



Rosedale Hotel Holdings Limited 珀麗酒店控股有限公司

(Incorporated in Bermuda with limited liability) (Stock Code : 1189)
(於百慕達註冊成立之有限公司)(股份代號 : 1189)

Annual Report
年報 **2017**



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Dr. Yap, Allan (*Chairman*)
Ms. Chan Ling, Eva (*Managing Director*)
Mr. Chan Pak Cheung, Natalis

Independent Non-executive Directors

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Mr. Sin Chi Fai

COMPANY SECRETARY

Ms. Law Sau Lai

REGISTERED OFFICE

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Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Hong Kong

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
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Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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STOCK CODE

Stock Code on The Stock Exchange
of Hong Kong Limited: 1189

WEBSITE

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董事會

執行董事

葉家海博士(主席)
陳玲女士(董事總經理)
陳百祥先生

獨立非執行董事

郭嘉立先生
潘國興先生
冼志輝先生

公司秘書

羅秀麗女士

註冊辦事處

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Hamilton HM 11
Bermuda

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MUFG Fund Services (Bermuda) Limited
The Belvedere Building
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股份過戶登記分處

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股份代號

香港聯合交易所有限公司
股份代號：1189

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MARKET REVIEW

The year of 2017 has been mixing. Despite signs of stabilisation, operating environment remained challenging as the pressures posed by the global economic downturn and the continued economic transition in the People's Republic of China (the "PRC") are set to linger. Based on the information released by the World Bank Group, global growth is firming and contributing to an improvement in confidence. A recovery in industrial activity has coincided with a pickup in global trade, after over two years of marked weakness. Despite there have been challenges with unfortunate terrorist events affecting tourism and businesses in global markets, as well as political uncertainty from the Trump's effects and the tension between North Korea and the United States, global Gross Domestic Product ("GDP") growth is accelerated to 3.0% in 2017.

On the other hand, with the same pace as in the previous period while markets expected a 6.8% expansion on the PRC economy, its GDP advanced 6.9% year-on-year in 2017, reflecting a positive growth of about 0.2% as compared to 2016. The growth remained at its strongest level since the third quarter of 2015, as the industrial output and retail sales picked up while the fixed asset investment remained strong. In the meanwhile, Hong Kong's economy expanded moderately by 3.8% year-on-year and its GDP for 2017 is expected to grow by 3.0% to 4.0% in real terms, as adjusted downwards due to the slowdown in the local economy.

In view of 2017, total visitors arrivals to Hong Kong amounted to approximately 58.5 million, representing an increase of 3.2%, after dropping by 4.5% in 2016, which accounting for 76.0% of the total were visitors from Mainland China, and those visitors from Mainland China also increased by 3.9% year-on-year, after dropping by 6.7% in 2016. Visitors from the traditional short haul markets (excluding Mainland China) increased by 2.9% in 2017 while those from the traditional haul markets remained stable. Of the total visitors arrivals, overnight visitors accounted for approximately 27.9 million, which was an increase of 5.0% when compared on a year-on-year basis. The average hotel room occupancy level for all the surveyed hotels under different categories in Hong Kong for the year ended 31 December 2017 increased from 87.0% to 89.3%, recorded the fair occupancy gains. Compared to occupancy, the improvement in room rates lagged behind. The overall room rate fell marginally by approximately 3.6% yearly decline in 2017.

市場回顧

二零一七年表現參差。儘管出現穩定跡象，經營環境仍然充滿挑戰，原因在於環球經濟逆轉帶來沉重壓力及中華人民共和國（「中國」）的持續經濟轉型預計仍將繼續。根據世界銀行集團發表的資料，環球增長穩健及有助信心提升。經過超過兩年的顯著疲弱局面後，行業活動復甦，恰好遇上環球貿易回升。雖然面對影響旅遊業及環球市場企業的恐怖主義活動的挑戰，加上來自特朗普效應的政治不確定因素以及北韓與美國的緊張關係，環球國內生產總值增長率於二零一七年上升至3.0%。

另一方面，一如去年，市場預期中國經濟錄得6.8%的擴張步伐，於二零一七年之國內生產總值上升6.9%，反映較二零一六年正面增長約0.2%。增長情況維持自二零一五年第三季以來之最高水平，乃由於工業產值及零售銷售回升，加上固定資產投資仍然強勁。在此期間，香港經濟按年溫和擴張3.8%，於二零一七年之本地生產總值以實質計算預期增長3.0%至4.0%，乃由於本港經濟放緩而導致本地生產總值向下調整。

鑒於二零一七年，訪港旅客總數達約58,500,000人次，繼二零一六年下跌4.5%後上升3.2%，中國內地旅客佔總旅客人次約76.0%，而中國內地訪港旅客人數在二零一六年下跌6.7%後，亦按年上升3.9%。於二零一七年，來自傳統短途地區市場之旅客人數（不包括內地）增加2.9%，而來自傳統長途地區市場之旅客人數維持平穩。在訪港旅客總數中，過夜旅客人數在約27,900,000人次，按年上升5.0%。截至二零一七年十二月三十一日止年度，香港不同類別之所有受訪酒店之平均酒店房間入住率由87.0%增加至89.3%，入住率升幅不俗。與入住率比較，房價升幅則表現落後。整體房價於二零一七年按年微跌約3.6%。

