas. There is no commission incurred for the selling of the properties in the PRC. As for the overseas properties, the Group pays commission to the sales agents when the agreement for sale and purchase is signed with the property buyer. Following the adoption of HKFRS 15, incremental costs of obtaining a contract, including sales commission, if recoverable, are capitalised as an asset and shall be amortised on a systematic basis that is consistent with the transfer of the related property to the buyer. Currently, the Group expenses off the sales commission associated with obtaining the agreement for sale and purchase with the property buyer. Accordingly, the Group expects the recognition of an asset would result in an increase of opening retained profits as at 1 January 2018.

2. 編製基準及會計政策 *(續)*

2.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

(b) 銷售物業的佣金

本集團於中國及海外擁有多個項目。於中國銷售物業並不會產生佣金。就海外物業而言，本集團在與物業買方簽訂買賣協議時向銷售代理支付佣金。在採納香港財務報告準則第15號後，倘取得合約的增量成本（包括銷售佣金）可收回，則資本化為資產，並按與轉讓相關物業予買方一致的方式有系統地予以攤銷。現時，本集團將與取得物業買方的買賣協議有關的銷售佣金支銷。因此，本集團預期確認資產將會導致二零一八年一月一日之期初保留溢利有所增加。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

(c) Financing component for sale of completed properties

HKFRS 15 requires property developers to account for the financing component in a contract separately from revenue if the financing effects are significant, subject to a practical expedient where the period between the payment and delivery of properties will be less than one year.

Currently, the Group has several projects situated in the PRC and overseas. For the properties situated in the PRC, all the construction work has been completed and the properties are ready to be sold, it is expected that the length of time between the payment and delivery of properties will be less than one year. As for the properties situated overseas, the Group has obtained development approval and commenced construction work and certain overseas subsidiaries have commenced pre-sale of residential properties. Although the sales and purchase agreements were signed between the overseas subsidiaries and the buyer, the deposit paid by the buyer was kept and managed by third parties, no revenue or receivable was recognised until the date of transferring the rights of properties to buyers. Accordingly, the financing component is considered to be not significant and no adjustment will be made on the opening retained profits in this regard.

2. 編製基準及會計政策(續)

2.3 已頒佈但尚未生效之香港財務報告準則(續)

(c) 銷售已竣工物業的融資部分

香港財務報告準則第15號要求，倘融資影響屬重大，物業開發商須將合約的融資部分與收益分開入賬，惟根據實際權宜之情況，付款與交付物業之期間將須少於一年。

現時，本集團於中國及海外擁有多個項目。就位於中國的物業而言，所有建設工程已完成，而物業已可供銷售，預期付款與交付物業之期間將少於一年。就位於海外之物業而言，本集團已取得發展批文及開展建設工程，若干海外附屬公司已開始預售住宅物業。儘管海外附屬公司與買方簽訂買賣協議，但買方已付之按金乃由第三方保管及管理，因此，直至轉讓物業權利予買方時方會確認收益或應收款項。故此，融資部分被視為並不重大，亦將不會就此對期初保留溢利作出調整。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

(d) Presentation and disclosure

The presentation and disclosure requirements in HKFRS 15 are more detailed than those under the current HKAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in HKFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In addition, as required by HKFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

2. 編製基準及會計政策 *(續)*

2.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

(d) 呈列及披露

香港財務報告準則第15號的呈列及披露規定較現時的香港會計準則第18號更為詳盡。呈列規定與現行慣例相比有重大變動，並將大幅增加本集團財務報表中所需作出的披露。香港財務報告準則第15號的許多披露規定為新披露規定，而本集團已進行評估，認為其中部分的披露規定將有重大影響。此外，根據香港財務報告準則第15號的規定，本集團將會把就客戶合約確認的收益分拆為不同類別，以描述收益及現金流量的性質、金額、時間及不確定性如何受經濟因素影響。其亦將披露有關披露分拆收益及就各報告分部而披露之收益資料之間的關係的資料。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

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

2. 編製基準及會計政策(續)

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於二零一六年五月頒佈的香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會) – 詮釋第4號釐定安排是否包括租賃、香港(準則詮釋委員會) – 詮釋第15號經營租賃 – 優惠及香港(準則詮釋委員會) – 詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項選擇性確認豁免 – 低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出的租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號投資物業的定義，或與應用重估模型的物業、廠房及設備類別有關，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人亦將須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt HKFRS 16 from 1 January 2019. The Group is currently assessing the impact of HKFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 40 to the financial statements, at 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately \$31,020,000. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short-term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

2. 編製基準及會計政策 *(續)*

2.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

之分為經營租賃及融資租賃。與香港會計準則第17號相比，香港財務報告準則第16號要求承租人及出租人作出更全面的披露。承租人應用該準則時，可選擇以全面追溯方式或經修改追溯方式使用該準則。本集團預期自二零一九年一月一日採納香港財務報告準則第16號。本集團目前正評估採納香港財務報告準則第16號的影響，並正考慮其將會否選擇利用現有可行的權宜措施，以及將會採納的過渡方法及寬免。誠如財務報表附註40所披露，於二零一七年十二月三十一日，本集團未來最少應付之不可撤銷經營租賃租金合共約為31,020,000元。在採納香港財務報告準則第16號後，當中的若干金額或須確認為新的有使用權資產及租賃負債。然而，必須進行進一步分析，方可釐定將予確認的新有使用權資產及租賃負債的金額，包括但不限於與低價值資產租賃及短期租賃、其他可行權宜措施及寬免以及於採納日期前訂立的新租賃有關的任何金額。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

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

2. 編製基準及會計政策 *(續)*

2.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

於二零一七年四月頒佈的香港會計準則第40號(修訂本)澄清，實體應將物業(包括在建或發展中物業)轉撥至或轉撥自投資物業的時間。該修訂本指明，在物業符合或不再符合投資物業的定義且有證據證明用途變更時，則出現用途變更。單憑管理層對物業用途的意向變動並不足以證明用途變更。實體應就其首次應用該修訂本的年度報告期初或其後發生的用途變更，以未來適用法應用該修訂本。實體應在其首次應用該修訂本當日重新評估所持物業之分類，並於該日將物業重新分類以反映當日實際的情況(如適用)。倘毋須採用事後確認，方可追溯應用。本集團預期自二零一八年一月一日起以未來適用法採納該修訂本。該修訂本預期將不會對本集團的財務報表造成任何重大影響。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

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

2. 編製基準及會計政策 *(續)*

2.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

於二零一七年六月頒佈的香港(國際財務報告詮釋委員會)一詮釋第22號就實體在以外幣收取或支付預付代價並確認非貨幣資產或負債的情況下應用香港會計準則第21號時該如何釐定交易日期提供指引。該詮釋澄清，就釐定於初步確認有關資產、開支或收入(或其中部分)時所用匯率而言，交易日期為實體初步確認因支付或收取預付代價而產生的非貨幣資產(如預付款項)或非貨幣負債(如遞延收入)的日期。倘確認有關項目存在多筆預付代價的付款或收款，則實體須就每筆付款或收款釐定交易日期。實體可自該實體首次應用該詮釋的報告期初起或實體首次應用該詮釋的報告期的財務報表內比較資料所示前一報告期初起按全面追溯基準或未來適用基準應用該詮釋。本集團預期自二零一八年一月一日起以未來適用法採納該詮釋。該詮釋預期將不會對本集團的財務報表造成任何重大影響。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

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

2. 編製基準及會計政策(續)

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於二零一七年七月頒佈的香港(國際財務報告詮釋委員會)一詮釋第23號針對當稅項處理涉及影響應用香港會計準則第12號的不確定性(常稱為「不確定稅項狀況」)時的所得稅(即期及遞延)會計處理方式。該詮釋不適用於香港會計準則第12號範圍之外的稅項或徵費，尤其亦不包括涉及有關不確定稅項處理的利息及罰款的規定。該詮釋具體針對(i)實體是否單獨考慮不確定稅項處理；(ii)實體對稅務機關的稅項處理檢查作出的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋將會追溯應用，方式為透過毋須事後確認的方式全面追溯應用，或以應用的累計效應作為對首次應用日期的期初權益的調整而追溯應用，惟並不會重列比較資料。本集團預期自二零一九年一月一日起採納該詮釋。該詮釋預期將不會對本集團的財務報表造成任何重大影響。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies

Investment in a joint venture

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

The Group's investment in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's investment in the joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of the joint venture is included as part of the Group's investment in the joint venture.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要

於一間合營企業之投資

合營企業指一種合營安排，對安排擁有共同控制權之訂約方據此對合營企業之資產淨值擁有權利。共同控制指按照合約協定對一項安排所共有之控制，共同控制僅在有關活動要求享有控制權之訂約方作出一致同意之決定時存在。

本集團於一間合營企業之投資乃採用權益會計法按本集團分佔之資產淨值減任何減值虧損後，在綜合財務狀況表中列賬。

本集團分佔該合營企業的收購後業績及其他全面收入乃分別計入綜合損益及綜合其他全面收入表。此外，當該合營企業的權益內直接確認一項變動，則本集團在適當情況下會在綜合股權變動表確認其分佔的任何變動金額。本集團與其合營企業交易的未變現盈利及虧損按本集團分佔該合營企業的投資撇銷，惟未變現虧損提供已轉讓資產減值的憑證則除外。收購該合營企業所產生的商譽列為本集團於該合營企業的投資之一部分。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Investment in a joint venture (Continued)

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

When an investment in a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

於一間合營企業之投資 (續)

如果於合營企業之投資轉為於聯營公司之投資，或是於聯營公司之投資轉為於合營企業之投資，則不會對保留權益進行重新計量，是項投資將繼續按照權益法列賬。在所有其他情況下，當本集團喪失對聯營公司的重大影響力或對合營企業的共同控制權時，本集團按照其公允價值計量並確認任何保留投資。聯營公司或合營企業於喪失重大影響力或共同控制權時的賬面金額與所保留投資的公允價值及出售所得款項兩者之間的任何差額會在損益中確認。

當於合營企業之投資分類為持作出售時，其按香港財務報告準則第5號持作出售之非流動資產及終止經營業務列賬。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Business combinations and goodwill

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

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公允價值計算，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團自被收購公司之前度擁有人承擔的負債及本集團發行的以換取被收購公司控制權的股本權益的總和。就各項業務合併而言，對於在屬現時所有權權益且賦予擁有人權力於清盤時按比例分佔被收購公司之資產淨額之非控股權益，本集團選擇以公允價值或被收購公司可識別資產淨值的分佔比例計量。所有非控股權益的其他成分均以公允價值計量。收購有關成本於發生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及標示，其中包括將被收購公司主合約中的嵌入式衍生工具分離。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.4 Summary of significant accounting policies *(Continued)*

Business combinations and goodwill *(Continued)*

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

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

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

2. 編製基準及會計政策 *(續)*

2.4 主要會計政策概要 *(續)*

業務合併及商譽 *(續)*

倘業務合併分階段進行，先前持有的股權按收購日期的公允價值重新計量，而任何引致的收益或虧損於損益中確認。

由收購方將予轉讓的任何或然代價將按收購日期的公允價值確認。分類為資產或負債的或然代價根據公允價值的變動按公允價值計量，並於損益中確認。分類為權益的或然代價並無重新計量，而其後結算於權益中入賬。

商譽初始按成本計量，即已轉讓代價、已確認非控股權益金額及本集團先前持有的被收購公司股本權益的任何公允價值的總和，超出所收購可識別資產淨值及所承擔負債的差額。如代價及其他項目的總和低於所收購資產淨值的公允價值，於重新評估後其差額於損益中確認為議價收購收益。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Business combinations and goodwill (Continued)

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

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

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

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

業務合併及商譽(續)

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年進行減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽之年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而不論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。當現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額時，減值虧損會予以確認。已就商譽確認的減值虧損不得於其後期間撥回。

倘商譽被分配至現金產生單位(或現金產生單位組別)而該單位的部分經營業務已出售，則在釐定出售業務的收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面金額。在該情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留部分計量。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Fair value measurement

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

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

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

公允價值計量

本集團於各報告期末對其投資物業按公允價值進行計量。公允價值乃於計量日期市場參與者於有秩序交易中出售一項資產將收取或轉讓一項負債將支付的價格。公允價值計量假設出售資產或轉讓負債的交易於該資產或負債的主要市場，或在無主要市場的情況下，於對該資產或負債最有利的市場進行。本集團必須可於該主要市場或最有利市場進行交易。資產或負債的公允價值乃採用市場參與者為資產或負債定價時所用的假設計量，即假設市場參與者按其最佳經濟利益行事。

非金融資產公允價值之計量則參考市場參與者可從使用該資產得到之最高及最佳效用，或把該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者所產生之經濟效益。

本集團採納合乎時宜且具備充分數據以供計量公允價值的估值方法，盡量使用相關可觀察輸入參數及盡量減少使用不可觀察輸入參數。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Fair value measurement (Continued)

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

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

公允價值計量 (續)

所有公允價值於本財務報表計量或披露的資產及負債乃基於對公允價值計量整體而言屬重大的最低層輸入參數按以下公允價值等級分類：

第一級 — 基於相同資產或負債於活躍市場的報價 (未經調整)

第二級 — 基於對公允價值計量而言屬重大的可觀察 (直接或間接) 最低層輸入參數的估值方法

第三級 — 基於對公允價值計量而言屬重大的不可觀察最低層輸入參數的估值方法

就按經常性基準於本財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類 (基於對公允價值計量整體而言屬重大的最低層輸入參數) 確定是否發生不同等級轉移。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Impairment of non-financial assets

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

非金融資產減值

倘存在減值跡象，或須每年對資產（存貨、遞延稅項資產、金融資產、已竣工持作出售物業、開發中物業、投資物業及非流動資產／分類為持作出售的出售組別除外）作減值測試時，資產的可收回金額會予以估計。資產的可收回金額乃資產或現金產生單位的使用價值，以及其公允價值減出售成本較高者，並就個別資產進行釐定，除非資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額按資產所屬的現金產生單位予以釐定。

減值虧損僅於資產的賬面金額超過其可收回金額時確認。在評估使用價值時，估計日後現金流量按能反映當時市場對貨幣時值及該項資產特定風險之評估的除稅前貼現率折算成現值。減值虧損計入其產生期間的損益表內與已減值資產功能一致之開支類別中，除非該資產乃以重估價值列示，在這種情況下，減值虧損將根據相關的重估資產會計政策處理。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Impairment of non-financial assets (Continued)

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

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

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

非金融資產減值(續)

於各報告期末，將評估是否有跡象顯示之前確認的減值虧損或已不存在或可能已減少。倘存在該等跡象，可收回金額會予以估計。倘用以釐定資產的可收回金額的估計出現變動時，先前確認的資產(商譽除外)減值虧損方可撥回，惟該數額不得超過有關資產於過往年度並未有確認減值虧損而予以釐定的賬面金額(扣除任何折舊／攤銷)。該減值虧損的撥回於產生期間計入損益表，除非該資產乃以重估價值列示，在這種情況下，減值虧損的回撥將根據相關的重估資產會計政策處理。

關連人士

一方將被視為與本集團有關聯，條件為：

- (a) 該方為某一人士或該人士家屬及該人士
 - (i) 控制或共同控制本集團；
 - (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之主要管理人員；

或

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

關連人士 (續)

(b) 倘該方為符合以下任何條件的實體：

- (i) 該實體及本集團為同一集團成員；
- (ii) 一個實體為另一個實體之聯營公司或合營企業（或另一個實體的母公司、附屬公司或同系附屬公司）；
- (iii) 實體及本集團為同一第三方之合營企業；
- (iv) 一個實體為第三方實體之合營企業，而另一個實體為第三方實體之聯營公司；
- (v) 實體為本集團或與本集團有關聯之實體為其僱員福利而設立之退休福利計劃；
- (vi) 實體受(a)項所述之人士控制或共同控制；
- (vii) (a)(i)項所述之人士對實體擁有重大影響力或為實體（或其母公司）之主要管理人員；及
- (viii) 向本集團或本集團之母公司提供主要管理人員服務之實體或所屬集團之任何成員公司。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊

除在建工程以外，物業、廠房及設備按成本減累計折舊及任何減值虧損呈列。倘一項物業、廠房及設備分類為待售資產或倘其作為分類為待售資產出售組別之一部分，則該物業、廠房及設備將不計提折舊，惟會根據香港財務報告準則第5號入賬（進一步說明見有關「非流動資產及待售出售組別」之會計政策）。物業、廠房及設備項目之成本包括其購買價，及促使有關資產達致其營運狀況及地點作擬定用途所產生之任何直接應佔成本。

物業、廠房及設備項目投產後所產生之支出，例如維修及保養，通常於產生支出期間計入損益表。在符合確認準則的情況下，主要檢查的支出會作為重置，於資產賬面金額中資本化。倘物業、廠房及設備的主要部分須不時重置，則本集團會將有關部分確認為個別資產，具有指明的可使用年期及據此折舊。

折舊乃按其估計可使用年期以直線法撇銷各物業、廠房及設備項目之成本至其殘值計算。為此而採用之估計殘值及可使用年期如下：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Property, plant and equipment and depreciation (Continued)

		Useful lives 可使用年期	Residual values 殘值
Freehold land	永久業權土地	Not depreciated 並無折舊	Not depreciated 並無折舊
Buildings	樓宇	30 years 30年	5%
Leasehold improvements	租賃物業裝修	Over the shorter of the lease term and 5 years 租期及5年之較短者	Nil 無
Furniture, fixtures and equipment	傢俬、裝置及設備	3-5 years 3-5年	0-10%
Motor vehicles	汽車	5 years 5年	0-10%

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

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

倘物業、廠房及設備項目之各部分有不同可使用年期，則有關項目之成本將按各部分之合理基礎分配，而每部分將作個別折舊。殘值、可使用年期及折舊法至少須於各財政年度年結日予以檢討，並作調整（如適用）。

物業、廠房及設備項目（包括初始確認的任何重大部分）於出售或預期不會從其使用或出售獲取未來經濟利益時終止確認。於終止確認資產之年度在損益表確認之任何出售或報廢損益，為有關資產出售所得款項淨額與賬面金額之差額。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Property, plant and equipment and depreciation (Continued)

Construction in progress represents renovation works in progress and is stated at cost less any impairment losses, and is not depreciated. Cost mainly comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

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

Properties under construction or development for future use as investment properties are classified as investment properties under construction. Such properties under construction are measured initially at cost, including transaction costs, and stated at fair value, subsequent to initial recognition, at each reporting date when fair value can be determined reliably. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be reliably determined or construction is completed.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

在建工程指進行中的裝修工程，按成本減任何減值虧損呈列且不計提折舊。成本主要包括建築期內的直接建設成本及資本化的相關借款的借款成本。在建工程竣工且可供使用時，將重新分類至物業、廠房及設備的恰當類別。

投資物業

投資物業為持作賺取租金收入及／或資本增值（而非用於生產或供應貨品或服務或行政目的），或在日常業務過程中出售之土地及樓宇（包括在其他方面符合投資物業定義之物業之經營租約下之租賃權益）之權益。該等物業初始以成本（包括交易成本）計量。初始確認後，投資物業按公允價值呈列，反映報告期末的市況。

在建物業或日後作投資物業的發展項目分類為在建投資物業。於各報告期末，倘公允價值能可靠釐定，該等在建物業首次按成本計量，包括交易成本，其後按公允價值列賬。倘公允價值無法可靠釐定，則在建投資物業將按成本計量直至公允價值能可靠釐定或竣工時為止。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Investment properties (Continued)

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

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

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property, plant and equipment and depreciation” up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under “Property, plant and equipment and depreciation” above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

投資物業(續)

投資物業公允價值之變動所產生之盈利或虧損，計入所產生年度之損益表。

報廢或出售投資物業之任何損益均於報廢或出售年度之損益表中予以確認。

就投資物業轉撥至自用物業或存貨而言，物業其後作會計處理的推定成本為其於用途變更當日的公允價值。若本集團佔用作自用物業的物業轉撥為投資物業，本集團直至用途變更當日會根據「物業、廠房及設備以及折舊」所述的政策將該物業入賬，且該物業的賬面金額與公允價值於該日的任何差額根據上述「物業、廠房及設備以及折舊」所述的政策入賬列作重估。就存貨轉撥至投資物業而言，物業於轉撥當日的公允價值與其先前賬面值之間的任何差額於損益表確認。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

非流動資產及待售出售組別

倘非流動資產及出售組別之賬面值主要透過一項出售交易而非透過持續使用之方式收回，則非流動資產及出售組別分類為待售資產。就此而言，有關資產或出售組別須可即時以其現狀出售，惟須符合出售該等資產或出售組別常用及慣用之條款；且須非常可能出售有關資產或出售組別。一間附屬公司分類為出售組別之所有資產及負債乃重新分類為待售資產，不論本集團是否於出售後保留其前附屬公司之非控股權益。

分類為待售之非流動資產及出售組別（投資物業及金融資產除外）乃按其賬面值及公允價值減出售成本的較低者計量。分類為待售之物業、廠房及設備以及無形資產不計提折舊或進行攤銷。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.4 Summary of significant accounting policies *(Continued)*

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

經營租賃

資產擁有權之絕大部分回報與風險仍歸於出租人之租賃入賬列作經營租賃。倘本集團為出租人，本集團根據經營租賃所出租之資產乃計入非流動資產，且經營租賃之應收租金乃於租期內以直線法計入損益表。倘本集團為承租人，經營租賃之應付租金乃於租期內以直線法於損益表扣除。

經營租賃下的預付土地租賃款項首次按成本列賬，其後於租期內按直線法確認。

倘租賃款項無法於土地及樓宇間可靠分配，則全部租賃款項乃於物業、廠房及設備下按融資租賃計入土地及樓宇成本。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Investments and other financial assets