Management Discussion and Analysis

管理層論述及分析

FINANCIAL REVIEW

Given the challenging business environment, but with the gradual recovery in the tourist markets, the Group had satisfactory performance during the year under review, reported stable business development with steady performance in respect of its overall hotel investment. Turnover of the Group attained HK\$252.3 million for the year ended 31 December 2017, represented an increase of 4.1% as compared to HK\$242.3 million for the year ended 31 December 2016. The results of the Group for the year ended 31 December 2017 was a loss of HK\$125.2 million (Year ended 31 December 2016: loss of HK\$93.2 million) which was mainly attributable to gross profit of HK\$100.7 million (Year ended 31 December 2016: gross profit of HK\$97.6 million); administrative expenses of HK\$126.2 million (Year ended 31 December 2016: HK\$159.3 million); distribution and selling expenses of HK\$1.2 million (Year ended 31 December 2016: HK\$1.5 million); finance costs of HK\$1.1 million (Year ended 31 December 2016: HK\$2.3 million); equity-settled share-based payment expenses of HK\$13.7 million (Year ended 31 December 2016: nil); impairment loss recognised in respect of property, plant and equipment of HK\$14.8 million (Year ended 31 December 2016: nil); decrease in fair value on investment properties of HK\$41.5 million (Year ended 31 December 2016: HK\$22.0 million); decrease in fair value on investments held for trading of HK\$39.3 million (Year ended 31 December 2016: HK\$5.8 million), partially offset by interest income of HK\$8.6 million (Year ended 31 December 2016: HK\$14.1 million); other income of HK\$0.6 million (Year ended 31 December 2016: HK\$14.8 million); and income tax credit of HK\$2.6 million (Year ended 31 December 2016: income tax expense of HK\$0.7 million).

The performance of the Group's hotels and securities trading during the year under audit, the commentary on the hotel sector and the changes in general market conditions and the potential impact on their operating performance and future prospects are contained in the succeeding sections headed "Business Review" and "Prospects".

財務回顧

鑒於經營環境充滿挑戰，但隨著旅客市場逐漸復甦，本集團於回顧年度內之表現令人滿意，其整體酒店投資錄得穩定之業務發展及平穩表現。於截至二零一七年十二月三十一日止年度，本集團錄得營業額252,300,000港元，較截至二零一六年十二月三十一日止年度之242,300,000港元增加4.1%。本集團截至二零一七年十二月三十一日止年度之業績錄得虧損125,200,000港元（截至二零一六年十二月三十一日止年度：虧損93,200,000港元），主要來自毛利100,700,000港元（截至二零一六年十二月三十一日止年度：毛利97,600,000港元）、行政開支126,200,000港元（截至二零一六年十二月三十一日止年度：159,300,000港元）、分銷及銷售開支1,200,000港元（截至二零一六年十二月三十一日止年度：1,500,000港元）、融資成本1,100,000港元（截至二零一六年十二月三十一日止年度：2,300,000港元）、以股本結算之以股代款開支13,700,000港元（截至二零一六年十二月三十一日止年度：無）、就物業、機器及設備確認之減值虧損14,800,000港元（截至二零一六年十二月三十一日止年度：無）、投資物業之公平價值減少41,500,000港元（截至二零一六年十二月三十一日止年度：22,000,000港元）、持作買賣投資之公平價值減少39,300,000港元（截至二零一六年十二月三十一日止年度：5,800,000港元），但其中部分被利息收入8,600,000港元（截至二零一六年十二月三十一日止年度：14,100,000港元）、其他收入600,000港元（截至二零一六年十二月三十一日止年度：14,800,000港元）及所得稅抵免2,600,000港元（截至二零一六年十二月三十一日止年度：所得稅開支700,000港元）抵銷。

本集團於審核年度內之酒店及證券買賣業務之表現、對酒店行業之評論及整體市場情況變化以及對其經營表現之潛在影響及未來展望，載於後繼「業務回顧」及「展望」章節。

Management Discussion and Analysis

管理層論述及分析

BUSINESS REVIEW

(a) Hotel Investment

The hotel investment comprises three “Rosedale” branded 4-star rated hotels located in Hong Kong, Guangzhou and Shenyang and the Luoyang Golden Gulf Hotel. Overall turnover generated from hotel investment increased by 4.1% to HK\$252.3 million for the year ended 31 December 2017 (Year ended 31 December 2016: HK\$242.3 million). With the setback encountered by the tourism industry in the year under review, the combined average occupancy rate of the Group was slightly increased by 1.4% to 75.5% for the year ended 31 December 2017 (Year ended 31 December 2016: 74.1%). If the operational figures of our hotels are only compared with those of other comparable hotels in similar categories, their performance will be in line with market averages. The gross margin was maintained at 39.9% or decreased by 0.4% when compared with the corresponding period in 2016 of 40.3%. To combat the competitive environment, the Group will continue to invest resources to enhancing its market network and positioning and, in the meantime, will further streamline its business operations to contain costs efficiently.

(b) Securities Trading

The segment recorded a loss of HK\$37.7 million for the year ended 31 December 2017 (Year ended 31 December 2016: segment loss of HK\$5.8 million), representing fair value loss of investments held for trading, as a result of mark to market valuations as at the balance sheet date.

The Group has no immediate plans for material investments or capital assets, other than those as disclosed in this section and the succeeding sections headed “Material Acquisitions and Disposals” and “Prospects”.

業務回顧

(a) 酒店投資

本集團之酒店投資業務由三間分別位於香港、廣州及瀋陽以「珀麗」為品牌之四星級酒店及洛陽金水灣大酒店組成。截至二零一七年十二月三十一日止年度之整體營業額增加4.1%至252,300,000港元(截至二零一六年十二月三十一日止年度：242,300,000港元)。旅遊業於回顧年度內受挫，於截至二零一七年十二月三十一日止年度的本集團合併平均入住率輕微上升1.4%至75.5%(截至二零一六年十二月三十一日止年度：74.1%)。若集團旗下酒店之營運數據僅與其他同類型可供比較酒店之營運數據相比，集團旗下酒店之表現將與市場平均表現一致。毛利率維持在39.9%或較二零一六年同期之40.3%下跌0.4%。為應對競爭環境，本集團將繼續投放資源拓展鞏固其市場網絡及定位，同時亦進一步精簡其業務營運以控制成本。

(b) 證券買賣

該分類於截至二零一七年十二月三十一日止年度錄得虧損37,700,000港元(截至二零一六年十二月三十一日止年度：分類虧損5,800,000港元)，此為於結算日之按市價計值的估值而產生持作買賣投資之公平價值虧損。

除於本節及於後繼「重大收購及出售事項」及「展望」兩節所披露者外，本集團並無有關重大投資或資本資產的即時計劃。

Management Discussion and Analysis

管理層論述及分析

MATERIAL ACQUISITIONS AND DISPOSALS

On 31 December 2014, the Company entered into a framework agreement (the “Framework Agreement”) with two independent third parties (the “Vendors”) in relation to the possible acquisition of 51% equity interests in a company owned by the Vendors (the “Possible Acquisition”). Pursuant to the Framework Agreement, among other things, (i) an exclusivity period of three months after the date of the Framework Agreement was granted to the Company; and (ii) the Company and the Vendors shall enter into a loan agreement for a short term interest free loan of HK\$75 million (the “Loan Agreement”) to facilitate the Vendors to the acquisition of the entire equity interest in a PRC registered company (the “PRC Company”) from all its existing shareholders. The PRC Company owns a parcel of land in Zhuhai, the PRC with a site area of 19,152.69 square metres. The PRC Company also owns a hotel property on the aforesaid land known as Zhuhai Lizhou Holiday Hotel. On 31 March 2015, 30 June 2015, 30 September 2015, 30 December 2015, 30 April 2016, 29 December 2016 and 22 June 2017, supplemental framework agreements and extension letters were signed to further extend the exclusivity period and the repayment date of the Loan Agreement to 30 June 2015, 30 September 2015, 31 December 2015, 29 April 2016, 31 December 2016, 30 June 2017 and 31 December 2017, respectively. No formal agreement was entered into between the Company and the Vendors by 31 December 2017, the Framework Agreement (as supplemented by the aforesaid supplemental framework agreements) lapsed on 1 January 2018. Pursuant to the Loan Agreement (as supplemented by the aforesaid extension letters), the interest free loan of HK\$75 million was repayable on 31 December 2017. On 29 December 2017, the Vendors had repaid it in full to the Company. Further details of the Possible Acquisition were disclosed in the Company’s announcements dated 31 December 2014, 31 March 2015, 30 June 2015, 30 September 2015, 30 December 2015, 30 April 2016, 29 December 2016, 22 June 2017 and 2 January 2018.

重大收購及出售事項

於二零一四年十二月三十一日，本公司與兩名獨立第三方（「賣方」）訂立一項框架協議（「框架協議」），內容有關可能收購一家由賣方擁有之公司之51%股本權益（「可能收購」）。根據框架協議，（其中包括）(i)本公司獲授於框架協議日期後為期三個月之獨家談判權；及(ii)本公司與賣方須就金額75,000,000港元之免息貸款訂立一項貸款協議（「貸款協議」），以便賣方向一家中國註冊公司（「中國公司」）之全體現有股東收購中國公司之全部股本權益。中國公司於中國珠海擁有一幅地盤面積為19,152.69平方米之土地。中國公司亦於上述土地擁有一項名為珠海立洲度假酒店之酒店物業。於二零一五年三月三十一日、二零一五年六月三十日、二零一五年九月三十日、二零一五年十二月三十日、二零一六年四月三十日、二零一六年十二月二十九日及二零一七年六月二十二日，有關各方簽訂了補充框架協議及延期函件，將獨家談判期及貸款協議之償還日期分別進一步延長至二零一五年六月三十日、二零一五年九月三十日、二零一五年十二月三十一日、二零一六年四月二十九日、二零一六年十二月三十一日、二零一七年六月三十日及二零一七年十二月三十一日。本公司與賣方於二零一七年十二月三十一日概無訂立正式協議，框架協議（經上述補充框架協議補充）於二零一八年一月一日失效。根據貸款協議（經上述延期函件補充），免息貸款75,000,000港元須於二零一七年十二月三十一日償還。於二零一七年十二月二十九日，賣方已向本公司悉數償還有關貸款。可能收購之進一步詳情已於本公司日期為二零一四年十二月三十一日、二零一五年三月三十一日、二零一五年六月三十日、二零一五年九月三十日、二零一五年十二月三十日、二零一六年四月三十日、二零一六年十二月二十九日、二零一七年六月二十二日及二零一八年一月二日之公佈內披露。

Management Discussion and Analysis

管理層論述及分析

MATERIAL ACQUISITIONS AND DISPOSALS

(CONTINUED)

On 2 July 2015, the Company and an independent third party (the “JV Partner”) entered into a memorandum of understanding (the “MOU”), relating to possible investment in a hotel located in Canada (the “Possible Investment”). The Company paid a refundable earnest money of approximately HK\$172.9 million (the “Earnest Money”) to the JV Partner. The expiry date of the MOU was 31 July 2015. On 31 July 2015, 31 August 2015, 25 September 2015, 30 November 2015 and 29 January 2016, the Company and the JV Partner further entered into letters of extension in relation to the MOU to extend the expiry date of the MOU to 31 August 2015, 30 September 2015, 30 November 2015, 29 January 2016 and 29 April 2016, respectively. On 27 April 2016, the Company decided not to proceed with the Possible Investment and executed a deed of termination with the JV Partner. The Earnest Money was fully refunded to the Company subsequently. Further details of the Possible Investment are disclosed in the Company’s announcements dated 2 July 2015, 31 July 2015, 31 August 2015, 25 September 2015, 30 November 2015, 29 January 2016 and 27 April 2016.