Initial recognition and measurement

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

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為按公允價值計入損益賬之金融資產、貸款及應收款項及可供出售金融投資或指定為有效對沖之對沖工具的衍生工具(如適用)。金融資產初始確認時以公允價值加上收購金融資產應佔交易成本計量，惟按公允價值計入損益賬之金融資產除外。

所有一般金融資產買賣概於交易日(即本集團承諾買賣該資產當日)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Investments and other financial assets (Continued)

Subsequent measurement

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

Loans and receivables

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量

金融資產的後續計量視乎其分類如下：

貸款及應收款項

貸款及應收款項指並非於活躍市場報價，但具有固定或可釐定付款的非衍生金融資產。初始計量後，該等資產隨後採用實際利率法，按攤銷成本減任何減值撥備計量。計算攤銷成本時須計及收購時之任何折讓或溢價，且包括構成實際利率整體部分的費用或成本。實際利率攤銷計入損益表內的其他收益。減值產生的虧損於損益表內的貸款融資成本及應收款項其他虧損淨額中確認。

終止確認金融資產

金融資產(或倘適用，作為金融資產或類似金融資產組別之一部分)主要在下列情況終止確認(即自本集團的綜合財務狀況表剔除)：

- 從資產收取現金流量之權利已屆滿；或

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Derecognition of financial assets (Continued)

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

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

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

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

終止確認金融資產(續)

- 本集團已轉讓其從資產收取現金流量之權利，或已根據「轉付」安排承擔責任，在沒有重大延誤的情況下，將已收取現金流量悉數付予第三方；及(a)本集團已轉讓資產之絕大部分風險及回報，或(b)本集團並無轉讓或保留資產之絕大部分風險及回報，但已轉讓資產之控制權。

倘本集團已轉讓從資產收取現金流量之權利或已經訂立轉付安排，其對於是否保留與該資產所有權相關的風險和回報以及保留程度作出評估。倘其未轉讓或保留資產之絕大部分風險及回報亦未轉讓資產之控制權，本集團繼續按本集團之持續參與確認轉讓之資產。在該情況下，本集團亦確認相關負債。轉讓的資產及相關負債按反映本集團保留的權利和責任的基準計量。

以經轉讓資產擔保方式的持續參與按資產原始賬面金額與本集團可能被要求償還代價的最高金額之間的較低者計量。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Impairment of financial assets

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

Financial assets carried at amortised cost

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

金融資產減值

本集團於各報告期末評估是否存在客觀跡象顯示金融資產或金融資產組別發生減值。倘初始確認資產後發生的一項或多項事件對金融資產或金融資產組別的估計未來現金流量的影響能可靠地估計，則存在減值。減值跡象可包括一名或一組債務人正面臨重大財務困難、違約或未能償還利息或本金，彼等很可能破產或進行其他財務重組，以及有可觀察數據表示估計未來現金流量出現大幅下降，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先單獨評估個別重大的金融資產或整體評估個別不重大的金融資產是否存在減值。倘本集團確定並無客觀跡象表明個別評估的金融資產（不論是否重大）發生減值，則會將該資產納入一組信貸風險特徵相似的金融資產中，並整體評估該組資產是否存在減值。個別評估為減值，以及就其已確認或繼續確認減值虧損的資產不會計入整體減值評估中。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost (Continued)

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

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

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本列賬之金融資產 (續)

已發現任何減值虧損的金額乃按資產賬面金額與估計未來現金流量現值(不包括尚未發生的未來信用虧損)之差額計算。估計未來現金流量之現值按金融資產最初實際利率(即於初始確認時計算之實際利率)貼現。

資產之賬面金額透過利用撥備賬而減少，而虧損於損益表中確認。利息收入繼續按減少後的賬面金額累計，並利用貼現未來現金流量所用的利率，以計量減值虧損。倘未來收回無實際可能，且所有抵押品已變現或已轉讓予本集團，則貸款及應收款項及任何相關撥備應一併撇銷。

倘於後續期間，因確認減值後發生之事件而使估計減值虧損之金額增加或減少，則可透過調整撥備賬增加或減少之前確認的減值虧損。倘撇銷金額其後收回，則收回金額會計入損益表的其他虧損淨額。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (Continued)

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables and interest-bearing loans and borrowings.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按成本列賬之資產

倘有客觀跡象顯示，非以公允價值列賬之非報價股本工具，乃因其公允價值不能可靠地計量而發生減值虧損，或與有關非報價股本工具掛鈎且必須透過交付有關非報價股本工具進行結算之衍生資產發生減值虧損，則虧損金額乃為資產賬面金額與利用類似金融資產之當時市場回報率貼現估計未來現金流量現值之差額。該等資產之減值虧損不予撥回。

金融負債

初始確認及計量

金融負債初始確認時分類為按公允價值計入損益賬之金融負債、貸款及借款或指定為有效對沖之對沖工具的衍生工具 (如適用)。

初始確認時，所有金融負債均按公允價值確認，如屬貸款及借款，則加上直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項以及計息貸款及借款。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Financial liabilities (Continued)

Subsequent measurement

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

Loans and borrowings

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

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

金融負債 (續)

後續計量

金融負債的後續計量視乎其如下分類：

貸款及借款

初始確認後，計息貸款及借款其後以實際利率法按攤銷成本計量，惟倘貼現之影響並不重大，則按成本呈列。倘負債終止確認，則損益將透過實際利率法攤銷過程於損益表中確認。

計算攤銷成本須計及收購時之任何折讓或溢價，且包括構成實際利率整體部分的費用或成本。實際利率攤銷計入損益表內的融資成本。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.4 Summary of significant accounting policies *(Continued)*

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

2. 編製基準及會計政策 *(續)*

2.4 主要會計政策概要 *(續)*

終止確認金融負債

倘負債項下的責任已解除或取消或屆滿，則終止確認金融負債。

當現有金融負債被同一貸款人以明顯不同的條款提供之另一金融負債取代，或現有負債之條款經大幅修訂，則相關交換或修訂被視為終止確認原始負債及確認新負債，且各賬面金額之差額在損益表中確認。

金融工具的抵銷

倘目前有可行使的合法權利對確認的金額予以抵銷，且有意按淨額基準結算或同時變現資產和結算負債，則金融資產和金融負債會互相抵銷，而淨額會在財務狀況表中呈報。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period. The net realisable value of properties under development is determined by establishing the market values of the properties on an “as-if” completed basis with appropriate deduction on construction costs, professional fees and interests to be incurred from the valuation date to completion as well as a reasonable profit margin.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. The net realisable value is determined by reference to the sales proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management's estimates based on the prevailing market conditions, on an individual property basis.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

在建物業

在建物業乃按成本及可變現淨值兩者之較低者呈列，包括土地成本、建設成本、借貸成本、專業費用及該等物業在開發階段直接產生的其他成本。在建物業的可變現淨值透過按視作竣工基準確定物業市值釐定，並扣除適當建設成本、專業費用及估值日至竣工期間之利息以及合理利潤率。

在建物業被劃分為流動資產，除非預計相關物業開發項目的建築時間超過正常的營運週期。竣工後，該等物業被轉為持作出售之已竣工物業。

待售已竣工物業

待售已竣工物業乃按成本及可變現淨值兩者之較低者呈列。成本按未出售物業應佔的土地及樓宇總成本的分攤比例釐定。可變現淨值乃參考於一般業務過程中已售物業之銷售所得款項減適用浮動銷售開支釐定，或由管理層按個別物業基準根據當前市況估計。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Cash and cash equivalents

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

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

Provisions

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

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

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括庫存現金及活期存款，以及可隨時轉換為已知數額現金、價值變動風險極微及一般於購入後三個月內到期之短期高流動性投資，減去於要求時償還且構成本集團現金管理一部分之銀行透支。

就綜合財務狀況表而言，現金及現金等值物包括並未限制用途的庫存現金及銀行現金(包括定期存款及性質與現金類似的資產)。

撥備

倘因過往事件導致現有債務(法律或推定)及日後可能需要有資源流出以償還債務，則確認撥備，但必須能可靠估計有關債務金額。

倘貼現之影響屬重大，則確認之撥備金額為預期用作償還債務之未來支出於報告期末之現值。因時間流逝導致所貼現值的增加將計入損益表的融資成本中。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies

(Continued)

Provisions (Continued)

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general guidance for provisions above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition.

Employee benefits

Pension schemes

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

Certain subsidiaries outside Hong Kong are required to contribute a certain percentage of their payroll costs to pension schemes operated by the respective governments. The only obligation of the Group with respect to the pension schemes is to pay the required ongoing contributions. Contributions under the schemes are charged to profit or loss as they become payable in accordance with the rules of the pension schemes.

The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

撥備 (續)

於業務合併中確認的或然負債初始按其公允價值計量。其後，按(i)根據上述一般撥備指引確認的金額與(ii)初始確認金額之較高者，減去根據收益確認指引確認的累計攤銷(如適用)計量。

僱員福利

退休計劃

本集團根據強制性公積金計劃條例之規定為全體僱員設立一項定額供款強制性公積金退休福利計劃(「強積金計劃」)。根據強積金計劃之規則，供款按僱員基本薪金之某一百分比計算，並根據強積金計劃之規則於應付時於損益表內扣除。強積金計劃之資產與本集團之資產分開存放，並由獨立管理之基金持有。本集團之僱主供款乃全數歸屬於參與強積金計劃供款之僱員。

位於香港以外地區之若干附屬公司須按其薪金成本之若干百分比向當地政府設立之退休金計劃供款。本集團就退休金計劃須承擔之惟一責任為持續支付計劃所需之供款。計劃下之供款乃根據退休金計劃之規則於應付時於損益內扣除。

除上述年度供款外，本集團對於與此等計劃相關之退休金福利再無其他重大付款責任。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies

(Continued)

Income tax

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

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

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

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

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

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。與並非於損益賬確認之項目有關之所得稅會於並非損益賬之其他全面收入或直接於權益中確認。

本期及過往期間之即期稅項資產及負債以預期可予收回或支付予稅務機關之金額計算，計算之基準為於報告期末前已生效或實質上已生效之稅率(及稅法)，亦考慮本集團經營所在國家現行之詮釋及慣例。

遞延稅項使用負債法就報告期末資產及負債之稅基與其作財務申報用途之賬面值之間產生之一切暫時性差異作出撥備。

遞延稅項負債乃就所有應課稅暫時性差異予以確認，惟以下情況除外：

- 於進行某項不屬於業務合併之交易時因商譽或初步確認資產或負債且無對會計溢利或應課稅溢利或虧損構成影響而產生之遞延稅項負債；及
- 就與於附屬公司及合營企業之投資相關之應課稅暫時性差異而言，惟倘撥回暫時性差異之時間可予控制，且暫時性差異可能不會於可見將來撥回則作別論。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies

(Continued)

Income tax (Continued)

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

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

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產按所有可抵扣暫時性差異、未動用稅項抵免及任何未動用稅項虧損之結轉確認。遞延稅項資產於應課稅溢利將用作抵銷可扣減暫時性差異、可動用之未動用稅項抵免及未動用稅項虧損之結轉時確認，惟以下情況除外：

- 於進行某項交易時因初步確認非業務合併之交易之資產或負債且無對會計溢利或應課稅溢利或虧損構成影響而產生之可扣減暫時性差異有關之遞延稅項資產；及
- 就與於附屬公司及合營企業之投資相關的可扣減暫時性差異而言，遞延稅項資產僅在暫時性差異可能於可見將來撥回，及應課稅溢利可予動用抵銷暫時性差異時始予以確認。

遞延稅項資產之賬面值於各報告期末進行審核，並於不再可能有足夠應課稅溢利以動用全部或部分遞延稅項資產時予以確扣減。未確認之遞延稅項資產則於各報告期末進行重估，並於將可能有足夠應課稅溢利以動用全部或部分將收回之遞延稅項資產時確認。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies

(Continued)

Income tax (Continued)

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

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產及負債，乃根據於各報告期末已生效或實質上已生效之稅率（及稅法），按預期適用於變現資產或償還負債期間之稅率計算。

倘及僅當本集團有可依法強制執行之權利可將當期稅項資產與當期稅項負債相互抵銷及遞延稅項資產與遞延稅項負債與由同一稅務機關對同一應課稅實體或不同的應課稅實體所徵收的所得稅有關，而該等實體有意在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準清償當期稅項負債及資產，或同時變現該資產及清償該負債，則遞延稅項資產可與遞延稅項負債互相抵銷。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Revenue recognition

Revenue from the sale of properties in the ordinary course of business is recognised when all the following criteria are met:

- (a) the significant risks and rewards of ownership of the properties have been transferred to the buyers;
- (b) neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the properties is retained;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- (e) the cost incurred or to be incurred in respect of the transaction can be measured reliably.

The above criteria are met when construction of the relevant properties has been completed and the Group has obtained the project completion report issued by the relevant government authorities, the properties have been delivered to the purchasers, and the collectability of related receivables is reasonably assured. Payments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under current liabilities.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

收益確認

於日常業務過程中出售物業產生之收益於滿足以下全部條件時確認：

- (a) 物業擁有權之重大風險及回報均已轉移至買方；
- (b) 本集團並無保留一般與所有權有關之物業持續管理權或實際控制權；
- (c) 收益金額能夠可靠地計量；
- (d) 與交易相關之經濟利益很可能流入本集團；及
- (e) 交易已產生或將產生之成本能夠被可靠地計量。

當相關物業的建設工程已經完工、本集團已取得相關政府機關頒發之項目完工報告、有關物業已交付買方且可合理確定能收取有關應收款項時，上述標準方告達成。在確認收益當日前出售物業所收取之款項於綜合財務狀況表列作流動負債。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies

(Continued)

Revenue recognition (Continued)

Rental income derived from the lease of the Group's properties is recognised on a time proportion basis over the lease terms.

Property management fee income derived from the provision of property maintenance and management services is recognised when the relevant services are rendered.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that is, assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

收益確認 (續)

租賃本集團之物業產生之租金收入按時間比例於租期內確認。

由提供物業保養及管理服務產生之物業管理費收入於提供相關服務時確認。

利息收入按應計基準以實際利率法，採用於金融工具之預計年期或較短時間(如適用)內將估計未來現金款項精確折現至金融資產賬面淨值之利率確認。

股息收入於股東收取款項之權利確立時確認。

借款成本

合資格資產(須經相當長時間方能準備就緒以作預期用途或出售之資產)收購、建造或製造直接應佔之借款成本資本化作為資產成本之一部分。當大部分資產可作其預期用途或出售時，即停止將相關借款成本資本化。特定借款用於合資格資產之前作為短暫投資所賺取之投資收入於已資本化之借款成本中扣除。所有其他借款成本於其產生期間支銷。借款成本包括利息及實體就資金借款產生之其他成本。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

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

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

股息

末期股息將於股東大會上獲股東批准後確認為負債。

外幣

該等財務報表乃以本公司之功能及呈報貨幣港元呈列。本集團內各實體釐定其本身之功能貨幣，而各實體計入財務報表內之項目乃以該功能貨幣計算。本集團內實體所記錄之外幣交易初步按其各自於交易日期適用之功能貨幣匯率記錄。以外幣計值之貨幣資產及負債乃按報告期末之功能貨幣匯率換算。結算或換算貨幣項目所產生之差額均於損益表內確認。

因結算或換算貨幣項目所產生之差額均於損益表內確認，惟指定作為對沖本集團海外業務之淨投資之一部分之貨幣項目除外。此等貨幣項目於其他全面收入內確認，直至於累計金額被重新分類至損益表時出售有關淨投資為止。該等貨幣項目之匯兌差額產生之稅項開支及抵免亦入賬列為其他全面收入。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies

(Continued)

Foreign currencies (Continued)

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

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

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

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

外幣 (續)

按外幣以歷史成本計量之非貨幣項目按首次交易日期之匯率換算。按外幣以公允價值計量之非貨幣項目則按計量公允價值當日之匯率換算。換算以公允價值計量之非貨幣項目所產生之收益或虧損之列賬方式與確認有關項目之公允價值變動產生之收益或虧損(即換算差額涉及其公允價值之收益或虧損於其他全面收入或損益賬確認，亦分別於其他全面收入或損益賬內確認之項目)所採用者一致。

若干海外附屬公司及合營企業之功能貨幣為港元以外之貨幣。於報告期末，該等實體之資產與負債乃按報告期末適用之匯率換算為港元，其損益表則按本年度之加權平均匯率換算為港元。

因此而產生之匯兌差額於其他全面收入確認，並於匯兌儲備累計。出售海外實體時，有關該項特定海外業務之其他全面收入部分，乃於損益表內確認。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Foreign currencies (Continued)

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

外幣(續)

因收購海外業務產生之任何商譽及調整因收購而導致對資產及負債之賬面值進行之任何公允價值調整為被入賬列為海外業務之資產及負債，並按收市匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量乃以出現現金流量當日之匯率換算為港元。海外公司於年內頻繁出現之經常性現金流量項目則以年內之加權平均匯率換算為港元。

3. 重大會計判斷及估計

編製本集團之財務報表要求管理層作出影響已呈報收益、開支、資產與負債金額及彼等隨附之披露以及或然負債之披露之判斷、估計及假設。此等假設及估計之不確定因素可能會導致未來期間須對受影響之資產或負債之賬面值作出重大調整。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(ii) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計 (續)

判斷

於應用本集團會計政策之過程中，除涉及對財務報表內已確認金額構成最重大影響之該等估計之會計政策外，管理層已作出以下判斷：

(i) 經營租賃承擔 – 本集團作為出租人

本集團就其投資物業組合訂立商業物業租約。本集團認為，根據對有關安排之條款及條件的評估，本集團保留了透過經營租賃出租的此等物業所有權之所有重大風險及回報。

(ii) 投資物業與業主自用物業分類

本集團決定物業是否屬於投資物業，並制定了判斷標準。投資物業是持有以賺取租金或實現資本增值或以此二者為目的的物業。因此，本集團考慮的是某個物業產生的現金流量是否在較大程度上獨立於本集團持有的其他資產。某些物業的一部分是為了賺取租金或實現資本增值而持有的，而持有的其他部分則用於生產或供應商品或服務或行政管理目的。如這些部分能夠獨立出售，本集團將有關部分獨立入賬。如有關部分不能獨立出售，則只有在用於生產或供應商品或服務或行政管理使用的部分較次要時，方可將該物業判定為投資物業。判斷乃根據個別物業配套服務是否重要以決定該物業不符合列作投資物業的資格。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

(iii) Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after completion, whereas the properties are accounted for as investment properties under construction included in non-current assets if the properties are intended to be held to earn rentals and/or for capital appreciation. Upon completion of the properties, the properties held for sale are transferred to completed properties held for sale and are stated at the lower of cost and net realisable value, while the properties held to earn rentals and/or for capital appreciation are transferred to completed investment properties and are subject to revaluation at the end of each reporting period.

3. 重大會計判斷及估計(續)

判斷(續)

(iii) 投資物業與待售物業分類

本集團開發待售物業及持有以賺取租金及／或資本增值的物業。管理層已就一項物業是否指定為投資物業或待售物業作出判斷。本集團於某項物業開發初期考慮其持有相關物業的意向。於建設過程中，如相關發展中物業計劃落成後出售，則相關物業乃入賬列作發展中物業，並計入流動資產，而如相關物業計劃持有以賺取租金及／或資本增值，則相關物業入賬列作在建中投資物業，並計入非流動資產。於物業落成後，待售物業會轉撥至待售已竣工物業，並按成本及可變現淨值中的較低者列值，而持有以賺取租金及／或資本增值的物業則轉撥至已竣工投資物業，並須於各報告期末重新估值。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty

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

(i) Fair value of investment properties

The investment properties of the Group are measured at fair value, which were revalued based on the appraised market value by an independent professional valuer. The fair value for completed investment properties was arrived at by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the surrounding areas. The fair values of investment properties under development are determined by establishing the market values of the properties on an “as-if” completed basis with appropriate deduction on construction costs, professional fees and interests to be incurred from the valuation date to completion as well as a reasonable margin. The determination of the fair value for completed investment properties requires the Group to estimate reversionary potential of the properties while for investment properties under development, estimates on costs to be incurred and future margin are required in the valuation.

The carrying amount of investment properties as at 31 December 2017 was \$3,934,631,000 (2016: \$3,795,711,000). Further details, including the key assumptions used for fair value measurement, are stated in note 17 to the financial statements.

3. 重大會計判斷及估計(續)

估計不確定性

於報告期末存在重大風險使下個財政年度資產及負債之賬面值須作重大調整而與未來有關的主要假設及估計不確定性之其他主要來源如下：

(i) 投資物業之公允價值

本集團投資物業按公允價值計量，由獨立估值師按照市場評估價值重估。已完工投資物業的公允價值乃經考慮物業現有租約將產生的資本化收入及歸復收入潛力，或(如適用)參考鄰近地區內類似物業的市場成交價計得。發展中投資物業的公允價值乃以「猶如」已完工基準設定物業市值，並適當扣減估值日期至完工期間將產生的建設成本、專業費用及利息以及合理利潤釐定。本集團釐定已完工投資物業公允價值時須估計物業的歸復收入潛力，而就發展中投資物業而言，則須在估值中估計將產生的成本及未來利潤率。

於二零一七年十二月三十一日投資物業賬面值為3,934,631,000元(二零一六年：3,795,711,000元)。包括公允價值計量關鍵估計的進一步詳情載列於財務報表附註17。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2017 was \$4,636,000 (2016: \$15,654,000). Further details are given in note 19.

(iii) PRC corporate income tax ("CIT")

The Group is subject to CIT in Mainland China. As a result of the fact that certain matters relating to CIT have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the CIT provision to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will have an impact on the CIT expense and CIT provisions in the period in which the differences are realised.