重大收購及出售事項(續)

本公司與一名獨立第三方(「合營夥伴」)於二零一五年七月二日訂立一項諒解備忘錄(「諒解備忘錄」)，內容有關可能投資於一間位於加拿大之酒店(「可能投資」)。本公司已向合營夥伴支付約172,900,000港元的可退還誠意金(「誠意金」)。諒解備忘錄之到期日為二零一五年七月三十一日。於二零一五年七月三十一日、二零一五年八月三十一日、二零一五年九月二十五日、二零一五年十一月三十日及二零一六年一月二十九日，本公司與合營夥伴進一步訂立有關諒解備忘錄之延期函件，分別將諒解備忘錄之到期日延長至二零一五年八月三十一日、二零一五年九月三十日、二零一五年十一月三十日、二零一六年一月二十九日及二零一六年四月二十九日。於二零一六年四月二十七日，本公司決定不進行可能投資並與合營夥伴簽署終止契據。誠意金已於其後悉數退回予本公司。可能投資之進一步詳情已於本公司日期為二零一五年七月二日、二零一五年七月三十一日、二零一五年八月三十一日、二零一五年九月二十五日、二零一五年十一月三十日、二零一六年一月二十九日及二零一六年四月二十七日之公佈內披露。

Management Discussion and Analysis

管理層論述及分析

MATERIAL ACQUISITIONS AND DISPOSALS

(CONTINUED)

On 27 December 2017, the Company and independent third parties (the “PRC Vendors”) entered into a share transfer agreement (the “Agreement”), relating to a proposed acquisition (the “Acquisition”) of the entire registered capital of a limited liability company established in the PRC (the “Target”) at a consideration of RMB280 million (equivalent to approximately HK\$334 million). The Company paid a refundable earnest money of RMB20 million (equivalent to approximately HK\$24 million) to the PRC Vendors. The principal asset of the Target is a resort property located at Guangdong Province, which is an area with hot springs and forest in the proximity (the “Resort Property”). The Resort Property occupies a site area of about 5,000 mu, of which 980 mu are for residential use, 2,200 mu are for commercial use and 1,820 mu are for amenities. It shall be developed into a modernised health and wellness complex with eco-agricultural theme, comprising hotel, vacation apartments and villas, spa, health management and Chinese medical centre, recreational and sports facilities, and other wellness facilities. As at the date of this annual report, a hotel with 177 guest rooms, 18 vacation villas, a restaurant, 20 trailers and a golf academy and training facilities have been constructed at the site area. Pursuant to the Agreement, the completion of the Acquisition is conditional upon the fulfilment of a number of conditions by 30 April 2018.

重大收購及出售事項 (續)

於二零一七年十二月二十七日，本公司與一名獨立第三方（「中國賣方」）訂立股份轉讓協議（「該協議」），內容有關建議收購（「收購事項」）一家於中國成立之有限公司之全部註冊資本，代價為人民幣280,000,000元（相等於約334,000,000港元）。本公司已向中國賣方支付可退還誠意金人民幣20,000,000元（相等於約24,000,000港元）。目標公司之主要資產為位於廣東省之渡假村物業，附近有溫泉和森林（「渡假村物業」）。渡假村物業之地盤面積佔地約5,000畝，當中980畝為住宅用途、2,200畝為商業用途，另有1,820畝為康樂用途。渡假村物業將發展成為以生態農業為產業基礎的現代化健康養生綜合體，包括酒店、旅遊渡假公寓及別墅、溫泉、健康管理及中醫藥中心、休閒及運動設施以及其他養生設施。於本年報日期，地塊上已建有配備177套客房之酒店、18套渡假別墅、一間餐廳、20輛拖掛房車，以及一間高爾夫球職業培訓學校及配套訓練場地。根據該協議，收購事項須待多項條件於二零一八年四月三十日前獲履行後方為完成。

Management Discussion and Analysis

管理層論述及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2017, the Group's cash and bank balances and investments held for trading amounted to HK\$1,823.7 million (31 December 2016: HK\$1,720.9 million). The Group has no borrowings as at each of 31 December 2017 and 31 December 2016.

The Group's current assets and current liabilities as at 31 December 2017 were HK\$1,889.1 million and HK\$185.1 million (31 December 2016: HK\$1,907.7 million and HK\$181.9 million), respectively. As a result, the current ratio of the Group as at 31 December 2017 was 10.2 (31 December 2016: 10.5). The gearing ratio as at 31 December 2017, expressed as a percentage of total borrowings to equity attributable to owners of the Company, was nil (31 December 2016: nil).

As at each of 31 December 2017 and 31 December 2016, over 95% of the Group's cash and bank balances and investments held for trading were denominated in Hong Kong dollar and United States dollar, approximately 3.7% were in Renminbi and the balance of approximately 0.8% were in other currencies.

USE OF NET PROCEEDS FROM THE SHARE PLACEMENT

The net proceeds of approximately HK\$114 million was raised from the share placement in connection with the placing of 131,535,174 new shares at placing price of HK\$0.89 per share of the Company that completed on 8 June 2015, and as at the date of this annual report, the net proceeds has been fully utilised for general working capital of the Group which mainly included administrative expenses and staff costs. The use is considered to be consistent with the intended use of proceeds as disclosed in the announcements of the Company dated 26 May 2015 and 27 May 2015.

流動資金及財務資源

於二零一七年十二月三十一日，本集團之現金及銀行結餘以及持作買賣投資為1,823,700,000港元（二零一六年十二月三十一日：1,720,900,000港元）。本集團於二零一七年十二月三十一日及二零一六年十二月三十一日並無借貸。

於二零一七年十二月三十一日，本集團之流動資產及流動負債分別為1,889,100,000港元及185,100,000港元（二零一六年十二月三十一日：1,907,700,000港元及181,900,000港元）。因此，本集團於二零一七年十二月三十一日之流動比率為10.2（二零一六年十二月三十一日：10.5）。於二零一七年十二月三十一日，資本負債比率（按借貸總額相對本公司擁有人應佔權益之百分比列示）為無（二零一六年十二月三十一日：無）。

於二零一七年十二月三十一日及二零一六年十二月三十一日，本集團逾95%之現金及銀行結餘以及持作買賣投資均以港元及美元列值，3.7%以人民幣列值而其餘之0.8%則以其他貨幣列值。

股份配售之所得款項淨額用途

就本公司按配售價每股0.89港元配售131,535,174股新股份之股份配售於二零一五年六月八日完成，籌集之所得款項淨額約114,000,000港元，而於本年報日期，所得款項淨額已悉數用作本集團之一般營運資金，其中主要包括行政開支及員工成本。有關用途與本公司於日期為二零一五年五月二十六日及二零一五年五月二十七日之公佈所披露之建議所得款項用途一致。

Management Discussion and Analysis

管理層論述及分析

PLEDGE OF ASSETS

The Group did not have any assets pledged for credit facilities as at each of 31 December 2017 and 31 December 2016.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at each of 31 December 2017 and 31 December 2016.

FOREIGN CURRENCY EXPOSURE

The majority of the Group's assets and liabilities and business transactions were denominated in Hong Kong dollar and Renminbi. During the year ended 31 December 2017, the Group has not entered into any hedging arrangements. However, the Group will actively consider the use of relevant financial instruments to manage currency exchange risks in line with our business development.

INTEREST RATE EXPOSURE

During the year ended 31 December 2017, the Group was not subject to the risk of significant interest rate volatility. The Company will continue to monitor the interest rate markets and actively consider the application of relevant financial instruments to manage risks associated with interest rates.

EMPLOYEES AND REMUNERATION POLICIES

At 31 December 2017, the Group had 657 employees of which 536 employees were stationed in the PRC. Employees' remuneration packages were determined in accordance with individual's responsibility, competence and skills, qualifications, experience and performance as well as market pay-level. Staff benefits include training programs, provident fund scheme, medical insurance and other competitive fringe benefits.

To provide incentives and rewards to employees, the Company has adopted a share option scheme for the eligible participants (including employees).

資產抵押

於二零一七年十二月三十一日及二零一六年十二月三十一日，本集團並無將任何資產抵押以取得信貸融資額。

或然負債

於二零一七年十二月三十一日及二零一六年十二月三十一日，本集團並無任何重大或然負債。

外幣風險

本集團大部份資產與負債及業務交易均以港元及人民幣計算。於截至二零一七年十二月三十一日止年度，本集團並無訂立任何對沖安排。然而，本集團將積極考慮使用相關金融工具以因應本身業務發展而管理匯兌風險。

利率風險

於截至二零一七年十二月三十一日止年度，本集團並無面對重大利率波動風險。本公司將繼續監察利率市場並積極考慮使用相關金融工具以管理利率相關風險。

僱員及薪酬政策

於二零一七年十二月三十一日，本集團聘用657名僱員，當中536名在國內工作。僱員薪酬組合乃根據僱員之個人職責、能力及技能、資歷、經驗及表現以及市場薪酬水平釐定。員工福利包括培訓課程、公積金計劃、醫療保險及其他具競爭力的福利待遇。

為了激勵及回報僱員，本公司為合資格參與者（包括僱員）採納一項購股權計劃。

Management Discussion and Analysis

管理層論述及分析

PROSPECTS

Looking ahead, the growth momentum in global economy is expected to continue on course for further moderate expansion in 2018, although the increasing degree of geopolitical tensions in various regions and increasing political and policy uncertainties are stating potential downside risks. Based on the information released by the World Bank Group, the risks also include increased protectionism, the possibility of financial market turbulence, and, over the longer run, weaker potential growth. Despite the growth prospects have continued to weaken throughout those numbers of downside risks, and the global GDP growth is projected to edge up to 3.1% in 2018, as the cyclical momentum continues, and then slightly moderate to an average of 3.0% in 2019/2020. In China, its economy growth is firmed and contributing to a fast improvement in confidence. Consequently, Central government has implemented various tightening monetary policies to cool down overheated markets. With the China's policy-guided gradual transition, we believe China will continue to play a key role in the future global economic recovery. In the light of this market condition, the Group is optimistic in its future business expansion in China and is geared up to reap the benefits of such expansion.

The core strength of the Group is built on its philosophy and strategy that focusing on the development and maintenance of the portfolio of hotels and other assets for the long term future. This provides the vision and willingness to invest in assets for its long term value creation and the staying power to ride through shorter term cycles in the economy without compromising the quality of our products and services. This year, we have experienced a mixed condition to our businesses. In the midst of a market correction under the volatile economic, political and social security circumstances given, it is a constant challenge to drive revenues, control costs and maintain or improve our operating margins.

展望

展望未來，雖然多個地區的地緣政治緊張局勢升溫以及政治及政策不確定因素增加，均預示可能出現下行風險，但全球經濟的增長動力預期將於二零一八年繼續朝著進一步溫和擴長的方向前進。根據世界銀行集團發表的資料顯示，風險亦包括保護主義高漲、金融市場可能出現波動，以及在較長期間出現潛在增長速度減弱。雖然多項顯示出現下行風險的數據均顯示增長前景繼續轉弱，但由於週期性增長動力持續，全球國內生產總值增長預期於二零一八年上升至3.1%，繼而於二零一九/二零二零年輕微回調至平均3.0%。在中國方面，經濟增長的基礎穩固及有助信心急速提升。因此，中央政府已實施多項緊縮貨幣政策冷卻市場過熱情況。隨著中國以政策引導方式進行逐步轉型，我們相信中國將繼續在未來全球經濟復甦中扮演關鍵角色。鑒於現有市場情況，本集團對在中國的未來業務擴張感到樂觀，並已作好準備以全面受惠於業務擴張。