3. 重大會計判斷及估計(續)

估計不確定性(續)

(ii) 商譽減值

本集團至少每年測試商譽是否發生減值。這要求對分配了商譽的現金產生單位的使用價值進行估計。對使用價值進行估計時，本集團需要估計現金產生單位產生的預期未來現金流量，同時選擇恰當的折現率確定現金流量的現值。於二零一七年十二月三十一日商譽的賬面值為4,636,000元(二零一六年：15,654,000元)。進一步詳情載於附註19。

(iii) 中國企業所得稅(「企業所得稅」)

本集團須在中國內地繳納企業所得稅。由於若干企業所得稅相關事項尚未得到當地稅務局確認，需要依據現行稅法，法規及其他相關政策的客觀估計和判斷來決定應交企業所得稅的預提金額。倘該等事項的最終實際稅項支出與初始記錄的金額存在差異，則有關差異將影響差異實現當期的企業所得稅開支及企業所得稅撥備。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

(iv) PRC land appreciation tax ("LAT")

LAT in Mainland China is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures.

When calculating the LAT, the Group needs to estimate the deductible expenditures and makes judgement on the relevant tax rate on an individual property basis under the relevant applicable tax laws and regulations. Given the uncertainties of the calculative basis of LAT to be interpreted by the local tax bureau, the actual outcomes may be higher or lower than that estimated at the end of the reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the LAT expense and LAT provision in the period in which the differences are realised.

(v) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

(iv) 中國土地增值稅 (「土地增值稅」)

中國內地之土地增值稅按土地增值 (即出售物業所得款項減可扣減支出 (包括土地成本、借款成本及其他物業發展支出)) 以累進稅率 30% 至 60% 徵收。

於計算土地增值稅時，本集團需估計可扣減開支，並根據相關適用稅務法律及法規根據個別物業基準的相關稅率作出判斷。鑒於當地稅務局詮釋的土地增值稅計算基準具不確定性，於報告期末，實際結果可能高於或低於估計結果。倘該等事項的最終稅務結果與最初記賬的金額不同，則有關差異將會影響實現差異期間的土地增值稅開支及土地增值稅撥備。

(v) 遞延稅項資產

在很可能日後有足夠的應納稅所得額用以彌補可抵扣暫時性差額及稅務虧損的限度內，應就所有可抵扣暫時性差額及尚未利用稅務虧損確認遞延稅項資產。這需要管理層運用大量的判斷來估計未來取得應納稅所得額的時間和金額，結合納稅籌劃戰略，以決定應確認的遞延稅項資產的金額。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

(vi) Impairment of trade and other receivables

Impairment of trade and other receivables is made based on assessment of the recoverability of trade and other receivables. The identification of impairment of trade and other receivables requires management's judgement and estimates. Where the actual outcome or expectation in the future is different from the original estimates, such differences will have an impact on the carrying value of the receivables and the impairment loss/reversal of impairment of the receivables in the period in which such estimate is changed.

(vii) Useful lives and impairment of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitors' actions. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will write off or write down technically obsolete assets that have been abandoned.

The carrying value of an item of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in note 2.4. The recoverable amount of an item of property, plant and equipment is calculated as the higher of its fair value less costs to sell and value in use, the calculation of which involves the use of estimates.

3. 重大會計判斷及估計(續)

估計不確定性(續)

(vi) 貿易及其他應收款項減值

貿易及其他應收款項減值乃按貿易及其他應收款項的可收回程度評估作出。管理人員於識辨貿易及其他應收款項減值時需作出判斷及估計。若實際情況或對未來之預測有別於原有估計，則有關差額將對估計改變期間之應收賬款及減值虧損／應收賬款減值虧損撥回之賬面值構成影響。

(vii) 物業、廠房及設備的可使用年期和減值

基於類似性質和功能的物業、廠房及設備項目實際可使用年期的歷史經驗，本集團管理層對其物業、廠房及設備項目的估計可使用年期及相關折舊進行評估。此評估可能因技術革新及競爭對手的舉動而顯著改變。當可使用年期少於先前估計時，管理層將增加折舊費用，或其將撇銷或撇減被棄置的技術過時的資產。

當出現附註2.4中會計政策提到的物業、廠房及設備項目的賬面值不可收回的事項或變化時，需對其賬面值作減值測試。物業、廠房及設備項目的可回收金額為公允價值減去處置費用後的淨額和使用價值中的較高者，其中包含了對可使用年期的評估。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

(viii) Net realisable value for properties under development and completed properties held for sale

The net realisable value is determined by reference to the sales proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management's estimates based on the prevailing market conditions, on an individual property basis. The net realisable value of properties under development is determined by establishing the market values of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees and interests to be incurred from the valuation date to completion as well as a reasonable profit margin.

4. OPERATING SEGMENT INFORMATION

The Group manages its businesses by projects in different geographical locations. In a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- The PRC: this segment engages in the development of commercial and residential properties for sales and leasing in the PRC.
- Overseas: this segment engages in the development of overseas property projects.

3. 重大會計判斷及估計 (續)

估計不確定性 (續)

(viii) 在建物業及待售已竣工物業的可變現淨值

可變現淨值乃參照日常業務過程中銷售物業所得的銷售收益減適用可變銷售開支釐定，或根據管理層參考當前市況按個別物業作出的估計釐定。在建物業的可變現淨值乃按「猶如」已竣工基準的物業市場價值，並適當扣除於估值日至竣工日期間將產生的建設成本、專業費用及利息以及合理利息率釐定。

4. 經營分部資料

本集團按項目之不同地理位置管理其業務。本集團按照符合向本集團高層行政管理人員提供用於分配資源及評估表現之內部資料匯報之方式，呈列以下兩個報告分部。並無經營分部合併組成以下報告分部。

- 中國：此分部為於中國從事商業及住宅物業發展以供銷售及租賃之業務。
- 海外：此分部為從事海外物業項目發展之業務。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. OPERATING SEGMENT INFORMATION

(Continued)

The Group manages several overseas property projects, which are located in London, Madrid, Chicago, Gold Coast and Sydney, respectively.

On 1 June 2017, the Company disposed of its entire interest in the Madrid property project. On 16 January 2018, the Company entered into a sale and purchase agreement and has conditionally agreed to sell its entire interest in the London property project. On 18 January 2018, Wanda Australia RE, a non-wholly owned subsidiary of the Company, entered into a master agreement and has conditionally agreed to sell its entire interest in the Sydney and Gold Coast property projects.

Over 73.9% of the Group's overseas assets are generated from the project disposed of and the projects to be disposed of mentioned above, which were classified as discontinued operations during 2017 (note 12). As such, the Chicago project is the only remaining overseas property project under the Overseas segment.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets exclude the head office's assets and goodwill and segment liabilities exclude the head office's liabilities as these assets and liabilities are managed on a group basis.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

4. 經營分部資料(續)

本集團管理多個海外物業項目，該等項目分別位於倫敦、馬德里、芝加哥、黃金海岸及悉尼。

於二零一七年六月一日，本公司出售其於馬德里物業項目之全部權益。於二零一八年一月十六日，本公司訂立買賣協議，並已有條件同意出售其於倫敦物業項目之全部權益。於二零一八年一月十八日，本公司非全資附屬公司萬達澳洲地產訂立總協議，並已有條件同意出售其於悉尼及黃金海岸物業項目之全部權益。

本集團超過73.9%之海外資產乃由上述已出售之項目及將予出售之項目產生，於二零一七年內分類為終止經營業務(附註12)。因此，芝加哥項目為海外分部下唯一餘下之海外物業項目。

(i) 分部業績、資產及負債

為評估分部表現及配置各分部間資源，本集團之高層行政管理人員按以下基準監控各報告分部應佔之業績、資產及負債：

分部資產不包括總部資產及商譽以及分部負債不包括總部負債，此乃由於該等資產及負債按集團基準進行管理。

收益及開支乃參照該等分部產生之銷售及開支或因該等分部應佔之資產產生之折舊或攤銷，分配至各報告分部。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. OPERATING SEGMENT INFORMATION

(Continued)

(i) Segment results, assets and liabilities (Continued)

The measure used for reporting segment profit is “(loss)/profit before tax”.

4. 經營分部資料(續)

(i) 分部業績、資產及負債(續)

用作報告分部之溢利之計量方法為「除稅前(虧損)/溢利」。

	Continuing operations			Discontinued operations	
	The PRC	Overseas	Total	Overseas	Total
	中國	海外	總計	海外	總計
	\$'000	\$'000	\$'000	\$'000	\$'000
	千元	千元	千元	千元	千元
For the year ended 31 December 2017	截至二零一七年十二月三十一日止年度				
Revenue from external customers	來自外部客戶之收益				
	213,440	—	213,440	871	214,311
Reportable segment profit/(loss)	報告分部之溢利/(虧損)				
	159,123	(101,627)	57,496	(384,084)	(326,588)
For the year ended 31 December 2016 (Restated)	截至二零一六年十二月三十一日止年度 (經重列)				
Revenue from external customers	來自外部客戶之收益				
	250,129	—	250,129	124,037	374,166
Reportable segment profit/(loss)	報告分部之溢利/(虧損)				
	300,549	(95,275)	205,274	59,798	265,072
As at 31 December 2017	於二零一七年十二月三十一日				
Reportable segment assets	報告分部資產				
	5,367,070	3,611,031	8,978,101	10,239,959	19,218,060
Reportable segment liabilities	報告分部負債				
	2,619,058	6,000,718	8,619,776	3,007,294	11,627,070
As at 31 December 2016 (Restated)	於二零一六年十二月三十一日 (經重列)				
Reportable segment assets	報告分部資產				
	5,140,655	2,492,229	7,632,884	8,951,531	16,584,415
Reportable segment liabilities	報告分部負債				
	2,534,782	4,543,723	7,078,505	2,352,229	9,430,734

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. OPERATING SEGMENT INFORMATION

(Continued)

(ii) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

4. 經營分部資料(續)

(ii) 報告分部之收益、損益、資產及負債之對賬

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
Revenue	收益		
Reportable segment from continuing operations	持續經營業務之報告分部	213,440	250,129
Revenue from discontinued operations	終止經營業務之收益	871	124,037
Consolidated revenue	綜合收益	214,311	374,166
(Loss)/profit before tax	除稅前(虧損)/溢利		
Reportable segment profit from continuing operations	持續經營業務之報告分部溢利	57,496	205,274
Unallocated head office and corporate results	未分配總部及公司業績	(377,930)	(63,652)
Consolidated (loss)/profit before tax from continuing operations	持續經營業務之綜合除稅前(虧損)/溢利	(320,434)	141,622

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. OPERATING SEGMENT INFORMATION

(Continued)

(ii) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (Continued)

4. 經營分部資料(續)

(ii) 報告分部之收益、損益、資產及負債之對賬(續)

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
Assets			
	資產		
Reportable segment assets from continuing operations	持續經營業務之報告分部資產	8,978,101	7,632,884
Unallocated head office and corporate assets	未分配總部及公司資產	32,714	55,786
Assets related to discontinued operations	與終止經營業務有關的資產	10,239,959	8,951,531
Consolidated total assets	綜合總資產	19,250,774	16,640,201
Liabilities			
	負債		
Reportable segment liabilities from continuing operations	持續經營業務之報告分部負債	8,619,776	7,078,505
Unallocated head office and corporate liabilities	未分配總部及公司負債	4,569,818	4,292,647
Liabilities related to discontinued operations	與終止經營業務有關的負債	3,007,294	2,352,229
Consolidated total liabilities	綜合總負債	16,196,888	13,723,381

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. OPERATING SEGMENT INFORMATION

(Continued)

(iii) Geographical information

The following table sets out information about the geographical locations of (i) the Group's revenue of continuing operations from external customers and (ii) the Group's non-current assets of continuing operations (excluding deferred tax assets) ("specified non-current assets"). The geographical location of revenue from external customers is based on the locations at which the services were provided or the properties were sold or leased. The geographical location of the specified non-current assets is based on the physical locations of the assets, in the case of fixed assets, and the locations of the operations to which they are allocated, in the case of goodwill.

4. 經營分部資料(續)

(iii) 地區資料

下表載列有關(i)本集團來自外部客戶之持續經營業務收益及(ii)本集團持續經營業務之非流動資產(不包括遞延稅項資產)(「指定非流動資產」)之地理位置資料。來自外部客戶之收益之地理位置乃根據所提供服務或所出售或租賃物業之所在地而定。指定非流動資產之地理位置乃按資產之實際位置(就固定資產而言)及獲分配之營運地點(就商譽而言)而定。

		Reportable segment revenue from external customers 報告分部 來自外部客戶之收益		Specified non-current assets 指定非流動資產	
		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
The PRC (including Hong Kong)	中國 (包括香港)	213,440	250,129	3,966,708	3,843,375
Overseas	海外	—	—	515,451	670,831
		213,440	250,129	4,482,159	4,514,206

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. OPERATING SEGMENT INFORMATION

(Continued)

(iv) Information about major customers

The Group had one customer with whom transactions exceeded 10% of the Group's revenue for the year ended 31 December 2017 (2016: Nil). For the year ended 31 December 2017, the revenue from this customer amounted to \$57,838,000 (2016: Nil).

5. REVENUE

Revenue represents income from the sale of properties, property rental income and property management income during the year, net of sales related taxes and discounts allowed.

An analysis of revenue from continuing operations is as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
Revenue	收益		
Sale of properties	銷售物業	33,748	149,055
Rental income	租金收入	154,443	74,741
Property management income	物業管理收入	25,249	26,333
		213,440	250,129

4. 經營分部資料(續)

(iv) 有關主要客戶之資料

截至二零一七年十二月三十一日止年度，本集團有一名(二零一六年：無)其交易佔本集團收益超過10%之客戶。截至二零一七年十二月三十一日止年度，來自該客戶之收益為57,838,000元(二零一六年：無)。

5. 收益

收益指於年內銷售物業之收入、物業租金收入及物業管理收入(已扣除與銷售相關之稅項及折扣)。

持續經營業務收益分析如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

6. OTHER REVENUE AND OTHER NET (LOSS)/GAIN

An analysis of the Group's other revenue and other net (loss)/gain from continuing operations is as follows:

6. 其他收益及其他(虧損)/收益淨額

本集團持續經營業務之其他收益及其他(虧損)/收益淨額分析如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
Other revenue	其他收益		
Bank interest income	銀行利息收入	8,424	12,553
Other net (loss)/gain	其他(虧損)/收益淨額		
Exchange (loss)/gain	匯兌(虧損)/收益	(119,406)	65,024
Impairment of goodwill (note 19)	商譽減值(附註19)	(11,719)	—
Forfeiture of deposits from purchasers	沒收買家按金	823	794
Gain on disposal of investment properties	出售投資物業之收益	20,496	—
Others	其他	10,318	12,927
		(99,488)	78,745

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

7. (LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The Group's (loss)/profit before tax from continuing operations is arrived at after charging/(crediting):

7. 持續經營業務之除稅前(虧損)/溢利

本集團持續經營業務之除稅前(虧損)/溢利乃經扣除/(計入)下列項目後達致：

	Notes 附註	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
Cost of properties sold	已售物業成本	29,541	67,459
Cost of services provided	所提供服務之成本	31,648	43,771
Depreciation	折舊	15	12,083
Amortisation of land lease payments	土地租賃款項攤銷	18	475
Impairment of goodwill	商譽減值	19	—
Minimum lease payments under operating leases for land and buildings	最少應付之土地及樓宇經營租賃租金	1,604	1,530
Auditor's remuneration	核數師酬金		
— Annual audit services	— 年度核數服務	1,074	1,063
— Non-audit services	— 非核數服務		
Review of interim report	審閱中期報告	323	155
Special projects	特別項目	1,523	—
Employee benefit expense (excluding directors' remuneration (note 9))	僱員福利開支 (不包括董事薪酬(附註9))		
— Salaries, wages and other benefits	— 薪金、工資及其他福利	27,409	24,859
— Contributions to defined contribution retirement plans	— 向定額供款退休計劃作出之供款	4,156	3,750
		31,565	28,609
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	賺取租金之投資物業產生之直接經營開支 (包括維修及保養)	17,152	18,149
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損/(收益)	13	(145)

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

8. FINANCE COSTS

An analysis of the Group's finance costs from continuing operations is as follows:

8. 融資成本

本集團持續經營業務之融資成本分析如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
Interest on loans from financial institutions	金融機構貸款利息	82,849	77,961
Interest on loans from an intermediate holding company repayable within five years	五年內償還之一間中間控股公司貸款利息	125,192	86,645
Interest on loans from related parties	關連人士貸款利息	—	39,183
Interest on other borrowings	其他借款利息	34,364	—
		242,405	203,789
Less: Interest expenses capitalised into properties under development and construction in progress *	減：已資本化至在建物業及在建工程之利息開支*	(31,189)	—
		211,216	203,789

* The borrowing costs have been capitalised at rates ranging from 3.4% to 3.8% per annum.

* 借款成本已按每年介乎3.4%至3.8%之間之比率資本化。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

9. 董事薪酬

年內根據上市規則及香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露之董事薪酬如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Fees	袍金	463	446
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	—	—
Pension scheme contributions	退休金計劃供款	—	—
		—	—
		463	446

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

9. DIRECTORS' REMUNERATION (Continued)

Directors' remuneration is as follows:

9. 董事薪酬(續)

董事薪酬如下：

		Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
		Fees 薪金、津貼及 袍金 實物福利	表現掛鈎 花紅	退休金 計劃供款	薪酬總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
2017	二零一七年				
Chairman and non-executive director:	主席兼非執行董事：				
Mr. Ding Benxi	丁本錫先生	—	—	—	—
Executive director:	執行董事：				
Mr. Ning Qifeng (appointed on 17 November 2017)	寧奇峰先生 (於二零一七年 十一月十七日獲委任)	—	—	—	—
Mr. Liu Chaohui (resigned on 17 November 2017)	劉朝暉先生 (於二零一七年 十一月十七日辭任)	—	—	—	—
Independent non-executive directors:	獨立非執行董事：				
Mr. Liu Jipeng	劉紀鵬先生	100	—	—	100
Dr. Xue Yunkui	薛雲奎博士	100	—	—	100
Mr. Zhang Huaqiao	張化橋先生	263	—	—	263
		463	—	—	463
Non-executive directors:	非執行董事：				
Mr. Zhang Lin (appointed on 17 November 2017)	張霖先生 (於二零一七年 十一月十七日獲委任)	—	—	—	—
Mr. Hui Yung, Chris (appointed on 17 November 2017)	許勇先生 (於二零一七年 十一月十七日獲委任)	—	—	—	—
Mr. Qi Jie (resigned on 17 November 2017)	齊界先生 (於二零一七年 十一月十七日辭任)	—	—	—	—
Mr. Qu Dejun (resigned on 17 November 2017)	曲德君先生 (於二零一七年 十一月十七日辭任)	—	—	—	—
		463	—	—	463

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

9. DIRECTORS' REMUNERATION (Continued)

Directors' remuneration is as follows (Continued):

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	表現掛鈎花紅	退休金計劃供款	薪酬總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
2016	二零一六年					
Chairman and non-executive director:	主席兼非執行董事：					
Mr. Ding Benxi	丁本錫先生	—	—	—	—	—
Executive director:	執行董事：					
Mr. Liu Chaohui	劉朝暉先生	—	—	—	—	—
		—	—	—	—	—
Independent non-executive directors:	獨立非執行董事：					
Mr. Liu Jipeng	劉紀鵬先生	100	—	—	—	100
Dr. Xue Yunkui	薛雲奎博士	100	—	—	—	100
Mr. Zhang Huaqiao	張化橋先生	246	—	—	—	246
		446	—	—	—	446
Non-executive directors:	非執行董事：					
Mr. Qi Jie	齊界先生	—	—	—	—	—
Mr. Qu Dejun	曲德君先生	—	—	—	—	—
		446	—	—	—	446

During the year, no amount was paid or payable by the Company to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2016: Nil).

9. 董事薪酬(續)

董事薪酬如下(續)：

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	表現掛鈎花紅	退休金計劃供款	薪酬總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
2016	二零一六年					
Chairman and non-executive director:	主席兼非執行董事：					
Mr. Ding Benxi	丁本錫先生	—	—	—	—	—
Executive director:	執行董事：					
Mr. Liu Chaohui	劉朝暉先生	—	—	—	—	—
		—	—	—	—	—
Independent non-executive directors:	獨立非執行董事：					
Mr. Liu Jipeng	劉紀鵬先生	100	—	—	—	100
Dr. Xue Yunkui	薛雲奎博士	100	—	—	—	100
Mr. Zhang Huaqiao	張化橋先生	246	—	—	—	246
		446	—	—	—	446
Non-executive directors:	非執行董事：					
Mr. Qi Jie	齊界先生	—	—	—	—	—
Mr. Qu Dejun	曲德君先生	—	—	—	—	—
		446	—	—	—	446

年內，本公司概無已付或應付予董事之款項作為加盟或於加盟本集團時之獎勵或離職補償。年內，概無董事放棄或同意放棄任何薪酬之安排(二零一六年：無)。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

10. FIVE HIGHEST PAID EMPLOYEES

Among the five individuals with the highest emoluments, there was no director (2016: Nil) while the directors' emoluments are disclosed in note 9 above. Details of the remuneration for the year of the five non-director highest paid employees (2016: five highest paid non-director employees) are as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	16,032	15,045
Performance related bonus	表現掛鈎花紅	1,782	2,462
Pension scheme contributions	退休金計劃供款	36	36
		17,850	17,543

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2017 二零一七年	2016 二零一六年
\$2,500,001 to \$3,000,000	2,500,001 元至 3,000,000 元	1	2
\$3,000,001 to \$3,500,000	3,000,001 元至 3,500,000 元	2	1
\$3,500,001 to \$4,000,000	3,500,001 元至 4,000,000 元	1	1
\$4,000,001 to \$4,500,000	4,000,001 元至 4,500,000 元	—	1
\$4,500,001 to \$5,000,000	4,500,001 元至 5,000,000 元	—	—
\$5,000,001 to \$5,500,000	5,000,001 元至 5,500,000 元	1	—
		5	5

10. 五名最高薪僱員

五名最高薪僱員不包括任何董事(二零一六年：無)，董事之薪酬詳情載於上文附註9。年內，五名最高薪非董事僱員(二零一六年：五名最高薪非董事僱員)之薪酬詳情如下：

非董事最高薪僱員之薪酬介乎以下範圍：

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

11. INCOME TAX

11. 所得稅

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
Current tax	即期稅項		
Corporate Income Tax (note (iii))	企業所得稅(附註(iii))		
— Charge for the year	— 本年度開支	49,625	38,010
PRC Land Appreciation Tax (note (iv))	中國土地增值稅(附註(iv))	46,081	41,502
		95,706	79,512
Deferred tax	遞延稅項		
Origination and reversal of temporary differences:	暫時性差異之產生及撥回：		
— Revaluation of properties	— 物業重估	35,386	34,986
— Deductibility of PRC Land Appreciation Tax	— 中國土地增值稅可扣減程度	6,884	6,350
— Pre-sale properties in the PRC	— 中國預售物業	—	1,514
— Others	— 其他	1,057	2,278
		43,327	45,128
Total tax charge for the year from continuing operations	本年度持續經營業務之稅項開支總額	139,033	124,640
Total tax (credit)/charge for the year from discontinued operations	本年度終止經營業務之稅項(抵免)/開支總額	(4,415)	711
Total tax charge for the year	本年度稅項開支總額	134,618	125,351

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

11. INCOME TAX (Continued)

Notes:

(i) Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in Bermuda and the BVI.