本集團的核心能力乃建基於其經營理念及策略目標，為長遠發展旗下酒店及其他物業資產組合，讓本集團能高瞻遠矚及積極進取，投資於有利其長遠價值增添的資產，以鞏固實力駕馭短期經濟週期波動，而無損我們的產品及服務質素。今年，我們面對旗下業務的營商環境參差。面對在經濟、政治及社會動盪環境下的市場整固，在增加收入、控制成本、維持或提升經營利潤率方面仍面對重重挑戰。

Management Discussion and Analysis

管理層論述及分析

PROSPECTS (CONTINUED)

Under tough conditions over the years with taking a wider and longer term view, we believe our hotels remain well placed in the markets that they operate and we expect to perform in line with expectations in the coming year. Overall with the Group is underpinned by a strong balance sheet comprising high quality and conservatively valued assets coupled with a low level of gearing, as well as our dedicated team of management and staff who understand and respect our heritage and serve the Group with loyalty, we remain cautiously optimistic about the prospects for tourism and other markets that we are seeking to identify suitable investment opportunities, continuing to chart a course which maximising the quality and value of our portfolio and creating win-win scenarios for all stakeholders.

展望(續)

經年以來，在艱難的經營環境下，我們相信集團旗下各酒店仍然穩踞當地市場，而我們預期各酒店在來年的表現將一如我們預期。總括而言，本集團的財務狀況整體保持穩健，其中擁有優質且保守估值的資產及承擔低水平的資本與負債比率，加上我們的專責管理層團隊及員工了解及尊重我們的傳統及忠誠服務本集團，我們對旅遊業及本集團正物色合適投資機會的其他市場的前景依然保持審慎樂觀，繼續提升資產組合的質素及價值，為全體持份者創造共贏局面。

Directors Profile

董事簡介

EXECUTIVE DIRECTORS

Dr. Yap, Allan, aged 62, has been the Chairman of the Company since December 2014. He is also a director of various subsidiaries of the Company. Dr. Yap holds an honorary degree of Doctor of Laws and has over 30 years' experience in finance, investment and banking. He was an executive director of the Company from 2002 to 2011. Dr. Yap is a substantial shareholder, the chairman and an executive director of Master Glory Group Limited ("Master Glory", a substantial shareholder of the Company), the shares of which are listed on The Stock Exchange of Hong Kong Limited ("SEHK"). In addition, he is the chairman, chief executive officer and a director of Burcon NutraScience Corporation, the shares of which are listed on the NASDAQ Stock Market in the United States of America, the Toronto Stock Exchange in Canada and the Frankfurt Stock Exchange in Germany, as well as China Enterprises Limited (a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance and an associated company of Master Glory), the shares of which are traded on the OTC Securities Marketplace in the United States of America. He is also the executive chairman of Hanwell Holdings Limited and Tat Seng Packaging Group Ltd., the shares of both companies are listed on Singapore Exchange Limited. Dr. Yap was an alternate director of Television Broadcasts Limited, the chairman and an executive director of Shaw Brothers Holdings Limited and the honorary chairman and a non-executive director of SMI Holdings Group Limited, the shares of all of which are listed on the SEHK, until he resigned on 29 December 2015, 25 October 2016 and 28 November 2017 respectively.

執行董事

葉家海博士，現年62歲，自二零一四年十二月起出任本公司主席。彼亦為本公司多間附屬公司之董事。葉博士持有法律榮譽博士學位，並於金融、投資及銀行業積逾30年經驗。彼曾於二零零二年至二零一一年間出任本公司之執行董事。葉博士為本公司之主要股東凱華集團有限公司（「凱華集團」）之主要股東及主席兼執行董事，該公司之股份於香港聯合交易所有限公司（「香港聯交所」）上市。彼亦為Burcon NutraScience Corporation（該公司之股份於美國納斯達克證券市場、加拿大多倫多證券交易所及德國法蘭克福證券交易所上市）及本公司之主要股東（按證券及期貨條例第XV部賦予之涵義）China Enterprises Limited（該公司為凱華集團之聯營公司及其股份於美國櫃檯市場買賣）之主席及行政總裁兼董事。彼亦為Hanwell Holdings Limited及Tat Seng Packaging Group Ltd.之執行主席，該兩間公司之股份均於新加坡證券交易所有限公司上市。葉博士曾出任電視廣播有限公司之替任董事、邵氏兄弟控股有限公司之主席兼執行董事及星美控股集團有限公司之榮譽主席兼非執行董事，該三間公司之股份均於香港聯交所上市，直至彼分別於二零一五年十二月二十九日、二零一六年十月二十五日及二零一七年十一月二十八日辭任。

Directors Profile 董事簡介

EXECUTIVE DIRECTORS (CONTINUED)

Ms. Chan Ling, Eva, aged 52, has been the Managing Director of the Company since June 2009. She is also the chairman of the Corporate Governance Committee, and a member of the Nomination Committee and the Remuneration Committee of the Company, and a director of various subsidiaries of the Company. Ms. Chan joined the Company in May 2002. She is a member of Chartered Accountants Australia and New Zealand, a fellow of the Association of Chartered Certified Accountants and also a practicing member of the Hong Kong Institute of Certified Public Accountants. She has over 29 years' experience in auditing, accounting and finance in both international accounting firms and listed companies. Ms. Chan is currently the deputy chairman of China Enterprises Limited ("CEL"), which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance and an associated company of Master Glory Group Limited (a substantial shareholder of the Company). The shares of CEL are traded on the OTC Securities Marketplace in the United States of America.