(ii) No provision for Hong Kong profits tax or overseas corporate tax has been made in the consolidated financial statements as the Group did not have assessable profits in Hong Kong or overseas for the year (2016: Nil).

(iii) Corporate Income Tax (“CIT”)

The provision for the PRC CIT has been made at the applicable income tax rate of 25% on the assessable profits of the Group’s subsidiaries in Mainland China (2016: 25%). Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the countries in which the Group operates.

(iv) PRC Land Appreciation Tax (“LAT”)

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT liabilities are subject to the final review/approval by the tax authorities.

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rate) to the effective tax rates, are as follows:

11. 所得稅(續)

附註：

(i) 根據百慕達及英屬處女群島(「英屬處女群島」)規則及法規，本集團於百慕達及英屬處女群島毋須繳納任何所得稅。

(ii) 由於本集團於年內並無在香港或海外產生應課稅溢利，因此並無於綜合財務報表提撥香港利得稅或海外企業所得稅(二零一六年：無)。

(iii) 企業所得稅(「企業所得稅」)

中國企業所得稅之撥備乃根據本集團於中國內地之附屬公司之應課稅溢利按適用所得稅率25%(二零一六年：25%)作出。其他地區之應課稅溢利乃按本集團經營業務所在國家之適用稅率計算。

(iv) 中國土地增值稅(「土地增值稅」)

土地增值稅按土地增值(即出售物業所得款項減可扣減支出(包括土地成本、借款成本及其他物業發展支出))以累進稅率30%至60%徵收。本集團已根據相關中國稅務法律及法規所載之規定對土地增值稅進行估計、計提撥備並計入稅項。實際現金結算土地增值稅負債前，土地增值稅負債須獲稅務機關的最終審閱/批准。

按本公司及其主要附屬公司註冊成立之管轄區之法定稅率計算適用於除稅前(虧損)/溢利之稅務費用與按實際稅率計算之稅務費用之對賬及適用稅率(即法定稅率)與實際稅率之對賬如下：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

11. INCOME TAX (Continued)

11. 所得稅(續)

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
(Loss)/profit before tax from continuing operations	持續經營業務之除稅前(虧損)/溢利	(320,434)	141,622
(Loss)/profit before tax from discontinued operations	終止經營業務之除稅前(虧損)/溢利	(384,084)	59,798
		(704,518)	201,420
National tax calculated at rates applicable to profit in the tax jurisdictions concerned	按適用於有關稅務管轄區之溢利之稅率計算之名義稅項	(258,668)	40,038
Adjustments in respect of current tax of previous periods	過往期間即期稅項之調整	(1,193)	—
Income not subject to tax	毋須繳稅之收入	(18,927)	(40,907)
Expenses not deductible for tax	不可扣稅之開支	276,435	64,654
Tax losses not recognised	未確認之稅項虧損	84,039	31,869
Deductible temporary differences not recognised	未確認之可扣減暫時性差異	8,725	6,253
Effect of withholding tax at 10% on the distributable profit of a PRC subsidiary of the Group and effect of tax at 10% on the interest income from offshore loans of a Hong Kong subsidiary of the Group	對本集團之一間中國附屬公司的可分派溢利按10%徵收預扣稅的影響及對本集團之一間香港附屬公司境外貸款的利息收入按10%徵稅的影響	27,561	8,137
Tax losses utilised from previous periods	過往年度已動用稅項虧損	(12,527)	(11,721)
Utilisation of deductible temporary differences not recognised in prior years	動用於過往年度未確認的可扣減暫時性差異	(5,388)	(4,098)
LAT	土地增值稅	46,081	41,502
CIT effect of LAT	土地增值稅之企業所得稅影響	(11,520)	(10,376)
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項開支	134,618	125,351
Total tax charge from continuing operations at the effective rate	按實際稅率計算之持續經營業務之稅項開支總額	139,033	124,640
Total tax (credit)/charge from discontinued operations at the effective rate	按實際稅率計算之終止經營業務之稅項(抵免)/開支總額	(4,415)	711

There was no share of tax attributable to a joint venture (2016: Nil).

並無分佔合營企業應佔稅項(二零一六年：無)。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. DISCONTINUED OPERATIONS

On 3 November 2016, Wanda Europe, a non-wholly-owned subsidiary of the Company, entered into an agreement with Baraka Global Invest, S.L.U. (“Baraka”), pursuant to which Wanda Europe has conditionally agreed to sell, and Baraka has conditionally agreed to acquire the entire issued share capital of Wanda Madrid Development, S.L.U. (“Wanda Madrid”, a wholly-owned subsidiary of Wanda Europe) at a consideration of EUR272 million, subject to adjustments to be made to the consideration by taking into account the amount of cash, cash equivalents and amount of indebtedness of Wanda Madrid as at the date of completion. The disposal of Wanda Madrid has been completed on 1 June 2017.

On 16 January 2018, the Company and R&F Properties (HK) Company Limited (“R&F”) as purchaser entered into a sale and purchase agreement in respect of the disposal of 60% of the entire issued share capital of Wanda International, at a consideration of GBP35,609,277.96 and the Company, R&F and Wanda International entered into the relevant shareholder loan repayment agreement, pursuant to which R&F has agreed to repay the debt for and on behalf of Wanda International to the Company, which is currently expected to be GBP159,526,879.25. As the consideration is expected to exceed the net carrying amounts of the relevant assets and liabilities attributable to the disposal group, no impairment loss has been recognised. The disposal has not yet been completed at the date of the report.

12. 終止經營業務

於二零一六年十一月三日，本公司之非全資附屬公司萬達歐洲與Baraka Global Invest, S.L.U. (「Baraka」) 訂立協議，據此，萬達歐洲已有條件同意出售而Baraka已有條件同意收購Wanda Madrid Development, S.L.U. (「萬達馬德里」，萬達歐洲之全資附屬公司)之全部已發行股本，代價為272,000,000歐元，而代價可經計及萬達馬德里於完成日期之現金及現金等值物之金額及負債金額後予以調整。萬達馬德里之出售已於二零一七年六月一日完成。

於二零一八年一月十六日，本公司與富力地產(香港)有限公司(「富力」，作為買方)就以代價35,609,277.96英鎊出售萬達國際全部已發行股本之60%訂立買賣協議，而本公司、富力及萬達國際已訂立相關股東貸款償還協議，據此，富力已同意代表萬達國際向本公司償還債務(現時預期為159,526,879.25英鎊)。由於預期代價將超過出售組別應佔相關資產及負債之賬面淨值，故並無確認任何減值虧損。於本報告日期，出售尚未完成。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. DISCONTINUED OPERATIONS (Continued)

On 18 January 2018, Wanda Australia RE, AWH Investment Group Pty Ltd. (“AWH”), and Wanda Australia CP entered into a master agreement in respect of the proposed disposal of the entire equity interest in Wanda Australia CP subject to the terms contained therein, at the consideration of AUD315,044,422 and repayment of the debt in the amount of AUD815,107,691 in instalments. As the consideration is expected to exceed the net carrying amounts of the relevant assets and liabilities attributable to the disposal group, no impairment loss has been recognised. The disposal has not yet been completed as at the date of the report.

As at 31 December 2017, Wanda International and its subsidiaries (“Wanda International Group”) and Wanda Australia CP and its subsidiaries (“Wanda Australia CP Group”) were classified as disposal groups held for sale, and Wanda International Group, Wanda Australia CP Group and Wanda Madrid were classified as discontinued operations.

(i) Wanda International Group

(a) The results for the year are presented below:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Other revenue	其他收益	7	47
Other net gain/(loss)	其他收益／(虧損)淨額	18,633	(36,522)
Selling expenses	銷售開支	(15,811)	(22,188)
Administrative expenses	行政開支	(27,512)	(26,786)
Finance costs	融資成本	(12,191)	—
Loss before tax from the discontinued operation	終止經營業務之 除稅前虧損	(36,874)	(85,449)
Income tax expense	所得稅開支	(13,281)	—
Loss for the year from the discontinued operation	終止經營業務之 本年度虧損	(50,155)	(85,449)

12. 終止經營業務 (續)

於二零一八年一月十八日，萬達澳洲地產、AWH Investment Group Pty Ltd. (「AWH」) 與萬達商業澳洲就建議以代價315,044,422澳元出售萬達商業澳洲之全部股權(須遵守當中所載之條款)及分期償還債務815,107,691澳元訂立總協議。由於預期代價將超過出售組別應佔相關資產及負債之賬面淨值，故並無確認任何減值虧損。於本報告日期，出售尚未完成。

於二零一七年十二月三十一日，萬達國際及其附屬公司(「萬達國際集團」)及萬達商業澳洲及其附屬公司(「萬達商業澳洲集團」)已分類為持作出售之出售組別，而萬達國際集團、萬達商業澳洲集團及萬達馬德里已分類為終止經營業務。

(i) 萬達國際集團

(a) 本年度之業績呈列如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. DISCONTINUED OPERATIONS (Continued)

(i) Wanda International Group (Continued)

- (b) The major classes of assets and liabilities of Wanda International Group classified as held for sale as at 31 December are as follows:

12. 終止經營業務(續)

(i) 萬達國際集團(續)

- (b) 於十二月三十一日萬達國際集團分類為持作出售之主要資產及負債類別如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Property, plant and equipment (note 15)	物業、廠房及設備 (附註15)	288	—
Construction in progress (note 15)	在建工程(附註15)	632,011	—
Freehold land (note 16)	永久業權土地(附註16)	249,182	—
Long-term prepayment	長期預付款項	315,078	—
Properties under development	在建物業	2,792,561	—
Trade and other receivables	貿易及其他應收款項	18,746	—
Cash and cash equivalents	現金及現金等值物	303,793	—
Assets classified as held for sale	分類為持作出售之資產	4,311,659	—
Trade and other payables	貿易及其他應付款項	(522,040)	—
Loans from an intermediate holding company	一間中間控股公司貸款	(862,670)	—
Loans from financial institution	金融機構貸款	(1,575,390) [#]	—
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售之資產直接相關之負債	(2,960,100)	—
Net assets directly associated with Wanda International Group	與萬達國際集團直接相關之資產淨值	1,351,559	—
Exchange reserve on translation of foreign operations	換算海外業務之匯兌儲備	23,473	—

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. DISCONTINUED OPERATIONS (Continued)

(i) Wanda International Group (Continued)

- (c) The net cash flows incurred by Wanda International Group are as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Operating activities	經營活動	(814,527)	(176,265)
Investing activities	投資活動	(280,580)	(158,480)
Financing activities	融資活動	480,370	488,488
Effect of foreign exchange rate changes	外匯匯率變動之影響	59,021	(163,142)
Net cash flow	現金流量淨額	(555,716)	(9,399)

- (d) Certain assets of Wanda International Group were pledged to secure the loans from financial institutions and bank facilities as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Construction in progress	在建工程	632,011[#]	—
Freehold land	永久業權土地	249,182[#]	—
Properties under development	在建物業	2,792,561[#]	—
		3,673,754	—

- [#] Certain items of Wanda International Group were pledged to secure interest-bearing bank borrowings as at 31 December 2017, and the secured loan has been disclosed in note 12(i)(b).

12. 終止經營業務 (續)

(i) 萬達國際集團 (續)

- (c) 萬達國際集團產生之現金流量淨額如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Operating activities	經營活動	(814,527)	(176,265)
Investing activities	投資活動	(280,580)	(158,480)
Financing activities	融資活動	480,370	488,488
Effect of foreign exchange rate changes	外匯匯率變動之影響	59,021	(163,142)
Net cash flow	現金流量淨額	(555,716)	(9,399)

- (d) 萬達國際集團抵押作為金融機構貸款及銀行融資之擔保之若干資產如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Construction in progress	在建工程	632,011[#]	—
Freehold land	永久業權土地	249,182[#]	—
Properties under development	在建物業	2,792,561[#]	—
		3,673,754	—

- [#] 於二零一七年十二月三十一日，萬達國際集團之若干項目已抵押作為計息銀行借款之擔保，有關抵押貸款已於附註12(i)(b)披露。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. DISCONTINUED OPERATIONS (Continued)

(ii) Wanda Australia CP Group

(a) The results for the year are presented below:

		2017	2016
		二零一七年	二零一六年
		\$'000	\$'000
		千元	千元
Revenue	收益	871	124,037
Cost of sales	銷售成本	(1,176)	(72,955)
Other revenue	其他收益	53,372	847
Other net loss	其他虧損淨額	(126)	—
Selling expenses	銷售開支	(42,550)	(4,646)
Administrative expenses	行政開支	(16,836)	(15,115)
(Loss)/profit before tax from the discontinued operation	終止經營業務之除稅前 (虧損)/溢利	(6,445)	32,168
Income tax credit	所得稅抵免	17,696	1,427
Profit for the year from the discontinued operation	終止經營業務 之本年度溢利	11,251	33,595

12. 終止經營業務 (續)

(ii) 萬達商業澳洲集團

(a) 本年度之業績呈列如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. DISCONTINUED OPERATIONS (Continued)

(ii) Wanda Australia CP Group (Continued)

- (b) The major classes of assets and liabilities of Wanda Australia CP Group classified as held for sale as at 31 December are as follows:

12. 終止經營業務 (續)

(ii) 萬達商業澳洲集團 (續)

- (b) 於十二月三十一日萬達商業澳洲集團分類為持作出售之主要資產及負債類別如下：

	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Property, plant and equipment (note 15) 物業、廠房及設備 (附註15)	28,868	—
Construction in progress (note 15) 在建工程 (附註15)	123,052	—
Freehold land (note 16) 永久業權土地 (附註16)	975,649	—
Investment in a joint venture 於一間合營企業之投資	2,208,807	—
Deferred tax assets (note 21) 遞延稅項資產 (附註21)	109,442	—
Properties under development 在建物業	2,336,038	—
Trade and other receivables 貿易及其他應收款項	56,699	—
Pledged deposits 已抵押存款	48,852	—
Cash and cash equivalents 現金及現金等值物	40,893	—
Assets classified as held for sale 分類為持作出售之資產	5,928,300	—
Trade and other payables 貿易及其他應付款項	(47,194)	—
Liabilities directly associated with the assets classified as held for sale 與分類為持作出售之資產直接相關之負債	(47,194)	—
Net assets directly associated with Wanda Australia CP Group 與萬達商業澳洲集團直接相關之資產淨值	5,881,106	—
Exchange reserve on translation of foreign operations 換算海外業務之匯兌儲備	34,456	—

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. DISCONTINUED OPERATIONS (Continued)

(ii) Wanda Australia CP Group (Continued)

- (c) The net cash flows incurred by Wanda Australia CP Group are as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Operating activities	經營活動	(182,134)	(9,773)
Investing activities	投資活動	(1,754,639)	(44,794)
Financing activities	融資活動	1,961,524	—
Effect of foreign exchange rate changes	外匯匯率變動之影響	2,231	(262)
Net cash flow	現金流量淨額	26,982	(54,829)

(iii) Wanda Madrid

- (a) The results for the period/year are presented below:

		Period from 1 January 2017 to 1 June 2017 (date of disposal) 由二零一七年 一月一日至 二零一七年 六月一日 (出售日期) 期間 \$'000 千元	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度 \$'000 千元
Other revenue	其他收益	—	265
Other net gain	其他收益淨額	—	160,910
Selling expenses	銷售開支	—	(3,344)
Loss on disposal of a subsidiary (note 36)	出售一間附屬公司 之虧損(附註36)	(329,707)	—
Administrative expenses	行政開支	(11,058)	(44,752)
(Loss)/profit before tax from the discontinued operation	終止經營業務之除稅前 (虧損)/溢利	(340,765)	113,079
Income tax expense	所得稅開支	—	(2,138)
(Loss)/profit for the period/year from the discontinued operation	終止經營業務之本期間/ 年度(虧損)/溢利	(340,765)	110,941

12. 終止經營業務(續)

(ii) 萬達商業澳洲集團(續)

- (c) 萬達商業澳洲集團產生之現金流量淨額如下：

(iii) 萬達馬德里

- (a) 本期間/年度之業績呈列如下：

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. DISCONTINUED OPERATIONS (Continued)

(iii) Wanda Madrid (Continued)

- (b) The major classes of assets and liabilities of Wanda Madrid classified as held for sale as at 31 December are as follows:

12. 終止經營業務 (續)

(iii) 萬達馬德里 (續)

- (b) 於十二月三十一日萬達馬德里分類為持作出售之主要資產及負債類別如下：

	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Property, plant and equipment (note 15) 物業、廠房及設備 (附註 15)	—	8,296
Construction in progress (note 15) 在建工程 (附註 15)	—	206,254
Freehold land (note 16) 永久業權土地 (附註 16)	—	718,123
Properties under development 在建物業	—	1,082,327
Trade and other receivables 貿易及其他應收款項	—	2,888
Cash and cash equivalents 現金及現金等值物	—	14,867
Assets classified as held for sale 分類為持作出售之資產	—	2,032,755
Trade and other payables 貿易及其他應付款項	—	(2,043)
Liabilities directly associated with the assets classified as held for sale 與分類為持作出售之資產直接相關之負債	—	(2,043)
Net assets directly associated with Wanda Madrid 與萬達馬德里直接相關之資產淨值	—	2,030,712
Exchange reserve on translation of foreign operations 換算海外業務之匯兌儲備	—	(698,404)

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. DISCONTINUED OPERATIONS (Continued)

(iii) Wanda Madrid (Continued)

(c) The net cash flows incurred by Wanda Madrid are as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Operating activities	經營活動	6,038	(86,324)
Investing activities	投資活動	—	(103)
Financing activities	融資活動	(384,090)	—
Effect of foreign exchange rate changes	外匯匯率變動之影響	25,173	(14,543)
Net cash flow	現金流量淨額	(352,879)	(100,970)

(iv) (Loss)/earnings per share of Wanda International Group, Wanda Australia CP Group and Wanda Madrid (HK cents)

		2017 二零一七年	2016 二零一六年
Basic and diluted, from discontinued operations	基本及攤薄， 來自終止經營業務	(4.8)	0.8

12. 終止經營業務 (續)

(iii) 萬達馬德里 (續)

(c) 萬達馬德里產生之現金流量淨額如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Operating activities	經營活動	6,038	(86,324)
Investing activities	投資活動	—	(103)
Financing activities	融資活動	(384,090)	—
Effect of foreign exchange rate changes	外匯匯率變動之影響	25,173	(14,543)
Net cash flow	現金流量淨額	(352,879)	(100,970)

(iv) 萬達國際集團、萬達商業澳洲集團及萬達馬德里之每股(虧損)/盈利(港仙)

		2017 二零一七年	2016 二零一六年
Basic and diluted, from discontinued operations	基本及攤薄， 來自終止經營業務	(4.8)	0.8

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. DISCONTINUED OPERATIONS (Continued)

(iv) (Loss)/earnings per share of Wanda International Group, Wanda Australia CP Group and Wanda Madrid (Continued)

The calculations of basic and diluted loss per share from discontinued operations are based on:

12. 終止經營業務 (續)

(iv) 萬達國際集團、萬達商業澳洲集團及萬達馬德里之每股(虧損)/盈利(港仙)(續)

終止經營業務之每股基本及攤薄虧損乃根據下列各項計算：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Loss attributable to ordinary equity holders of the parent from the discontinued operation	終止經營業務之母公司普通股持有人應佔虧損		
— Wanda International Group	— 萬達國際集團	(30,093)	(51,270)
Profit attributable to ordinary equity holders of the parent from the discontinued operation	終止經營業務之母公司普通股持有人應佔溢利		
— Wanda Australia CP Group	— 萬達商業澳洲集團	6,751	20,158
(Loss)/profit attributable to ordinary equity holders of the parent from the discontinued operation	終止經營業務之母公司普通股持有人應佔(虧損)/溢利		
— Wanda Madrid	— 萬達馬德里	(204,459)	66,565
		(227,801)	35,453
		Number of Shares 股份數目	
		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation (note 14)	本年度內用於計算每股基本及攤薄虧損之已發行普通股加權平均數(附註14)	4,697,347	4,697,347

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

13. DIVIDEND

The directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic loss per share

Basic loss per share is calculated by dividing the (loss)/profit attributable to ordinary equity holders of the parent over the weighted average number of ordinary shares in issue during the year.

13. 股息

本公司董事不建議派發截至二零一七年十二月三十一日止年度之末期股息(二零一六年：無)。

14. 母公司普通股持有人應佔每股虧損

(a) 每股基本虧損

每股基本虧損乃按本年度內母公司普通股持有人應佔(虧損)/溢利除以已發行普通股加權平均數計算。

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元 (Restated) (經重列)
(Loss)/profit attributable to ordinary equity holders of the parent	母公司普通股持有人應佔(虧損)/溢利		
- From continuing operations	- 來自持續經營業務	(242,534)	(96,116)
- From discontinued operations	- 來自終止經營業務	(227,801)	35,453
		(470,335)	(60,663)

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(Continued)

(a) Basic loss per share (Continued)

		Number of shares 股份數目	
		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculations	本年度內用於計算每股基本及攤薄虧損之已發行普通股加權平均數	4,697,347	4,697,347

(b) Diluted loss per share

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2017 (2016: Nil).

14. 母公司普通股持有人應佔每股虧損(續)

(a) 每股基本虧損(續)

(b) 每股攤薄虧損

截至二零一七年十二月三十一日止年度，本集團並無潛在攤薄之已發行普通股(二零一六年：無)。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings held for own use 持作自用 之樓宇 \$'000 千元	Furniture, fixtures, and equipment 傢俬、裝置 及設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Leasehold improvements 租賃 物業裝修 \$'000 千元	Construction in progress 在建工程 \$'000 千元	Total 總計 \$'000 千元
31 December 2017	二零一七年十二月三十一日						
At 31 December 2016 and at 1 January 2017:	於二零一六年十二月三十一日及 於二零一七年一月一日：						
Cost	成本	7,695	10,688	3,855	52,028	937,939	1,012,205
Accumulated depreciation and impairment	累計折舊及減值	(1,571)	(5,180)	(1,972)	(17,844)	—	(26,567)
Net carrying amount	賬面淨值	6,124	5,508	1,883	34,184	937,939	985,638
At 1 January 2017, net of accumulated depreciation and impairment	於二零一七年一月一日 (扣除累計折舊及減值)	6,124	5,508	1,883	34,184	937,939	985,638
Additions	添置	—	2,196	—	22,458	581,469	606,123
Disposals	出售	—	(65)	—	—	—	(65)
Transfer to properties under development	轉至在建物業	—	—	—	—	(478,945)	(478,945)
Transfer to assets classified as held for sale (note 12)	轉至分類為持作出售之資產 (附註12)	—	(3,933)	—	(25,223)	(755,063)	(784,219)
Depreciation provided during the year	年內計提之折舊	(390)	(2,023)	(675)	(7,618)	—	(10,706)
Exchange realignment	匯兌調整	419	352	19	(3,337)	50,783	48,236
At 31 December 2017, net of accumulated depreciation and impairment	於二零一七年十二月三十一日 (扣除累計折舊及減值)	6,153	2,035	1,227	20,464	336,183	366,062
At 31 December 2017:	於二零一七年十二月三十一日：						
Cost	成本	8,237	6,958	3,935	45,465	336,183	400,778
Accumulated depreciation and impairment	累計折舊及減值	(2,084)	(4,923)	(2,708)	(25,001)	—	(34,716)
Net carrying amount	賬面淨值	6,153	2,035	1,227	20,464	336,183	366,062

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

15. 物業、廠房及設備 (續)

		Buildings held for own use 持作自用 之樓宇 \$'000 千元	Furniture, fixtures, and equipment 傢私、裝置 及設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Leasehold improvements 租賃 物業裝修 \$'000 千元	Construction in progress 在建工程 \$'000 千元	Total 總計 \$'000 千元
31 December 2016	二零一六年十二月三十一日						
At 1 January 2016:	於二零一六年一月一日：						
Cost	成本	2,892,388	20,590	6,185	42,348	740,924	3,702,435
Accumulated depreciation and impairment	累計折舊及減值	(1,275)	(3,822)	(3,080)	(8,621)	(216,585)	(233,383)
Net carrying amount	賬面淨值	2,891,113	16,768	3,105	33,727	524,339	3,469,052
At 1 January 2016, net of accumulated depreciation and impairment	於二零一六年一月一日 (扣除累計折舊及減值)	2,891,113	16,768	3,105	33,727	524,339	3,469,052
Additions	添置	—	2,300	—	10,094	655,585	667,979
Disposals	出售	—	(20)	(337)	—	—	(357)
Transfer to properties under development (note 22)	轉至在建物業 (附註22)	(1,935,352)	—	—	—	—	(1,935,352)
Transfer to freehold land (note 16)	轉至永久業權土地 (附註16)	(897,934)	—	—	—	—	(897,934)
Transfer to assets classified as held for sale (note 12)	轉至分類為持作出售 之資產 (附註12)	—	(8,296)	—	—	(206,254)	(214,550)
Depreciation provided during the year	年內計提之折舊	(32,871)	(4,548)	(831)	(9,605)	—	(47,855)
Exchange realignment	匯兌調整	(18,832)	(696)	(54)	(32)	(35,731)	(55,345)
At 31 December 2016, net of accumulated depreciation and impairment	於二零一六年十二月三十一日 (扣除累計折舊及減值)	6,124	5,508	1,883	34,184	937,939	985,638
At 31 December 2016:	於二零一六年十二月三十一日：						
Cost	成本	7,695	10,688	3,855	52,028	937,939	1,012,205
Accumulated depreciation and impairment	累計折舊及減值	(1,571)	(5,180)	(1,972)	(17,844)	—	(26,567)
Net carrying amount	賬面淨值	6,124	5,508	1,883	34,184	937,939	985,638

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2017, certain items of the Group's buildings held for own use and construction in progress with net carrying amounts of approximately \$6,153,000 (2016: \$6,124,000) and \$336,183,000 (2016: \$402,963,000) respectively were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 29.

16. FREEHOLD LAND

Freehold land represents the land acquisition cost, stamp duty, legal fee and other acquisition costs in relation to the Group's acquired projects which are situated in Chicago.

15. 物業、廠房及設備(續)

於二零一七年十二月三十一日，本集團賬面淨值分別約為6,153,000元(二零一六年：6,124,000元)及336,183,000元(二零一六年：402,963,000元)之持作自用之樓宇及在建工程之若干項目已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註29所披露)。

16. 永久業權土地

永久業權土地指有關本集團收購芝加哥項目之土地收購成本、印花稅、法律費用及其他收購成本。

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Carrying amount at 1 January	於一月一日之賬面值	1,310,682	1,029,952
Additions	添置	—	178,124
Transfer to properties under development	轉至在建物業	(31,044)	—
Transfer from property, plant and equipment (note 15)	轉自物業、廠房及設備(附註15)	—	897,934
Transfer to assets classified as held for sale (note 12)	轉至分類為持作出售資產(附註12)	(1,224,831)	(718,123)
Exchange realignment	匯率調整	103,987	(77,205)
Carrying amount at 31 December	於十二月三十一日之賬面值	158,794	1,310,682

As at 31 December 2017, certain items of the Group's freehold land with a net carrying amount of approximately \$158,794,000 (2016: \$255,210,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 29.

於二零一七年十二月三十一日，本集團賬面淨值約158,794,000元(二零一六年：255,210,000元)之永久業權土地之若干項目已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註29所披露)。

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17. INVESTMENT PROPERTIES

17. 投資物業

		Completed investment properties
		已竣工 投資物業 \$'000 千元
At 1 January 2016	於二零一六年一月一日	3,847,765
Net gain from a fair value adjustment	公允價值調整收益淨額	225,959
Reversal of over-accrued development costs	超額應計發展成本之撥回	(27,460)
Exchange realignment	匯兌調整	(250,553)
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	3,795,711
Net loss from a fair value adjustment	公允價值調整虧損淨額	(9,310)
Reversal of over-accrued development costs	超額應計發展成本之撥回	(17,808)
Disposal of investment properties	出售投資物業	(60,139)
Transfer to assets classified as held for sale (note 26)	轉至分類為持作出售之資產(附註26)	(37,041)
Exchange realignment	匯兌調整	263,218
At 31 December 2017	於二零一七年十二月三十一日	3,934,631

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17. INVESTMENT PROPERTIES (Continued)

All the completed investment properties, including both land and building elements held by the Group, were revalued at the end of the year based on valuations performed by an independent qualified valuer, DTZ Debenham Tie Leung Limited ("DTZ") (2016: DTZ). DTZ is an industry specialist in investment property valuation, who has the appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation for completed investment properties was arrived at by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties, where appropriate, by reference to market evidence of transaction prices for the similar properties in the same locations and conditions. There were no changes to the valuation techniques during the year.

Certain items of the completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 40 to the financial statements.

As at 31 December 2017, certain items of the Group's investment properties with a carrying amount of \$1,179,998,000 (2016: \$1,152,429,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 29.

Further particulars of the Group's investment properties are included on page 263.

17. 投資物業 (續)

所有已竣工投資物業，包括本集團持有的土地及樓宇均已於年終根據獨立合資格估值師戴德梁行有限公司（「戴德梁行」）（二零一六年：戴德梁行）進行的估值進行重估。戴德梁行是投資物業評估行業的專家，並且具有適當的資質和近幾年來在相關地點的類似物業評估的經驗。已竣工投資物業之估值乃經考慮物業現有租約將產生的資本化收入及歸復收入潛力，或（如適用）參考相同地點及狀況的類似物業的市場成交價計得。年內估值方式並無任何變動。

若干已竣工投資物業項目乃根據經營租賃租賃予第三方，其進一步概述詳情載於財務報表附註40。

於二零一七年十二月三十一日，本集團賬面值為1,179,998,000元（二零一六年：1,152,429,000元）之投資物業之若干項目已作抵押，以取得本集團獲授之計息銀行借款（如附註29所披露）。

本集團投資物業之進一步詳情載於第263頁。

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17. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

		Fair value measurements as at 31 December 2017 categorised into 於二零一七年十二月三十一日 之公允價值計量分類為			
		Level 1 第一級 \$'000 千元	Level 2 第二級 \$'000 千元	Level 3 第三級 \$'000 千元	Total 總計 \$'000 千元
Recurring fair value measurement for: 經常性公允價值計量：					
Commercial properties	商用物業	—	—	3,934,631	3,934,631

		Fair value measurements as at 31 December 2016 categorised into 於二零一六年十二月三十一日 之公允價值計量分類為			
		Level 1 第一級 \$'000 千元	Level 2 第二級 \$'000 千元	Level 3 第三級 \$'000 千元	Total 總計 \$'000 千元
Recurring fair value measurement for: 經常性公允價值計量：					
Commercial properties	商用物業	—	—	3,795,711	3,795,711

During the year, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2016: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

17. 投資物業 (續)

公允價值層級

下表載列本集團投資物業之公允價值計量層級：

		Fair value measurements as at 31 December 2017 categorised into 於二零一七年十二月三十一日 之公允價值計量分類為			
		Level 1 第一級 \$'000 千元	Level 2 第二級 \$'000 千元	Level 3 第三級 \$'000 千元	Total 總計 \$'000 千元
Recurring fair value measurement for: 經常性公允價值計量：					
Commercial properties	商用物業	—	—	3,934,631	3,934,631

		Fair value measurements as at 31 December 2016 categorised into 於二零一六年十二月三十一日 之公允價值計量分類為			
		Level 1 第一級 \$'000 千元	Level 2 第二級 \$'000 千元	Level 3 第三級 \$'000 千元	Total 總計 \$'000 千元
Recurring fair value measurement for: 經常性公允價值計量：					
Commercial properties	商用物業	—	—	3,795,711	3,795,711

年內，第一級與第二級之間並無轉換，亦無自第三級轉入或轉出(二零一六年：無)。本集團之政策為於發生轉換之報告期末確認公允價值層級間之轉換。

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17. INVESTMENT PROPERTIES (Continued)

The Group's management has discussion with the valuers on the valuation assumptions and valuation results when the valuation is performed at each reporting date.

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

17. 投資物業 (續)

於各報告日期進行估值時，本集團管理層會與估值師討論估值假設及估值結果。

以下為投資物業估值所使用之估值方式及主要輸入參數之概述：

	Valuation techniques 估值方式	Significant unobservable inputs 重大不可觀察輸入參數	Range 範圍	
			2017 二零一七年	2016 二零一六年
Shopping mall 商場	Investment approach 投資法	Prevailing monthly market rent per square metre 每月每平方米 現行市場租金	RMB50 -RMB209 人民幣 50 元至 人民幣 209 元	RMB38 -RMB210 人民幣 38 元至 人民幣 210 元
		Reversionary yield 復歸收益率	Mall: 6.0%-7.0% Store: 5.0%-6.0% 商場：6.0% 至 7.0% 店面：5.0% 至 6.0%	Mall: 6.0%-7.0% Store: 5.0%-6.0% 商場：6.0% 至 7.0% 店面：5.0% 至 6.0%
	Market approach 市場法	Prevailing market price per square metre 每平方米現行市價	RMB46,313 人民幣 46,313 元	RMB46,616 人民幣 46,616 元

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17. INVESTMENT PROPERTIES (Continued)

17. 投資物業 (續)

	Valuation techniques 估值方式	Significant unobservable inputs 重大不可觀察輸入參數	Range 範圍	
			2017 二零一七年	2016 二零一六年
Office 辦公室	Investment approach 投資法	Prevailing monthly market rent per square metre 每月每平方米 現行市場租金	RMB179 人民幣 179 元	RMB180 人民幣 180 元
		Reversionary yield 復歸收益率	6.5% 6.5%	6.5% 6.5%
	Market approach 市場法	Prevailing market price per square metre 每平方米現行市價	RMB37,600 人民幣 37,600 元	RMB37,600 人民幣 37,600 元
Car parks 停車場	Investment approach 投資法	Prevailing monthly market rent per lot 每月每個車位 現行市場租金	RMB400 -RMB1,500 人民幣 400 元至 人民幣 1,500 元	RMB400 -RMB1,500 人民幣 400 元至 人民幣 1,500 元
		Reversionary yield 復歸收益率	4.5%-5.0% 4.5% 至 5.0%	4.5%-5.0% 4.5% 至 5.0%
	Market approach 市場法	Prevailing market price per lot 每個車位現行市價	RMB390,000 人民幣 390,000 元	RMB390,000 人民幣 390,000 元

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17. INVESTMENT PROPERTIES (Continued)

Prevailing market rents are estimated based on the independent valuer's view of recent letting transactions within the subject properties and other comparable properties. The higher the rent, the higher the fair value is. The reversionary yield is estimated by the independent valuer based on the risk profile of the properties being valued. The higher the yield, the lower the fair value is.

17. 投資物業(續)

現行市場租金乃根據獨立估值師對近期標的物業及其他可資比較物業內之租賃交易之意見估計。租金越高，公允價值越高。復歸收益率乃由獨立估值師根據被估值物業之風險狀況估計。收益率越高，公允價值越低。

18. PREPAID LAND LEASE PAYMENTS

Carrying amount at 1 January	於一月一日之賬面值		
Amortisation provided during the year	年內計提攤銷		
Exchange realignment	匯兌調整		
Carrying amount at 31 December	於十二月三十一日之賬面值		

As at 31 December 2017, the Group's prepaid land lease payments with a net carrying amount of approximately \$18,036,000 (2016: \$17,313,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 29.

18. 預付土地租賃款項

	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
	17,313	18,976
	(476)	(475)
	1,199	(1,188)
	18,036	17,313

於二零一七年十二月三十一日，本集團賬面淨值約為18,036,000元(二零一六年：17,313,000元)之預付土地租賃款項已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註29所披露)。

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19. GOODWILL

19. 商譽

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
At 1 January:	於一月一日：		
Cost	成本	372,324	372,324
Accumulated impairment	累計減值	(369,007)	(369,007)
Exchange realignment	匯兌調整	12,337	13,397
Net carrying amount	賬面淨值	15,654	16,714
Impairment during the year	年內減值	(11,719)	—
Exchange realignment	匯兌調整	701	(1,060)
Carrying amount	賬面值	4,636	15,654
At 31 December:	於十二月三十一日：		
Cost	成本	372,324	372,324
Accumulated impairment	累計減值	(380,726)	(369,007)
Exchange realignment	匯兌調整	13,038	12,337
Net carrying amount	賬面淨值	4,636	15,654

Goodwill arose from the acquisition of the entire issued share capital of Amazing Wise Limited in 2008. The cost of the goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of Amazing Wise Limited as at the acquisition date.

The Group carries out impairment testing of goodwill at the end of each reporting period. In assessing the impairment of goodwill, the recoverable amount of the cash-generating unit ("CGU") is determined. The CGU related to the goodwill includes all subsidiaries located in Fuzhou. During the year ended 31 December 2017, the recoverable amount of the CGU was re-determined and accordingly, an additional impairment loss of \$11,719,000 was provided (2016: Nil).

商譽產生自二零零八年收購Amazing Wise Limited之全部已發行股本。商譽之成本指收購成本超逾本集團於Amazing Wise Limited之可識別資產、負債及或然負債於收購日期之公允淨值之權益。

本集團於各報告期末進行商譽之減值測試。於評估商譽減值時釐定現金產生單位(「現金產生單位」)之可收回金額。與商譽有關之現金產生單位包括位於福州之全部附屬公司。截至二零一七年十二月三十一日止年度，現金產生單位之可收回金額獲重新釐定，並已計提額外減值虧損11,719,000元(二零一六年：無)。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

20. INVESTMENT IN A JOINT VENTURE

20. 於一間合營企業之投資

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Share of net assets	分佔之資產淨值	—	—
Loans to a joint venture	貸款予一間合營企業	—	506,752
		—	506,752

Particulars of the Group's joint venture are as follows:

本集團合營企業之詳情如下：

Name 名稱	Particulars of issued shares held 所持已發行 股份詳情	Place of registration and business 登記及 營業地點	Percentage of 佔下列各項之百分比			Principal activities 主要業務
			Ownership interest 所有權 權益	Voting power 投票權	Profit sharing 分佔溢利	
Ridong (Gold Coast) Development Pty Ltd ("Ridong")	AUD 4,583,622	Australia	55%	55%	55%	Property development
	4,583,622 澳元	澳大利亞				物業發展

The Group has discontinued the recognition of its share of loss of Ridong because the share of loss of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of gain of this joint venture for the current year and cumulatively loss were \$2,130,000 (2016: loss of \$12,861,000) and \$14,461,000 (2016: \$16,591,000), respectively.

由於本集團應佔合營企業虧損已超出本集團於合營企業之權益，以及本集團無責任進一步承擔虧損，故本集團已終止確認應佔Ridong之虧損。本集團未確認應佔該合營企業的本年度收益及累計虧損分別為2,130,000元(二零一六年：虧損12,861,000元)及14,461,000元(二零一六年：16,591,000元)。

As stated in note 12(ii)(b), the balance of the investment in a joint venture has been classified under assets held for sale as at 31 December 2017.

誠如附註12(ii)(b)所述，於二零一七年十二月三十一日，於一間合營企業之投資結餘已分類為持作出售之資產。

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20. INVESTMENT IN A JOINT VENTURE (Continued)

The following table illustrates the summarised financial information in respect of Ridong adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Cash and cash equivalents	現金及現金等值物	19,868	1,993
Other current assets	其他流動資產	2,465	3,794
Current assets	流動資產	22,333	5,787
Non-current assets	非流動資產	2,796,413	1,599,217
Other current liabilities	其他流動負債	(130,928)	(495,121)
Current liabilities	流動負債	(130,928)	(495,121)
Non-current liabilities	非流動負債	(2,714,111)	(1,140,048)
Net liabilities	負債淨值	(26,293)	(30,165)
Reconciliation to the Group's interest in the joint venture:	與本集團於該合營企業之權益之對賬：		
Proportion of the Group's ownership	本集團所有權之比例	55%	55%
Carrying amount of the investment	投資賬面值	—	—
		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Revenue	收益	—	24
Interest income	利息收入	337	2,092
Depreciation and amortisation	折舊及攤銷	(3,492)	(7,323)
Interest expenses	利息開支	(48,327)	(8,606)
Gain/(loss) and total comprehensive income/(loss) for the year	本年度收益／(虧損)及全面收入／(虧損)總額	3,873	(23,384)

20. 於一間合營企業之投資 (續)

下表載列有關Ridong之財務資料概要，按會計政策之任何差異作出調整，及與綜合財務報表賬面值進行對賬：

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21. DEFERRED TAX ASSETS AND LIABILITIES

The components of the Group's deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

21. 遞延稅項資產及負債

本集團於綜合財務狀況表確認之遞延稅項資產／(負債)成分及年內變動如下：

		Revaluation of properties 物業重估 \$'000 千元	LAT 土地增值稅 \$'000 千元	Tax losses 稅項虧損 \$'000 千元	Others 其他 \$'000 千元	Total 總計 \$'000 千元
At 1 January 2016	於二零一六年一月一日	(437,002)	49,010	23,641	1,283	(363,068)
Deferred tax (charged)/ credited to the statement of profit or loss during the year	本年度(扣除自)/計入 損益表之遞延稅項	(34,986)	(6,350)	15,924	(20,427)	(45,839)
Exchange differences	匯兌差額	34,279	(2,900)	(3,964)	175	27,590
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	(437,709)	39,760	35,601	(18,969)	(381,317)
Deferred tax (charged)/ credited to the statement of profit or loss during the year	本年度(扣除自)/計入 損益表之遞延稅項	(35,386)	(6,749)	4,415	(1,192)	(38,912)
Exchange differences	匯兌差額	(30,443)	2,278	3,666	(1,744)	(26,243)
Transfer to assets classified as held for sale (note 12)	轉至分類為持作出售 之資產(附註12)	(90,480)	—	(43,682)	24,720	(109,442)
At 31 December 2017	於二零一七年 十二月三十一日	(594,018)	35,289	—	2,815	(555,914)

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

21. DEFERRED TAX ASSETS AND LIABILITIES

(Continued)

Reconciliation to the consolidated statement of financial position:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Deferred tax assets	遞延稅項資產	38,104	139,665
Deferred tax liabilities	遞延稅項負債	(594,018)	(520,982)
		(555,914)	(381,317)

Deferred tax assets have not been recognised in respect of the following items:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Unused tax credits	未動用稅項抵免	127,455	140,189
Deductible temporary differences	可扣減暫時性差異	11,296	7,959
		138,751	148,148

The above tax losses mainly arose in Mainland China, Hong Kong and Chicago. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

21. 遞延稅項資產及負債(續)

綜合財務狀況表之對賬：

本公司並未就以下項目確認遞延稅項資產：

上述稅項虧損主要於中國內地、香港及芝加哥產生。由於不大可能有應課稅溢利可動用上述項目抵銷，故並未就上述項目確認遞延稅項資產。

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21. DEFERRED TAX ASSETS AND LIABILITIES

(Continued)

Pursuant to the PRC Corporate Income Tax Law, 5% to 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. As at 31 December 2017, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately \$47,694,000 at 31 December 2017 (2016: \$48,563,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

22. PROPERTIES UNDER DEVELOPMENT

Properties under development are expected to be completed within the normal operating cycle and recovered:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Within one year	一年內	—	—
After one year	一年後	1,878,000	4,357,658
Carrying amount at 31 December	於十二月三十一日之賬面值	1,878,000	4,357,658

21. 遞延稅項資產及負債(續)

根據中國企業所得稅法，就向外資企業投資者宣派來自於中國內地成立之外資企業的股息徵收5%至10%預扣稅。倘中國內地與外國投資者所屬司法權區之間定有稅務優惠，則可按較低預扣稅稅率繳稅。於二零一七年十二月三十一日，本集團並未就其在中國內地成立之附屬公司須繳交預扣稅的未匯出盈利確認有關應付預扣稅的遞延稅項。董事認為，該等附屬公司於可見將來分派有關盈利的機會不大。於二零一七年十二月三十一日，於中國內地附屬公司的投資有關的暫時性差異總額共計約47,694,000元(二零一六年：48,563,000元)，並無就此確認遞延稅項負債。

本公司向其股東派付股息並未附有所得稅影響。

22. 在建物業

在建物業預計將於正常營運週期內完工並於下列期間內收回：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

22. PROPERTIES UNDER DEVELOPMENT (Continued)

An analysis of the carrying amounts of freehold land included in properties for sale by lease terms is as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Freehold land in the United Kingdom	於英國之永久業權土地	—	672,440
Freehold land in the USA	於美國之永久業權土地	602,481	597,718
Freehold land in Australia	於澳大利亞之永久業權土地	—	1,935,352
		602,481	3,205,510

Properties under development represent the project cost, land acquisition cost, compensation cost and other preliminary infrastructure costs in relation to the Group's property development projects situated in the USA, and the properties under development situated in Australia and the United Kingdom have been classified as assets held for sale as at 31 December 2017.