Mr. Chan Pak Cheung, Natalis, aged 67, has been an Executive Director of the Company since April 2002. He is a well-known actor, master of ceremonies, and horseracing and soccer commentator. Mr. Chan has over 37 years' experience in the entertainment and film industry in Hong Kong.

執行董事 (續)

陳玲女士，現年52歲，自二零零九年六月起出任本公司董事總經理。彼亦為本公司企業管治委員會主席、提名委員會及薪酬委員會成員，以及為本公司多間附屬公司之董事。陳女士於二零零二年五月加入本公司。彼為澳洲及新西蘭特許會計師公會會員、英國特許公認會計師公會資深會員及香港會計師公會執業會員。彼於國際會計師行及上市公司積逾29年核數、會計及財務之經驗。陳女士現為本公司之主要股東（按證券及期貨條例第XV部賦予之涵義）China Enterprises Limited（「CEL」，其為本公司之主要股東凱華集團有限公司之聯營公司）之副主席。CEL之股份於美國櫃檯市場買賣。

陳百祥先生，現年67歲，自二零零二年四月起出任本公司執行董事。彼為知名演員、司儀及賽馬與足球評述員。陳先生於香港娛樂界及電影界積逾37年經驗。

Directors Profile

董事簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Ka Lap, Alva, aged 69, has been an Independent Non-executive Director of the Company since December 2002. He is also the chairman of the Remuneration Committee, and a member of the Audit Committee, the Nomination Committee and the Corporate Governance Committee of the Company. Mr. Kwok was a marketing manager in an international company engaging in the design of business administration system. He has been in the insurance and investment business for over 35 years, principally in the senior managerial position leading a sizable sales team. Mr. Kwok is an independent non-executive director of Master Glory Group Limited (“Master Glory”), a substantial shareholder of the Company. He is also an independent non-executive director of ITC Properties Group Limited (“ITC Properties”). The shares of Master Glory and ITC Properties are listed on The Stock Exchange of Hong Kong Limited.

Mr. Poon Kwok Hing, Albert, aged 56, has been an Independent Non-executive Director of the Company since March 2007. He is also the chairman of the Audit Committee and the Nomination Committee, and a member of the Remuneration Committee and the Corporate Governance Committee of the Company. Mr. Poon graduated from the University of Bath, United Kingdom with a Master of Science degree in Business Administration. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of the CPA Australia. Mr. Poon is an independent non-executive director of Master Glory Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited (“SEHK”) and a substantial shareholder of the Company. He is also an independent non-executive director of Shaw Brothers Holdings Limited, the shares of which are listed on the SEHK.

獨立非執行董事

郭嘉立先生，現年69歲，自二零零二年十二月起出任本公司獨立非執行董事。彼亦為本公司薪酬委員會主席及審核委員會、提名委員會及企業管治委員會成員。郭先生曾為一間從事商業行政系統設計之國際公司之市場經理。彼於保險及投資業務方面積逾35年經驗，且為高級管理人員，管轄具規模之營業隊伍。郭先生為本公司之主要股東凱華集團有限公司（「凱華集團」）之獨立非執行董事。彼亦為德祥地產集團有限公司（「德祥地產」）之獨立非執行董事。凱華集團及德祥地產之股份於香港聯合交易所有限公司上市。

潘國興先生，現年56歲，自二零零七年三月起出任本公司獨立非執行董事。彼亦為本公司審核委員會及提名委員會主席，以及薪酬委員會及企業管治委員會成員。潘先生畢業於英國University of Bath，並取得工商管理科碩士學位。彼為香港會計師公會及澳洲會計師公會會員。潘先生為本公司之主要股東凱華集團有限公司（該公司之股份於香港聯合交易所有限公司（「香港聯交所」）上市）之獨立非執行董事。彼亦為邵氏兄弟控股有限公司（該公司之股份於香港聯交所上市）之獨立非執行董事。

Directors Profile 董事簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

Mr. Sin Chi Fai, aged 58, has been an Independent Non-executive Director of the Company since January 2008. He is also a member of the Audit Committee of the Company. Mr. Sin is a director and a shareholder of a Singapore company engaged in the distribution of data storage media and computer related products in Asian countries. He obtained a diploma in Banking from The Hong Kong Polytechnic University and is a member of Singapore Institute of Directors. Mr. Sin has over 21 years' sales and marketing experience in information technology industries and in the banking field. He is an independent non-executive director of Master Glory Group Limited ("Master Glory"), the shares of which are listed on The Stock Exchange of Hong Kong Limited and a substantial shareholder of the Company. He is also an independent non-executive director of China Enterprises Limited (a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance and an associated company of Master Glory), the shares of which are traded on the OTC Securities Marketplace in the United States of America.

獨立非執行董事(續)

冼志輝先生，現年58歲，自二零零八年一月起出任本公司獨立非執行董事。彼亦為本公司審核委員會成員。冼先生為一間新加坡公司之董事及股東，該公司於亞洲國家從事數據儲存媒體與電腦相關產品分銷。彼於香港理工大學獲取銀行系文憑及為Singapore Institute of Directors之會員。冼先生於資訊科技業及銀行業擁有逾21年銷售及市場推廣經驗。彼為本公司之主要股東凱華集團有限公司(「凱華集團」)(該公司之股份於香港聯合交易所有限公司上市)之獨立非執行董事。彼亦為本公司之主要股東(按證券及期貨條例第XV部賦予之涵義)China Enterprises Limited(該公司為凱華集團之聯營公司及其股份於美國櫃檯市場買賣)之獨立非執行董事。

Senior Management Profile

高級管理人員簡介

Mr. Lau Ka Kit, Ken, aged 46, has been the Financial Controller of the Company since April 2015 and is also a director of various subsidiaries of the Company. He has over 20 years of progressive accounting experience through management roles for a variety of public and private multinational corporations. Mr. Lau is a member of CPA Australia and a certificate holder of American Institute of Certified Public Accountants.