As at 31 December 2017, certain items of the Group's properties under development with a carrying amount of \$1,878,000,000 (2016: \$1,734,188,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 29.

22. 在建物業 (續)

按租期劃分計入待售物業之永久業權土地之賬面值分析如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Freehold land in the United Kingdom	於英國之永久業權土地	—	672,440
Freehold land in the USA	於美國之永久業權土地	602,481	597,718
Freehold land in Australia	於澳大利亞之永久業權土地	—	1,935,352
		602,481	3,205,510

在建物業指有關本集團位於美國之物業開發項目之項目成本、土地收購成本、拆遷補償費用及其他前期基建成本；位於澳大利亞及英國之在建物業於二零一七年十二月三十一日已分類為持作出售之資產。

於二零一七年十二月三十一日，本集團賬面值為1,878,000,000元(二零一六年：1,734,188,000元)之在建物業之若干項目已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註29所披露)。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

23. COMPLETED PROPERTIES HELD FOR SALE

All the properties held for sale are stated at cost. The Group's completed properties held for sale are situated in Mainland China.

An analysis of the carrying amounts of completed properties held for sale by lease terms is as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Held under:	按以下租約持有：		
— long-term leases (over 50 years) in the PRC	— 於中國之長期租約 (超過50年)	47,870	49,112
— medium-term leases (10 to 50 years) in the PRC	— 於中國之中期租約 (10至50年)	191,795	201,115
		239,665	250,227

As at 31 December 2017, certain items of the Group's completed properties held for sale with a carrying amount of \$8,031,000 (2016: \$8,972,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 29.

23. 待售已竣工物業

所有待售物業以成本列賬。本集團之待售已竣工物業乃位於中國內地。

按租期劃分之待售已竣工物業之賬面值分析如下：

於二零一七年十二月三十一日，本集團賬面值為8,031,000元(二零一六年：8,972,000元)之待售已竣工物業之若干項目已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註29所披露)。

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24. TRADE AND OTHER RECEIVABLES

24. 貿易及其他應收款項

			2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
		Note 附註		
Trade receivables	貿易應收款項	a	6,121	4,026
Prepayments	預付款項		567	310
Deposits and other receivables	按金及其他應收款項		26,134	34,569
Amounts due from related parties	應收關連人士款項		10	3,201
Amounts due from an intermediate holding company	應收一間中間控股公司款項		3,838	1,870
			36,670	43,976

The amounts due from related parties and an intermediate holding company are unsecured, interest-free and repayable on demand.

For the trade receivables arising from the sale of properties, the Group manages the credit risk by fully receiving cash before delivery of properties. The Group has set out policies to ensure follow-up action is taken to recover overdue debts. The Group also reviews regularly the recoverable amount of each individual trade receivable balance to ensure that adequate provision for impairment losses are made for irrecoverable amounts. The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

應收關連人士及一間中間控股公司之款項乃無抵押、免息及按要求償還。

就銷售物業產生之貿易應收款項而言，本集團透過在交付物業前收取全數現金管理信貸風險。本集團已制定政策以確保採取跟進行動收回逾期債務。本集團亦定期審閱各項個別貿易應收款項結餘之可收回金額，以確保就不可收回金額作出充足之減值虧損撥備。若無計及所持有之任何抵押品，則最高信貸風險為財務狀況表內各項金融資產之賬面值扣除任何減值撥備。

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24. TRADE AND OTHER RECEIVABLES (Continued)

Note:

- (a) The aging analysis of trade receivables, based on the invoice date, is as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Within 3 months	三個月內	5,368	3,554
Over 3 months but within 6 months	超過三個月但六個月內	435	223
Over 6 months but within 12 months	超過六個月但十二個月內	103	25
Over 12 months	超過十二個月	215	224
		6,121	4,026

As at 31 December 2017, no impairment allowance is necessary in respect of the Group's trade receivables as management considers that the balance is fully recoverable. The Group does not hold any collateral over the balance (2016: Nil).

The aging analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Neither past due nor impaired	並無逾期或減值	5,391	3,554
Over 3 months but within 6 months past due	逾期超過三個月但六個月內	435	223
Over 6 months but within 12 months past due	逾期超過六個月但十二個月內	103	25
Over 12 months past due	逾期超過十二個月	192	224
		6,121	4,026

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

24. 貿易及其他應收款項(續)

附註：

- (a) 根據發票日期，貿易應收款項之賬齡分析如下：

	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Within 3 months	5,368	3,554
Over 3 months but within 6 months	435	223
Over 6 months but within 12 months	103	25
Over 12 months	215	224
	6,121	4,026

於二零一七年十二月三十一日，由於管理層認為有關結餘可悉數收回，故毋須就本集團之貿易應收款項作出減值撥備。本集團概無持有該結餘之任何抵押品(二零一六年：無)。

並非個別或整體被視為已減值之貿易應收款項之賬齡分析如下：

	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Neither past due nor impaired	5,391	3,554
Over 3 months but within 6 months past due	435	223
Over 6 months but within 12 months past due	103	25
Over 12 months past due	192	224
	6,121	4,026

並無逾期或減值之應收款項與大量之多元化客戶有關，彼等近期並無違約記錄。

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25. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

25. 受限制銀行存款以及現金及現金等值物

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Cash and bank balances	現金及銀行結餘	2,279,437	3,165,786
Time deposits	定期存款	11,365	17,632
		2,290,802	3,183,418
Less: Pledged for long-term bank loans	減：已為長期銀行貸款抵押	(11,453)	(7,771)
Pledged for performance guarantees	已為履約擔保抵押	—	(10,365)
An escrow account pledged for construction work	已為建設工程抵押之託管賬戶	(191,380)	(484,720)
		(202,833)	(502,856)
Cash and cash equivalents	現金及現金等值物	2,087,969	2,680,562

As at 31 December 2017, the cash and bank balances of the Group denominated in RMB amounted to \$1,087,877,000 (2016: \$986,941,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

於二零一七年十二月三十一日，本集團以人民幣計值之現金及銀行結餘為1,087,877,000元（二零一六年：986,941,000元）。人民幣不可自由兌換為其他貨幣，然而，根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准許透過授權開展外匯業務之銀行將人民幣兌換為其他貨幣。

銀行存款根據每日銀行存款利率賺取浮動利息。短期定期存款由一日至三個月期限不等，視乎本集團之即時現金需求而定，並按各自的短期定期存款利率賺取利息。銀行結餘及受限制現金存入近期並無失責記錄之具信譽銀行。

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25. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (Continued)

As at 31 December 2017, the Group's cash and bank balances amounting to \$88,000 and time deposits amounting to \$11,365,000 (2016: cash and bank balances amounting to \$505,000 and time deposits amounting to \$7,266,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 29.

As at 31 December 2017, the Group deposited funds amounting to \$191,380,000 (2016: 484,720,000) in an escrow account as guarantees for the settlement of construction billings.

26. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

(a) On 27 November 2017, Dalong, a non-wholly-owned subsidiary of the Company, entered into an agreement with Zhonglu Group pursuant to which Dalong has agreed to sell and Zhonglu Group agree to acquire certain of investment properties owned by Fujian Henglicheng (a direct subsidiary of Dalong). The disposal of certain investment properties is expected to be completed in the first half of 2018, and the investment properties have been reclassified as assets classified as held for sale presented in the consolidated statement of financial position.

25. 受限制銀行存款以及現金及現金等值物(續)

於二零一七年十二月三十一日，本集團金額為88,000元之現金及銀行結餘及11,365,000元之定期存款(二零一六年：金額為505,000元之現金及銀行結餘及7,266,000元之定期存款)已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註29所披露)。

於二零一七年十二月三十一日，本集團向託管賬戶存入資金191,380,000元(二零一六年：484,720,000元)作為結算建築費用之擔保。

26. 分類為持作出售之資產及負債

(a) 於二零一七年十一月二十七日，本公司非全資附屬公司大隆與中旅集團訂立協議，據此，大隆已同意出售而中旅集團同意收購福建恒力城(大隆一間直接附屬公司)擁有之若干投資物業。預期將於二零一八年上半年完成出售若干投資物業，而該等投資物業已重新分類為分類為持作出售之資產，並於綜合財務狀況表中呈列。

		2017 二零一七年 \$'000 千元
At 1 January 2017	於二零一七年一月一日	—
Transfer from investment properties (note 17)	轉自投資物業(附註17)	37,041
Assets classified as held for sale	分類為持作出售之資產	37,041

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

26. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (Continued)

- (b) Details of the assets and liabilities classified as held for sale from discontinued operations are included in note 12 to the financial statements.

26. 分類為持作出售之資產及負債 (續)

- (b) 有關終止經營業務之分類為持作出售之資產及負債之詳情載於財務報表附註12。

27. TRADE AND OTHER PAYABLES

An analysis of trade payables, other payables and accruals as at the end of the reporting period is as follows:

27. 貿易及其他應付款項

於報告期末之貿易應付款項、其他應付款項及應計費用之分析如下：

		Notes 附註	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Trade payables	貿易應付款項	a	500,726	396,777
Other payables	其他應付款項		54,648	191,547
Accruals	應計費用		—	1,882
Interest payable to related parties	應付關連人士利息	b	—	96,358
Interest payable on other borrowings	應付其他借款利息	b	96,232	—
Interest payable to an intermediate holding company	應付一間中間控股公司利息	c	463,071	344,712
Interest payable to financial institutions	應付金融機構利息		936	23,891
Amounts due to intermediate holding companies	應付中間控股公司款項	d	4,699,202	3,424,850
Amounts due to related parties	應付關連人士款項	d	—	2,773
Dividends payables	應付股息		7,671	—
			5,822,486	4,482,790
Portion classified as current liabilities	分類為流動負債之部分		(5,822,486)	(4,138,078)
Non-current portion	非即期部分		—	344,712

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

27. TRADE AND OTHER PAYABLES (Continued)

Notes:

- a. None of the Group's trade payables are expected to be settled after more than one year (2016: Nil).

The aging analysis of trade payables based on the invoice date is as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Within 3 months	三個月內	328,753	142,541
Over 3 months but within 6 months	超過三個月但六個月內	44	16,910
Over 6 months but within 12 months	超過六個月但十二個月內	114	15,892
Over 12 months	超過十二個月	171,815	221,434
		500,726	396,777

- b. These parties represent the entities controlled by a former director of the Company. The interest payable is repayable on demand or within one year and the interest payables are unsecured and are not subject to compound interests.
- c. The amount of \$463,071,000 in interest payable to an intermediate holding company is repayable within one year (2016: Nil), none of the Group's interest payable to an intermediate holding company is repayable more than one year (2016: \$344,712,000). These interest payables are unsecured and not subject to compound interests.
- d. The amounts due to intermediate holding companies and related parties are repayable on demand or within one year and all these balances are unsecured and interest-free.

28. RECEIPTS IN ADVANCE

Advances from customers represent sales proceeds received from buyers in connection with the Group's pre-sale of properties.

27. 貿易及其他應付款項(續)

附註：

- a. 概無本集團貿易應付款項預期將於超過一年後結算(二零一六年：無)。

根據發票日期之貿易應付款項之賬齡分析如下：

- b. 該等人士指由本公司一位前任董事控制的實體。應付利息須按要求或於一年內償還，而該等應付利息為無抵押及毋須支付複利。
- c. 應付一間中間控股公司利息463,071,000元須於一年內償還(二零一六年：無)，概無本集團應付一間中間控股公司利息須於一年後償還(二零一六年：344,712,000元)。該等應付利息為無抵押及毋須支付複利。
- d. 應付中間控股公司及關連人士之款項均須按要求或於一年內償還，而該等結餘全部為無抵押及免息。

28. 預收款項

客戶墊款指就本集團預售之物業而向買方收取之銷售所得款項。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

29. LOANS FROM FINANCIAL INSTITUTIONS

Loans from financial institutions were repayable as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Current:	即期：		
Bank loans — secured	銀行貸款 — 有抵押	183,849	1,627,784
Non-current:	非即期：		
Bank loans — secured	銀行貸款 — 有抵押	1,631,087	1,743,994
		1,814,936	3,371,778
Repayable:	還款期：		
Within 1 year or on demand	一年內或按要求	183,849	1,627,784
After 1 year but within 2 years	一年後但兩年內	53,333	163,514
After 2 years but within 5 years	兩年後但五年內	1,577,754	1,544,544
After 5 years	五年後	—	35,936
		1,814,936	3,371,778

29. 金融機構貸款

金融機構貸款之還款期如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

29. LOANS FROM FINANCIAL INSTITUTIONS

(Continued)

The Group's bank borrowings bear interest at floating rates. The range of the effective interest rates during the year is as follows:

		2017 二零一七年	2016 二零一六年
Effective interest rates	實際利率	2.25%-5.46%	2.16%-5.46%
(a)	As at 31 December 2017, undrawn bank facilities of the Group amounted to \$4,064,788,000 (2016: \$3,329,515,000).	(a)	於二零一七年十二月三十一日，本集團尚未提取之銀行信貸為4,064,788,000元(二零一六年：3,329,515,000元)。
(b)	Certain loans from financial institutions as at 31 December 2017 were guaranteed by Mr. Chen Chang Wei ("Mr. Chen").	(b)	於二零一七年十二月三十一日，若干金融機構貸款由陳長偉先生(「陳先生」)擔保。
(c)	Certain loans from financial institutions as at 31 December 2017 were guaranteed by an intermediate holding company, Dalian Wanda Commercial Management Group Co., Ltd. (previously known as Dalian Wanda Commercial Properties Co., Ltd).	(c)	於二零一七年十二月三十一日，若干金融機構貸款由一間中間控股公司大連萬達商業管理集團股份有限公司(前稱為大連萬達商業地產股份有限公司)擔保。

29. 金融機構貸款(續)

本集團之銀行借款按浮動利率計息，年內之實際利率範圍如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

29. LOANS FROM FINANCIAL INSTITUTIONS

(Continued)

The carrying amounts of all the Group's borrowings during the year were denominated in RMB and US\$. The denominated amounts at the year-end are as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
RMB loans and borrowings	人民幣貸款及借款	407,894	393,823
GBP loans and borrowings	英鎊貸款及借款	—	1,426,935
US\$ loans and borrowings	美元貸款及借款	1,407,042	1,551,020
		1,814,936	3,371,778

Assets of the Group pledged to secure the loans from financial institutions and bank facilities comprise:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Buildings held for own use (note 15)	持作自用之樓宇(附註15)	6,153	6,124
Construction in progress (note 15)	在建工程(附註15)	336,183	402,963
Freehold land (note 16)	永久業權土地(附註16)	158,794	255,210
Investment properties (note 17)	投資物業(附註17)	1,179,998	1,152,429
Prepaid land lease payments (note 18)	預付土地租賃款項(附註18)	18,036	17,313
Properties under development (note 22)	在建物業(附註22)	1,878,000	1,734,188
Completed properties held for sale (note 23)	待售已竣工物業(附註23)	8,031	8,972
Restricted bank deposits (note 25)	受限制銀行存款(附註25)	11,453	7,771
Investment properties held for sale (note 26)	持作出售之投資物業(附註26)	37,041	—
		3,633,689	3,584,970

29. 金融機構貸款(續)

年內，本集團全部借款之賬面值均以人民幣及美元計值。於年末之貨幣計值金額如下：

本集團已作抵押以取得金融機構貸款及銀行信貸之資產包括：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

30. LOANS FROM AN INTERMEDIATE HOLDING COMPANY

Loans from an intermediate holding company were repayable as follows:

		Notes 附註	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Current:	即期：			
Loans from an intermediate holding company	一間中間控股公司貸款	a	3,608,449	684,380
Non-current:	非即期：			
Loans from an intermediate holding company	一間中間控股公司貸款	a	757,929	4,109,095
			4,366,378	4,793,475

Notes:

- a. The carrying amounts of all the Group's loans from an intermediate holding company during the period were denominated in GBP, EUR, US\$ and AUD. The denominated amounts at the year-end are as follows:

		Notes 附註	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
GBP loans and borrowings	英鎊貸款及借款	(i)	1,213,144	1,423,583
EUR loans and borrowings	歐元貸款及借款	(ii)	68,095	1,091,450
US\$ loans and borrowings	美元貸款及借款	(ii)	689,834	684,380
AUD loans and borrowings	澳元貸款及借款	(ii)	468,879	431,530
AUD loans and borrowings	澳元貸款及借款	(iii)	1,926,426	1,162,532
			4,366,378	4,793,475

30. 一間中間控股公司貸款

一間中間控股公司貸款之還款期如下：

附註：

- a. 期內，本集團一間中間控股公司之全部貸款之賬面值均以英鎊、歐元、美元及澳元計值。於年末之貨幣計值金額如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

30. LOANS FROM AN INTERMEDIATE HOLDING COMPANY (Continued)

Notes: (Continued)

a. (Continued)

Notes:

- (i) These loans bear interest at a rate of six month LIBOR plus 5% per annum.
 - (ii) These loans are interest-free.
 - (iii) These loans bear interest at rates of 7.25% and 4.85% per annum.
- b. Interest incurred during the year ended 31 December 2017 and interest payable to an intermediate holding company as at 31 December 2017 are set out in notes 8 and 27 respectively.

30. 一間中間控股公司貸款 (續)

附註：(續)

a. (續)

附註：

- (i) 該等貸款按六個月倫敦銀行同業拆息加每年5%計息。
 - (ii) 該等貸款為免息。
 - (iii) 該等貸款按每年7.25%及4.85%之利率計息。
- b. 截至二零一七年十二月三十一日止年度產生之利息及於二零一七年十二月三十一日應付一間中間控股公司之利息分別載於附註8及27。

31. LOANS FROM RELATED PARTIES AND OTHER BORROWINGS

Loans from related parties and other borrowings were repayable as follows:

31. 關連人士貸款及其他借款

關連人士貸款及其他借款之還款期如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Current:	即期：		
Loans from related parties	關連人士貸款	—	231,964
Other borrowings	其他借款	213,518	—
		213,518	231,964
Non-current:	非即期：		
Loans from related parties	關連人士貸款	—	34,332
Other borrowings	其他借款	73,565	—
		73,565	34,332

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

31. LOANS FROM RELATED PARTIES AND OTHER BORROWINGS (Continued)

Notes:

The loans were obtained from entities controlled by Mr. Chen, a former director of the Company. Certain loans from the entity controlled by Mr. Chen amounting to \$11,633,000 (2016: \$45,142,000) that bear interest at 15% per annum are unsecured and repayable six months after the date of the respective drawdowns, and the interest generated for the period from 1 April 2016 to 31 December 2017 has been waived by the lender. Certain loans from another entity controlled by Mr. Chen amounting to \$275,450,000 (2016: \$221,154,000) that bear interest at 11% and 13.5% per annum are unsecured and repayable from nine months to twenty-one months after the date of the respective drawdowns. Interest incurred during the year ended 31 December 2017 and interest payable to related parties as at 31 December 2017 are set out in notes 8 and 27 respectively.

31. 關連人士貸款及其他借款 (續)

附註：

貸款從本公司之前任董事陳先生控制之實體取得。來自陳先生控制之實體之11,633,000元(二零一六年：45,142,000元)之若干貸款按年利率15%計息，且無抵押並須於貸款之各自提取日期後六個月內償還，而貸款人已放棄二零一六年四月一日至二零一七年十二月三十一日期間產生之利息。來自陳先生控制之另一實體之275,450,000元(二零一六年：221,154,000元)之若干貸款按年利率11%及13.5%計息，且無抵押並須於貸款之各自提取日期後九個月至二十一個月內償還。截至二零一七年十二月三十一日止年度應計之利息及於二零一七年十二月三十一日應付關連人士之利息分別載於附註8及27。

32. CURRENT TAXATION

32. 即期稅項

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Prepaid tax:	預付稅項：		
PRC Corporate Income Tax	中國企業所得稅	—	—
PRC Land Appreciation Tax	中國土地增值稅	—	752
		—	752
		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Current tax payable:	應付即期稅項：		
PRC Corporate Income Tax	中國企業所得稅	(30,178)	(29,794)
PRC Land Appreciation Tax	中國土地增值稅	(215,765)	(178,220)
		(245,943)	(208,014)

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

33. SHARE CAPITAL

33. 股本

		2017 二零一七年		2016 二零一六年	
		No. of shares 股份數目	Amount 金額	No. of shares 股份數目	Amount 金額
		'000 千股	\$'000 千元	'000 千股	\$'000 千元
Issued and fully paid:	已發行及繳足：				
Ordinary shares of \$0.1 each	每股面值0.1元之 普通股				
At 1 January and 31 December	於一月一日及 十二月三十一日	4,697,347	469,735	4,697,347	469,735

Note:

- (i) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

附註：

- (i) 普通股持有人有權收取不時宣派之股息，並有權於本公司會議上按每股一票投票表決。所有普通股就本公司剩餘資產享有同等權利。

34. RESERVES

- (a) The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 102 of the financial statements.

(b) Nature and purpose of reserves

Share premium

The application of the share premium is governed by the Companies Act 1981 of Bermuda.

Statutory surplus reserve

In accordance with the Company Law of the PRC and the respective articles of association of the PRC group companies, each of the subsidiaries of the Group that is domiciled in Mainland China is required to allocate 10% of its profit after tax, as determined in accordance with the PRC Accounting Regulations, to the statutory surplus reserve until such reserve reaches 50% of its respective registered capital.

34. 儲備

- (a) 於本年度及過往年度，本集團之儲備及其變動金額於財務報表第102頁之綜合股權變動表內呈列。

(b) 儲備性質及用途

股份溢價

股份溢價之使用受百慕達一九八一年公司法規管。

法定盈餘儲備

根據中國公司法及中國集團公司之相關組織章程，本集團於中國內地註冊之各附屬公司須按要求分配10%的除稅後溢利(根據中國會計制度釐定)至法定盈餘儲備，直至該等儲備達致各自註冊資本的50%。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

34. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

Exchange reserve

The exchange reserve of the Group comprises all foreign exchange differences arising from the translation of the financial statements of operations in the PRC, the United Kingdom, Australia, the British Virgin Islands and the USA.

Special reserve

The special reserve of the Group represents (i) the difference between the aggregate nominal value of the share capital of the Company's subsidiaries acquired and the nominal value of the shares issued by the Company in connection with group reorganisation; and (ii) adjustments made to the amounts of controlling and non-controlling interests to reflect the change in relative interests as a result of changes in the Group's interests in Amazing Wise Limited that do not result in a loss of control.

Distributable reserves

The Company's share premium, special reserve and accumulated losses as at 31 December 2017 may be distributable to shareholders, after netting off with the convertible bond reserve in certain circumstances prescribed by Section 54 of the Companies Act 1981 of Bermuda.

As at 31 December 2017, the aggregate amount of reserves available for distribution to equity holders of the Company was \$1,938,094,000 (2016: \$1,948,511,000).

The Directors of the Company did not recommend the payment of a dividend for the year ended 31 December 2017 (2016: Nil).

34. 儲備 (續)

(b) 儲備性質及用途 (續)

匯兌儲備

本集團之匯兌儲備包括換算中國、英國、澳大利亞、英屬處女群島及美國業務之財務報表產生之所有外匯差額。

特別儲備

本集團特別儲備指(i)本公司所收購附屬公司之股本面值總額與本公司就集團重組所發行之股份面值之差額；及(ii)就控股及非控股權益金額作出之調整，以反映因本集團於Amazing Wise Limited之權益變動(並無導致失去控制權)所產生之相對權益變動。

可供分派儲備

於二零一七年十二月三十一日，本公司之股份溢價、特別儲備及累計虧損於百慕達一九八一年公司法第54條所規定之若干情況下扣除可換股債券儲備後可供分派予股東。

於二零一七年十二月三十一日，可供分派予本公司權益持有人之儲備總額為1,938,094,000元(二零一六年：1,948,511,000元)。

本公司董事不建議派發截至二零一七年十二月三十一日止年度之股息(二零一六年：無)。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The following tables list out the information relating to subsidiaries of the Group which have material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

35. 擁有重大非控股權益的部分擁有附屬公司

下表載列本集團擁有重大非控股權益的附屬公司的資料。下文所示財務資料概要為未計算任何公司間撇銷的金額。

		Amazing Wise Group Amazing Wise 集團	Wanda Properties Investment Limited Group	Wanda Americas Real Estate Investment Co., Limited Group
		萬達置業投資 有限公司集團	萬達美洲地產投資 有限公司集團	
		\$'000 千元	\$'000 千元	\$'000 千元
2017	二零一七年			
Percentage of equity interest held by NCI	非控股權益持有的權益百分比	47%	49%	40%
(Loss)/profit for the year allocated to NCI	分配予非控股權益本年度(虧損)/溢利	(40,941)	19,736	(56,476)
Dividends declared to NCI	宣派予非控股權益的股息	—	—	—
Accumulated balances of NCI at the reporting date	於報告日期的非控股權益累計餘額	518,259	503,225	116,181
2016	二零一六年			
Percentage of equity interest held by NCI	非控股權益持有的權益百分比	47%	49%	40%
(Loss)/profit for the year allocated to NCI	分配予非控股權益本年度(虧損)/溢利	(18,973)	109,640	(15,987)
Dividends declared to NCI	宣派予非控股權益的股息	—	—	—
Accumulated balances of NCI at the reporting date	於報告日期的非控股權益累計餘額	541,835	406,579	198,504

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(Continued)

35. 擁有重大非控股權益的部分擁有附屬公司(續)

		Amazing Wise Group Amazing Wise 集團 \$'000 千元	Wanda Properties Investment Limited Group 萬達置業投資 有限公司集團 \$'000 千元	Wanda Americas Real Estate Investment Co., Limited Group 萬達美洲地產投資 有限公司集團 \$'000 千元
2017	二零一七年			
Revenue	收益	129,657	83,783	—
Total expense and other net (loss)/gain	總開支及其他 (虧損)/收益淨額	(219,065)	(43,504)	(115,372)
(Loss)/profit for the year	本年度(虧損)/溢利	(89,408)	40,279	(115,372)
Total comprehensive (loss)/income for the year	本年度全面 (虧損)/收入總額	(89,408)	40,279	(115,372)
Current assets	流動資產	136,907	1,279,896	3,046,715
Non-current assets	非流動資產	2,391,527	1,607,604	515,451
Current liabilities	流動負債	(763,612)	(285,536)	(2,137,377)
Non-current liabilities	非流動負債	(724,494)	(1,574,973)	(1,407,042)
NCI	非控股權益	(55,292)	—	(181,803)
Net cash flows from/(used in)	產生/(所用)之現金 流量淨額			
operating activities	經營活動	4,807	6,921	(50,404)
investing activities	投資活動	(7,991)	7,201	(54,491)
financing activities	融資活動	12,339	—	934,320
Effect of foreign exchange rate changes	匯率變動之影響	1,705	67,918	4,440
Net increase in cash and cash equivalents	現金及現金等值物 增加淨額	10,860	82,040	833,865

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(Continued)

35. 擁有重大非控股權益的部分擁有附屬公司(續)

		Amazing Wise Group Amazing Wise 集團 \$'000 千元	Wanda Properties Investment Limited Group 萬達置業投資 有限公司集團 \$'000 千元	Wanda Americas Real Estate Investment Co., Limited Group 萬達美洲地產投資 有限公司集團 \$'000 千元
2016	二零一六年			
Revenue	收益	111,088	139,041	—
Total expense and other net (loss)/gain	總開支及其他 (虧損)/收益淨額	(150,211)	84,713	(34,581)
(Loss)/profit for the year	本年度(虧損)/溢利	(39,123)	223,754	(34,581)
Total comprehensive (loss)/income for the year	本年度全面(虧損)/收入總額	(39,123)	223,754	(34,581)
Current assets	流動資產	100,467	1,174,324	1,225,909
Non-current assets	非流動資產	2,342,588	1,523,274	670,831
Current liabilities	流動負債	(660,936)	(1,725,357)	(1,740,959)
Non-current liabilities	非流動負債	(729,884)	(142,489)	—
NCI	非控股權益	(89,217)	—	(226,986)
Net cash flows from/(used in)	產生/(所用)之現金 流量淨額			
operating activities	經營活動	177,940	(392,785)	366,029
investing activities	投資活動	1,254	14,521	(1,079,780)
financing activities	融資活動	(207,387)	—	838,081
Effect of foreign exchange rate changes	匯率變動之影響	(2,255)	(77,394)	43
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物 增加/(減少)淨額	(30,448)	(455,658)	124,373

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

36. DISPOSAL OF A SUBSIDIARY

On 1 June 2017, the Group disposed of its entire equity interest in Wanda Madrid to an independent third party for a cash consideration of EUR272,000,000 (the "Disposal").

The net assets of the subsidiary at the date of disposal were as follows:

36. 出售一間附屬公司

於二零一七年六月一日，本集團向獨立第三方出售其於萬達馬德里之全部股本權益，現金代價為272,000,000歐元（「出售事項」）。

附屬公司於出售日期之資產淨值如下：

		1 June 2017 二零一七年六月一日
		\$'000 千元
Net assets disposed of:	已出售之資產淨值：	
Property, plant and equipment	物業、廠房及設備	7,841
Construction in progress	在建工程	221,488
Freehold land	永久業權土地	771,165
Properties under development	在建物業	1,162,269
Trade and other receivables	貿易及其他應收款項	2,323
Cash and cash equivalents	現金及現金等值物	2,416
Trade and other payables	貿易及其他應付款項	(724)
Reclassification of exchange reserve on translation of a foreign operation	換算海外業務之匯兌儲備之重新分類	540,235
		2,707,013
Loss on disposal of a subsidiary (note 12)	出售一間附屬公司之虧損(附註12)	(329,707)
		2,377,306
Satisfied by:	出售所得：	
Cash consideration received in the current year	於本年度收取之現金代價	2,327,385
Cash consideration received in prior years as a deposit	於過往年度收取作為訂金之現金代價	49,921
		2,377,306

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

36. DISPOSAL OF A SUBSIDIARY (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

		2017 二零一七年 \$'000 千元
Cash consideration	現金代價	2,327,385
Cash and bank balances disposed of	已出售之現金及銀行結餘	(2,416)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售一間附屬公司之現金及現金等值物流入淨額	2,324,969

36. 出售一間附屬公司 (續)

有關出售一間附屬公司之現金及現金等值物流入淨額之分析如下：

37. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

37. 綜合現金流量表附註

融資活動所產生的負債變動

		Loans from financial institution	Loans and amounts due to an intermediate holding company	Other borrowings	Interests payables of bank loans and other loans	Total
		金融機構貸款	一間中間控股公司貸款及應付一間中間控股公司款項	其他借款	銀行貸款及其他貸款應付利息	總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2017	於二零一七年一月一日	3,371,778	8,218,325	266,296	464,961	12,321,360
Changes from financing cash flows	融資現金流量變動	(141,988)	1,357,832	(1,393)	(170,703)	1,043,748
Interest expenses (note 8)	利息開支(附註8)	—	—	—	242,405	242,405
Foreign exchange movement	外匯變動	160,536	352,093	22,180	25,952	560,761
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售之資產直接相關之負債	(1,575,390)	(862,670)	—	(2,376)	(2,440,436)
At 31 December 2017	於二零一七年十二月三十一日	1,814,936	9,065,580	287,083	560,239	11,727,838

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

38. CAPITAL COMMITMENTS

The Group had the following commitments for property development expenditure at the end of the reporting period:

	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Contracted, but not provided for 已訂約但未撥備	12,627,924	5,651,166

The above commitments mainly include construction related costs to be incurred in respect of the Group's property development projects.

39. PLEDGE OF ASSETS

Details of the Group's loans from financial institutions, which are secured by the assets of the Group, are included in note 29 to the financial statements.

40. OPERATING LEASE COMMITMENTS

As lessor

The Group leases out its investment properties under operating lease arrangements on terms ranging from two to fifteen years and with an option for renewal after the expiry dates, at which time all terms will be renegotiated.

38. 資本承擔

於報告期末，本集團物業發展支出之承擔如下：

	2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Contracted, but not provided for 已訂約但未撥備	12,627,924	5,651,166

上述承擔主要包括就本集團物業發展項目而產生之建設相關費用。

39. 資產抵押

本集團抵押其資產所獲取的金融機構貸款之詳情載於財務報表附註29。

40. 經營租賃承擔

作為出租人

本集團根據經營租賃安排出租投資物業，租期介乎二至十五年，可於屆滿日期後選擇續租，屆時將會重新協商所有條款。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

40. OPERATING LEASE COMMITMENTS (Continued)

As lessor (Continued)

The Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Within one year	一年內	133,067	131,706
In the second to fifth years, inclusive	兩年至五年(包括首尾年度)	342,150	404,670
After five years	五年後	293,879	321,746
		769,096	858,122

As lessee

The Group leases certain office premises under operating lease arrangements, negotiated for terms ranging from three to six years with an option for renewal after the expiry dates, at which time all terms will be renegotiated.

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Within one year	一年內	16,113	16,430
In the second to fifth years, inclusive	兩年至五年(包括首尾年度)	14,907	29,689
After five years	五年後	—	1,508
		31,020	47,627

40. 經營租賃承擔(續)

作為出租人(續)

本集團根據與其承租人訂立之不可撤銷經營租賃於下列期間到期之未來最少應收租金總額如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Within one year	一年內	133,067	131,706
In the second to fifth years, inclusive	兩年至五年(包括首尾年度)	342,150	404,670
After five years	五年後	293,879	321,746
		769,096	858,122

作為承租人

本集團根據經營租賃安排租賃若干辦公室物業，協定期限介乎三至六年，可於屆滿日期後選擇續租，屆時將會重新協商所有條款。

本集團根據不可撤銷經營租賃於下列期間到期之未來最少應付之租金總額如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Within one year	一年內	16,113	16,430
In the second to fifth years, inclusive	兩年至五年(包括首尾年度)	14,907	29,689
After five years	五年後	—	1,508
		31,020	47,627

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

41. CONTINGENT LIABILITIES

41. 或然負債

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Guarantees given to banks for: Mortgage facilities granted to purchasers of the Group's properties	就下列事項而給予銀行之擔保： 授予本集團物業買家 之按揭授信	475,855	551,227

The Group has provided guarantees in respect of the mortgage facilities granted by certain banks to the purchasers of the Group's properties. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee periods commence from the dates of grant of the relevant mortgage loans and end after the execution of individual purchasers' collateral agreements.

The Group did not incur any material losses during the financial period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. The directors consider that in case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

本集團已就若干銀行授予本集團物業買家之按揭授信而提供擔保。根據擔保安排之條款，倘該等買家拖欠按揭還款，本集團須負責償還拖欠之按揭貸款以及應計利息及違約買家結欠銀行之罰款，而本集團有權接管相關物業之合法業權。本集團之擔保期由授出相關按揭貸款當日起計至個別買家的抵押品協議獲執行後結束。

本集團於就授予本集團物業買家之按揭授信而提供擔保之財政期間並無產生任何重大虧損。董事認為倘出現拖欠還款，有關物業之可變現淨值能償還尚未償還之按揭貸款及任何應計利息以及罰款，因此，並無就有關擔保作出撥備。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

42. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following significant transactions with related parties during the year:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Companies controlled by the ultimate controlling shareholder:	最終控股股東控制之公司：		
Sale of equipment	銷售設備	1,902	—
Purchase of services	購買服務	1,539	—
Rental income	租金收入	5,772	6,925

Transactions related to sale of equipment, purchase of services and rental services were made according to the published prices and conditions offered to the major customers of the Group.

有關銷售設備、購買服務及租賃服務之交易乃根據本集團主要客戶所提供之已公佈價格及條件進行。

(b) Transactions with key management personnel

The remuneration of key management personnel of the Group, including the amounts paid to the Company's directors, is as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Short-term employee benefits	短期僱員福利	4,805	4,557

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.

(b) 與主要管理人員之交易

本集團之主要管理人員薪酬(包括已付本公司董事之款項)如下：

董事及主要行政人員酬金之進一步詳情載於財務報表附註9。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

42. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(c) Loans from an intermediate holding company

Please refer to note 30 for the loans from an intermediate holding company to the Company. Interest incurred during the year and interest payable to related parties as at 31 December 2017 are set out in notes 8 and 27 respectively.

(d) Other related party transactions

Other amounts due from/to related parties are set out in notes 24 and 27.

(e) Guarantees provided by an intermediate holding company

An Company's intermediate holding company has guaranteed certain bank loans made to the Group of up to \$1,407,042,000 (2016: \$2,977,955,000) as at the end of the reporting period, as further detailed in note 29 to the financial statements.

(f) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of rental income above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The related party transactions in respect of loans from an intermediate holding company, other related party transactions and guarantees provided by an intermediate holding company above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, they are exempt from disclosure requirements under Chapter 14A of the Listing Rules.

42. 重大關連人士交易 (續)

(c) 一間中間控股公司貸款

一間中間控股公司提供予本公司之貸款請參閱附註30。於年內產生之利息及於二零一七年十二月三十一日應付關連人士之利息分別載於附註8及27。

(d) 其他關連人士交易

其他應收／應付關連人士款項分別載於附註24及27。

(e) 一間中間控股公司提供之擔保

於報告期末，本公司之一間中間控股公司已就授予本集團之最多1,407,042,000元(二零一六年：2,977,955,000元)之若干銀行貸款提供擔保，其進一步詳情載於財務報表附註29。

(f) 關連交易所適用之上市規則

上述有關租金收入之關連人士交易構成上市規則第十四A章所定義之持續關連交易。

有關上述一間中間控股公司貸款、其他關連人士交易及一間中間控股公司提供之擔保之關連人士交易構成上市規則第十四A章所定義之關連交易或持續關連交易。然而，有關交易獲豁免遵守上市規則第十四A章所載之披露規定。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

43. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

		Loans and receivables 貸款及應收款項	
		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Financial assets included in trade and other receivables	計入貿易及其他應收款項之金融資產	36,103	43,666
Pledged deposits	已抵押存款	202,833	502,856
Cash and cash equivalents	現金及現金等值物	2,087,969	2,680,562
		2,326,905	3,227,084

Financial liabilities

金融負債

		Financial liabilities at amortised cost 按攤銷成本列賬之金融負債	
		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Financial liabilities included in trade and other payables	計入貿易及其他應付款項之金融負債	5,822,486	4,136,196
Interest payable to an intermediate holding company	應付一間中間控股公司利息	—	344,712
Loans from financial institutions	金融機構貸款	1,814,936	3,371,778
Loans from related parties and other borrowings	關連人士貸款及其他借款	287,083	266,296
Loans from an intermediate holding company	一間中間控股公司貸款	4,366,378	4,793,475
		12,290,883	12,912,457

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments reasonably approximate to their fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, financial assets included in trade and other receivables, financial liabilities included in trade and other payables, amounts due from/to related parties and intermediate holding companies approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group did not have any financial assets and financial liabilities measured at fair value as at 31 December 2017 and 2016.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted cash and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments for trading purposes. The directors review and agree policies for managing each of these risks and they are summarised below:

44. 金融工具之公允價值及公允價值等級

本集團金融工具之賬面值與其公允價值合理相若。

管理層評估，現金及現金等值物、已抵押存款、計入貿易及其他應收款項之金融資產、計入貿易及其他應付款項之金融負債、應收／應付關連人士及中間控股公司款項之公允價值與其賬面值相若，主要由於該等工具為短期性質。

金融資產及負債之公允價值按工具於有意交易方現時進行之一項交易（並非強制或清算出售）內可予交換之金額列賬。

於二零一七年及二零一六年十二月三十一日，本集團並無任何按公允價值計量之金融資產及金融負債。

45. 金融風險管理目標及政策

本集團主要金融工具包括現金及現金等值物、受限制現金以及計息銀行及其他借款。該等金融工具主要目的為為本集團經營業務籌集資金。本集團自業務直接產生多項其他金融資產及負債，如貿易應收款項及貿易應付款項。

本集團金融工具產生之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。本集團並未持有或發行作交易目的之衍生金融工具。董事檢討及協議管理各項此等風險之政策，概述如下：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

		Increase/ (decrease) in basis points 基點 上升/(下降)	Increase/ (decrease) in profit before tax 除稅前 溢利 增加/(減少) \$'000 千元
31 December 2017	二零一七年十二月三十一日	100	(4,079)
31 December 2016	二零一六年十二月三十一日	100	(19,448)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the year and had applied the exposure to interest rate risk to those bank and other borrowings in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year until the end of the next reporting period.

45. 金融風險管理目標及政策 (續)

利率風險

本集團面臨之市場利率變動之風險主要與本集團以浮動利率計息之債務有關。

下表顯示在所有其他變量維持不變之情況下，本集團之除稅前溢利(因浮息借款之影響)對利率合理可能變動之敏感程度。

上述敏感度分析乃假設利率變動於年末已經發生，並將利率風險承擔應用於該日已存在之該等銀行及其他借款。估計增加或減少百分比指管理層對利率於年內直至下個報告期末之合理可能變動之評估。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Foreign currency risk

The Group's business is principally conducted in RMB, GBP, EUR, US\$ and AUD. The functional currencies of the Group's subsidiaries in the PRC, the United Kingdom, the USA and Australia are RMB, GBP, US\$ and AUD, respectively, and these subsidiaries do not have significant monetary assets or liabilities denominated in currencies other than their respective functional currencies. The functional currency of the Group's other subsidiaries is the Hong Kong dollar.

The Company is exposed to currency risk primarily through restricted bank deposits, cash and cash equivalents, trade and other receivables, trade and other payables, current taxation, loans from financial institutions, loans from an intermediate holding company and amounts due from subsidiaries that are denominated in GBP, EUR, US\$, AUD and RMB.

45. 金融風險管理目標及政策 (續)

外匯風險

本集團主要以人民幣、英鎊、歐元、美元及澳元經營業務。本集團之中國、英國、美國及澳大利亞附屬公司之功能貨幣分別為人民幣、英鎊、美元及澳元，該等附屬公司並無重大貨幣資產或負債以除彼等各自之功能貨幣外之其他貨幣列值。本集團其他附屬公司之功能貨幣為港元。

本公司主要透過以英鎊、歐元、美元、澳元及人民幣列值之受限制銀行存款、現金及現金等值物、貿易及其他應收款項、貿易及其他應付款項、即期稅項、金融機構貸款、一間中間控股公司貸款及應收附屬公司款項承擔貨幣風險。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate on the Group's profit before tax and the Group's equity.

45. 金融風險管理目標及政策 (續)

外匯風險 (續)

下表列示本集團之除稅前溢利及本集團之權益於報告期末對匯率之合理可能變動之敏感度。

		Increase/ (decrease) in exchange rate 匯率 上升/(下降) %	Increase/ (decrease) in profit before tax 除稅前 溢利 增加/(減少) \$'000 千元	Increase/ (decrease) in equity* 權益 增加/(減少)* \$'000 千元
2017	二零一七年			
If the Hong Kong dollar weakens against EUR	倘港元兌歐元貶值	1	(681)	(681)
If the Hong Kong dollar strengthens against EUR	倘港元兌歐元增值	1	681	681
If the Hong Kong dollar weakens against GBP	倘港元兌英鎊貶值	1	(12,891)	(12,891)
If the Hong Kong dollar strengthens against GBP	倘港元兌英鎊增值	1	12,891	12,891
If the Hong Kong dollar weakens against US\$	倘港元兌美元貶值	1	(33,051)	(33,051)
If the Hong Kong dollar strengthens against US\$	倘港元兌美元增值	1	33,051	33,051
If the Hong Kong dollar weakens against AUD	倘港元兌澳元貶值	1	(99,095)	(99,095)
If the Hong Kong dollar strengthens against AUD	倘港元兌澳元增值	1	99,095	99,095
If the Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	1	4,088	4,088
If the Hong Kong dollar strengthens against RMB	倘港元兌人民幣增值	1	(4,088)	(4,088)

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

45. 金融風險管理目標及政策 (續)

外匯風險 (續)

		Increase/ (decrease) in exchange rate	Increase/ (decrease) in profit before tax 除稅前 溢利	Increase/ (decrease) in equity*
		匯率 上升/(下降) %	增加/(減少) \$'000 千元	增加/(減少)* \$'000 千元
2016	二零一六年			
If the Hong Kong dollar weakens against EUR	倘港元兌歐元貶值	1	(9,891)	(9,891)
If the Hong Kong dollar strengthens against EUR	倘港元兌歐元增值	1	9,891	9,891
If the Hong Kong dollar weakens against GBP	倘港元兌英鎊貶值	1	(21,748)	(21,748)
If the Hong Kong dollar strengthens against GBP	倘港元兌英鎊增值	1	21,748	21,748
If the Hong Kong dollar weakens against US\$	倘港元兌美元貶值	1	(28,804)	(28,804)
If the Hong Kong dollar strengthens against US\$	倘港元兌美元增值	1	28,804	28,804
If the Hong Kong dollar weakens against AUD	倘港元兌澳元貶值	1	(27,647)	(27,647)
If the Hong Kong dollar strengthens against AUD	倘港元兌澳元增值	1	27,647	27,647
If the Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	1	2,340	2,340
If the Hong Kong dollar strengthens against RMB	倘港元兌人民幣增值	1	(2,340)	(2,340)

* Excluding retained earnings

* 不包括保留溢利

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The Group has no concentrations of credit risk. The extent of the Group's credit exposure is represented by the aggregate balance of cash at banks, restricted bank deposits, trade and other receivables.

For deposits at banks and financial institutions, deposits are only placed with reputable banks.

For the trade receivables arising from the sale of properties, the Group manages the credit risk by fully receiving cash before delivery of properties. The Group has set out policies to ensure follow-up action is taken to recover overdue debts. The Group also reviews regularly the recoverable amount of each individual trade receivable balance to ensure that adequate provisions for impairment losses are made for irrecoverable amounts. The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

In addition, the Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. Detailed disclosure of these guarantees is set out in note 41. Except for these financial guarantees by the Group as set out in note 41, the Group does not provide guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of each reporting period is disclosed in note 41.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 24.

45. 金融風險管理目標及政策 (續)

信貸風險

本集團並無任何集中信貸風險。本集團之信貸風險涉及銀行現金、受限制銀行存款以及貿易及其他應收款項之結餘總額。

就銀行及金融機構存款而言，存款僅存放於信譽良好之銀行。

就銷售物業產生之貿易應收款項而言，本集團透過在交付物業前收取全數現金管理信貸風險。本集團已制定政策以確保採取跟進行動收回逾期債務。本集團亦定期審閱各項個別貿易應收款項結餘之可收回金額，以確保就不可收回金額作出充足之減值虧損撥備。若無計及所持有之任何抵押品，則最高信貸風險為財務狀況表內各項金融資產之賬面值扣除任何減值撥備。

此外，本集團為若干物業單位買家安排銀行融資，並提供擔保以作為該等買家還款責任之抵押。有關該等擔保之詳細披露載於附註41。除了於附註41所載之本集團所提供之該等財務擔保，本集團並無提供擔保而使本集團面對信貸風險。於各報告期末，與該等財務擔保有關之最高信貸風險乃於附註41作出披露。

有關本集團因貿易及其他應收款項引致之信貸風險之詳細量化披露載於附註24。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other loans.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		2017				
		二零一七年				
		Less than 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
		一年內或 按要求	一至兩年	兩至五年	超過五年	總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Interest-bearing bank borrowings	計息銀行借款	254,736	115,121	1,713,837	—	2,083,694
Other borrowings	其他借款	243,855	75,778	—	—	319,633
Loans from an intermediate holding company	一間中間控股公司 貸款	3,789,934	68,095	689,834	—	4,547,863
Trade payables and other payables	貿易應付款項及 其他應付款項	5,822,486	—	—	—	5,822,486
		10,111,011	258,994	2,403,671	—	12,773,676

45. 金融風險管理目標及政策 (續)

流動資金風險

本集團使用經常性流動資金計劃工具監察其資金短缺之風險。該工具已計及本集團之金融工具及金融資產(如貿易應收款項)之到期日以及預期業務現金流量。

本集團之目標為透過運用銀行貸款及其他貸款維持資金來源不間斷與靈活性之間之平衡。

於報告期末，本集團基於已訂約未折現付款之金融負債之到期情況如下：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

		2016 二零一六年				
		Less than 1 year or on demand 一年內或 按要求 \$'000 千元	1 to 2 years 一至兩年 \$'000 千元	2 to 5 years 兩至五年 \$'000 千元	Over 5 years 超過五年 \$'000 千元	Total 總計 \$'000 千元
Interest-bearing bank borrowings	計息銀行借款	1,814,475	238,121	1,646,268	36,937	3,735,801
Loans from related parties	關連人士貸款	241,728	36,379	—	—	278,107
Loans from an intermediate holding company	一間中間控股公司貸款	838,011	1,033,384	2,154,283	1,428,775	5,454,453
Trade payables and other payables	貿易應付款項及其他應付款項	4,136,196	—	155,174	189,538	4,480,908
		7,030,410	1,307,884	3,955,725	1,655,250	13,949,269

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year.

45. 金融風險管理目標及政策 (續)

流動資金風險 (續)

		2016 二零一六年				
		Less than 1 year or on demand 一年內或 按要求 \$'000 千元	1 to 2 years 一至兩年 \$'000 千元	2 to 5 years 兩至五年 \$'000 千元	Over 5 years 超過五年 \$'000 千元	Total 總計 \$'000 千元
Interest-bearing bank borrowings	計息銀行借款	1,814,475	238,121	1,646,268	36,937	3,735,801
Loans from related parties	關連人士貸款	241,728	36,379	—	—	278,107
Loans from an intermediate holding company	一間中間控股公司貸款	838,011	1,033,384	2,154,283	1,428,775	5,454,453
Trade payables and other payables	貿易應付款項及其他應付款項	4,136,196	—	155,174	189,538	4,480,908
		7,030,410	1,307,884	3,955,725	1,655,250	13,949,269

資本管理

本集團資本管理之主要目標為保障本集團按持續基準經營之能力及維持穩健之資本比率，以支持其業務及盡量提高股東之投資價值。

本集團管理其資本架構，並按經濟情況變動及相關資產之風險特徵作出調整。為維持或調整資本架構，本集團或會調整向股東派息、回報股東或發行新股份。本年度並無就有關目標、政策或程序作出變動以管理資本。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group monitors capital using a gearing ratio and a debt-to-asset ratio. The gearing ratio is defined as net debt divided by total equity plus net debt. Net debt comprise, loans from financial institutions, including current and non-current portions, loans from related parties and other borrowings, loans from an intermediate holding company, less cash and cash equivalents and pledged deposits. The debt-to-asset ratio is total liabilities net of advances from customers divided by total assets. The gearing ratio as at the end of the reporting period was as follows:

45. 金融風險管理目標及政策 (續)

資本管理 (續)

本集團使用資本負債比率及債務對資產比率監控資本。資本負債比率定義為以負債淨額除以總權益加負債淨額。負債淨額包括金融機構貸款(包括即期及非即期部分)、關連人士貸款及其他借款、一間中間控股公司貸款減現金及現金等值物及已抵押存款。債務對資產比率為以總負債減客戶墊款除以總資產。於報告期末之資本負債比率如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Loans from financial institutions	金融機構貸款	1,814,936	3,371,778
Loans from related parties and other borrowings	關連人士貸款及其他借款	287,083	266,296
Loans from an intermediate holding company	一間中間控股公司貸款	4,366,378	4,793,475
Less: Cash and cash equivalents	減：現金及現金等值物	(2,087,969)	(2,680,562)
Pledged deposits	已抵押存款	(202,833)	(502,856)
Net debt	負債淨額	4,177,595	5,248,131
Total equity	總權益	3,053,886	2,916,820
Total equity plus net debt	總權益加負債淨額	7,231,481	8,164,951
Gearing ratio	資本負債比率	57.8%	64.3%

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The debt-to-asset ratio as at the end of the reporting period was as follows:

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
Total liabilities	總負債	16,196,888	13,723,381
Less: Advances from customers	減：客戶墊款	(58,750)	(78,003)
		16,138,138	13,645,378
Total assets	總資產	19,250,774	16,640,201
Debt-to-asset ratio	債務對資產比率	83.8%	82%

46. EVENTS AFTER THE REPORTING PERIOD

Other than the disposals of Wanda International Group and Wanda Australia CP Group described in note 12 to the consolidated financial statements, there are no events after the reporting period till the date of approval of these financial statements which should be disclosed.

47. COMPARATIVE AMOUNTS

The comparative statement of profit or loss has been re-presented as if the operations discontinued during the current year had been discontinued at the beginning of the comparative period.

45. 金融風險管理目標及政策 (續)

資本管理 (續)

於報告期末之債務對資產比率如下：

46. 報告期後事項

除綜合財務報表附註12所述之萬達國際集團及萬達商業澳洲集團之出售事項外，於該等財務報表批准日期前並無須予披露之報告期後事項。

47. 比較金額

損益表中之比較數字已重新呈報，猶如於本年度終止經營之業務於比較期間開始時已終止經營。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

48. 本公司財務狀況表

於報告期末，本公司財務狀況表資料如下：

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,043	1,631
Investments in subsidiaries	於附屬公司之投資	1,023,782	1,023,782
Loans to subsidiaries	給予附屬公司之貸款	718,006	3,894,866
Due from subsidiaries	應收附屬公司款項	—	116,569
Total non-current assets	非流動資產總值	1,742,831	5,036,848
CURRENT ASSETS	流動資產		
Other receivables	其他應收款項	60,993	1,640,299
Loans to subsidiaries	給予附屬公司之貸款	5,151,476	—
Cash and cash equivalents	現金及現金等值物	22,359	33,757
Total current assets	流動資產總值	5,234,828	1,674,056
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	1,652,389	1,107,662
Loans from financial institutions	金融機構貸款	—	930,612
Loans from an intermediate holding company	一間中間控股公司貸款	2,476,292	—
Interest payable to an intermediate holding company	應付一間中間控股公司利息	441,149	—
Total current liabilities	流動負債總值	4,569,830	2,038,274
NET CURRENT ASSETS/ (LIABILITIES)	流動資產／(負債)淨值	664,998	(364,218)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	2,407,829	4,672,630

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

48. 本公司財務狀況表(續)

		2017 二零一七年 \$'000 千元	2016 二零一六年 \$'000 千元
NON-CURRENT LIABILITIES	非流動負債		
Loans from an intermediate holding company	一間中間控股公司貸款	—	1,987,385
Interest payable to an intermediate holding company	應付一間中間控股公司利息	—	266,999
Total non-current liabilities	非流動負債總值	—	2,254,384
Net assets	資產淨值	2,407,829	2,418,246
EQUITY	權益		
Equity attributable to owners of the parent	母公司擁有人應佔權益		
Share capital	股本	469,735	469,735
Reserves (note)	儲備(附註)	1,938,094	1,948,511
Total equity	總權益	2,407,829	2,418,246

Ding Benxi

丁本錫
Chairman
主席

Ning Qifeng

寧奇峰
Executive Director
執行董事

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

48. 本公司財務狀況表(續)

附註：

本公司儲備摘要如下：

		Share premium	Special reserve	Retained earnings/ (accumulated losses)	Total
		股份溢價 \$'000 千元	特別儲備 \$'000 千元	保留溢利/ (累計虧損) \$'000 千元	總計 \$'000 千元
At 1 January 2016	於二零一六年一月一日	1,935,266	127,961	107,110	2,170,337
Loss for the year and total comprehensive loss for the year	本年度虧損及 本年度全面虧損總額	—	—	(221,826)	(221,826)
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	1,935,266	127,961	(114,716)	1,948,511
Loss for the year and total comprehensive loss for the year	本年度虧損及 本年度全面虧損總額	—	—	(10,417)	(10,417)
At 31 December 2017	於二零一七年 十二月三十一日	1,935,266	127,961	(125,133)	1,938,094

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

49. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2018.

49. 批准財務報表

財務報表於二零一八年三月二十八日經董事會批准及授權刊發。

Financial Summary

財務概要

Year ended 31 December

截至十二月三十一日止年度

		2013 二零一三年 HK\$'000 千港元 (Restated) (經重列)	2014 二零一四年 HK\$'000 千港元 (Restated) (經重列)	2015 二零一五年 HK\$'000 千港元 (Restated) (經重列)	2016 二零一六年 HK\$'000 千港元 (Restated) (經重列)	2017 二零一七年 HK\$'000 千港元
RESULTS	業績					
Continuing operations	持續經營業務					
Revenue	收益	1,347,995	185,849	2,078,406	250,129	213,440
Profit/(loss) before tax from continuing operations	持續經營業務之 除稅前溢利/(虧損)	469,740	(46,405)	1,409,045	141,622	(320,434)
Income tax (expenses)/credit from continuing operations	持續經營業務之 所得稅(開支)/抵免	(250,382)	51,902	(608,659)	(124,640)	(139,033)
Profit/(loss) for the year from continuing operations	持續經營業務之 本年度溢利/(虧損)	219,358	5,497	800,386	16,982	(459,467)
Discontinued operations	終止經營業務					
Profit/(loss) for the year from discontinued operations	終止經營業務之 本年度溢利/(虧損)	14,543	(122,591)	(821,218)	59,087	(379,669)
Profit/(loss) for the year	本年度溢利/(虧損)	223,901	(117,094)	(20,832)	76,069	(839,136)
Profit/(loss) attributable to owners of the parent	母公司擁有人 應佔溢利/(虧損)	190,879	(176,026)	(262,693)	(60,663)	(470,335)
Non-controlling interests	非控股權益	43,022	58,932	241,861	136,732	(368,801)
Profit/(loss) for the year	本年度溢利/(虧損)	233,901	(117,094)	(20,832)	76,069	(839,136)

Financial Summary

財務概要

At 31 December

於十二月三十一日

		2013	2014	2015	2016	2017
		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
		千港元	千港元	千港元	千港元	千港元
ASSETS and LIABILITIES	資產及負債					
Total assets	總資產	4,822,152	12,184,402	15,408,014	16,640,201	19,250,774
Total liabilities	總負債	3,475,835	8,706,053	12,508,887	13,723,381	16,196,888
Net assets	資產淨值	1,346,317	3,478,349	2,899,127	2,916,820	3,053,886
Equity attributable to owners of the parent	母公司擁有人應佔權益	540,499	2,769,147	2,188,931	1,983,009	2,118,667
Non-controlling interests	非控股權益	805,818	709,202	710,196	933,811	935,219
Total equity	總權益	1,346,317	3,478,349	2,899,127	2,916,820	3,053,886

Property Portfolio 物業組合

1. MAJOR PROPERTIES UNDER DEVELOPMENT

1. 主要在建物業

Location 位置	Intended use 擬定用途	Stage of completion 竣工階段	Expected date of completion 預期竣工日期	Site area (sq.m.) (平方米)	Gross floor area (sq.m.) (平方米)	Group's interest 本集團的權益 (%)
1 Nine Elms Lane, London SW8 5NQ, United Kingdom*	Residential and commercial 住宅及商業	Under development 發展中	2021 二零二一年	8,400	112,197	60%
400 East Waterside Drive, Chicago, Illinois, 60601 USA	Residential and commercial 住宅及商業	Under development 發展中	2020 二零二零年	4,838	176,000	54%
38-44 Old Burleigh Road, Surfers Paradise, Queensland, Australia 4217*	Residential and commercial 住宅及商業	Under development 發展中	2019 二零一九年	11,355	146,200	33%
1 Alfred Street, 19-31 and 31a Pitt Street, Sydney, New South Wales, Australia 2000*	Residential and commercial 住宅及商業	Under development 發展中	2021 二零二一年	4,031	97,500	60%

* Sales and purchase agreement and Master Agreement have been entered into by the Group on 16 January 2018 and 18 January 2018 on the disposal of the London Project, Gold Coast Project and Sydney Project, and which have been reclassified as assets held for sale.

* 本集團於二零一八年一月十六日及二零一八年一月十八日就出售倫敦項目、黃金海岸項目及悉尼項目訂立買賣協議及總協議，而該等項目已重新分類為持作出售之資產。

Property Portfolio

物業組合

2. COMPLETED PROPERTIES HELD FOR SALE

2. 待售已竣工物業

Location	Existing use	Gross floor area	Group's interest
位置	現時用途	建築面積 (sq.m.) (平方米)	本集團 的權益 (%)
Hengli City No. 128 Wusi Road Gulou District Fuzhou City, Fujian 福建福州市 鼓樓區 五四路 128 號 恒力城	Residential and commercial 住宅及商業	3,228	50.35%
Site P05, north to Huan Cheng Nan Road No. 1, Guilin, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區 桂林市環城南一路 以北 P05 地塊	Residential and commercial 住宅及商業	24,965	51%

3. MAJOR PROPERTIES HELD FOR INVESTMENT

3. 主要持作投資物業

Location	Existing use	Gross floor area	Group's interest	Term of lease
位置	現時用途	建築面積 (sq.m.) (平方米)	本集團 的權益 (%)	租期
The Commercial Podium of Hengli City No. 128 Wusi Road Gulou District Fuzhou City, Fujian 福建福州市 鼓樓區 五四路 128 號 恒力城商業平台	Commercial 商業	53,387	50.35%	Medium 中期
Portion of the Carpark of Hengli City No. 128 Wusi Road Gulou District Fuzhou City, Fujian 福建福州市 鼓樓區 五四路 128 號 恒力城部分停車場	Commercial 商業	11,331	50.35%	Medium 中期
Portion of the Office of Hengli City No. 128 Wusi Road Gulou District Fuzhou City, Fujian 福建福州市 鼓樓區 五四路 128 號 恒力城部分辦公室	Commercial 商業	11,192	50.35%	Medium 中期
The Shopping Mall of Site P05, north to Huan Cheng Nan Road No. 1, Guilin, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區 桂林市環城南一路 以北 P05 地塊商場	Commercial 商業	152,440	51%	Medium 中期

Property Portfolio

物業組合

4. MAJOR PROPERTIES HELD FOR OWN USE

4. 主要持作自用物業

Location	Existing use	Gross floor area	Group's interest
位置	現時用途	建築面積 (sq.m.) (平方米)	本集團 的權益 (%)
40/F the office of Hengli City No. 128 Wusi Road Gulou District Fuzhou City, Fujian 福建福州市 鼓樓區 五四路 128 號 恒力城 40 樓辦公室	Office 辦公室	981	50.35%