Ms. Law Sau Lai, aged 50, has been the Company Secretary of the Company since August 2009. Ms. Law is an associate of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She has extensive experience in company secretarial practice.

劉家杰先生，現年46歲，自二零一五年四月起出任本公司之財務總監，並為本公司多間附屬公司之董事。彼於多間不同的公眾及私營跨國公司擔任管理人員職位並積約超過20年會計經驗。劉先生為澳洲會計師公會會員及American Institute of Certified Public Accountants (美國註冊會計師協會) 之證書持有人。

羅秀麗女士，現年50歲，自二零零九年八月起出任本公司之公司秘書。羅女士為香港特許秘書公會及英國特許秘書及行政人員公會之會員。彼於公司秘書實務擁有豐富經驗。

Corporate Governance Report

企業管治報告

INTRODUCTION

Rosedale Hotel Holdings Limited (“Company”) is committed to achieving and maintaining a high standard of corporate governance which is crucial to the development of the Company and can safeguard the interests of its shareholders (“Shareholders”). The board of directors of the Company (“Board” and “Directors” respectively) has adopted various policies and procedures to ensure compliance with the code provisions set out in the Corporate Governance Code (“CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). In the opinion of the Board, the Company complied with the CG Code during the year ended 31 December 2017 (“Year”), except for Code Provisions A.4.1 and E.1.2 with considered reasons explained below.

CORPORATE STRATEGY AND LONG TERM BUSINESS MODEL

The Company is principally engaged in the sector of hotel investment in Hong Kong and in the People’s Republic of China (the “PRC”). The Company’s corporate objective is to create and enhance value for Shareholders. To achieve this corporate objective, the business strategies of the Company are to maintain the long term growth and the profitability of the Company by developing and investing in quality hotels in decent locations in Hong Kong and in the PRC. Notwithstanding that the Company shall strive to further comprehend its four-star rated business hotel network, it shall explore further opportunities in the hospitality sector. The Company is committed to maintain a solid and healthy financial status with a solid cash balance and an efficient debt/equity ratio that will enable the Company to finance the existing operations and proceed with potential investments.

緒言

珀麗酒店控股有限公司(「本公司」)致力於達致及維持高水平之企業管治，因企業管治對本公司發展及保障本公司股東(「股東」)權益至為重要。本公司董事會(分別為「董事會」及「董事」)已採納各項政策及程序，以確保符合香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之企業管治守則(「企業管治守則」)之守則條文。董事會認為，於截至二零一七年十二月三十一日止年度(「本年度」)內，本公司已遵守企業管治守則，惟於下文解釋之已闡明原因而未符合之守則條文第A.4.1條及第E.1.2條除外。

企業策略及長遠業務模式

本公司主要在香港及中華人民共和國(「中國」)從事酒店投資業務。本公司之企業宗旨乃為股東創造及提升價值。為此，本公司之業務策略為透過發展及投資於位處香港及中國優越地點之優質酒店，從而維持本公司長遠盈利增長。儘管本公司將致力進一步完善其四星級商務酒店網絡，惟亦將進一步發掘款待行業之商機。本公司矢志憑藉穩健之現金結餘及行之有效的債務／權益比率，維持穩健之財務狀況，藉此為現有營運提供資金，並進行潛在投資。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

The Board currently comprises six Directors including three executive Directors (“Executive Directors”) and three independent non-executive Directors (“INEDs”) whose biographical details are set out in the “Directors Profile” on pages 12 to 15 of this annual report.

The Board is principally accountable to Shareholders and responsible for the leadership and control of the Company and its subsidiaries (collectively “Group”) including formulating strategies, establishing strategic directions, overseeing the Group’s businesses and systems of risk management and internal controls, monitoring operating and financial performance, setting objectives and business development plans, and monitoring the performance of senior management.

The Board has delegated operational decisions to the Executive Directors led by the Managing Director. Daily operations and administration are delegated to the management.

In addition, the Board has established the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee to oversee particular aspects of the Company’s affairs.

The Board meets regularly each year to review the financial and operating performance of the Group, and review and approve the Group’s annual and interim results, and other matters which need to be dealt with. Additional board meetings will be held as and when required. Resolutions in writing may be passed by all Directors in lieu of a meeting pursuant to Bye-Laws of the Company (“Bye-Laws”).

During the Year, six (6) full Board meetings (including four (4) regular Board meetings) were held. In addition, one (1) set of resolutions in writing of all Directors was passed.

董事會

董事會現時由六位董事組成，包括三名執行董事（「執行董事」）及三名獨立非執行董事（「獨立非執行董事」），彼等之履歷詳情載於本年報第12頁至第15頁之董事簡介。

董事會主要對股東負責，並肩負領導及監察本公司及其附屬公司（統稱「本集團」）的責任，包括制定企業策略及訂立策略方針、監督本集團業務以及風險管理及內部監控制度、監察營運及財務表現、設定目標及業務發展計劃以及監察高級管理人員之表現。

董事會已授權予由董事總經理帶領之執行董事，作營運決策。日常營運及管理則委派予管理層負責。

此外，董事會已成立審核委員會、薪酬委員會、提名委員會及企業管治委員會以監察本公司特定方面之事務。

董事會每年定期開會，以討論本集團之財務及經營方面之表現和審閱及批准本集團之全年及中期業績及其他須處理之事項，並於有需要時舉行額外董事會會議。根據本公司之公司細則（「公司細則」），全體董事可以通過書面決議代替舉行會議。

於本年度內，董事會舉行了六(6)次全體董事會會議（包括四(4)次定期會議）。另外，全體董事通過了一(1)份董事會書面決議。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (CONTINUED)

The attendance of each Board member at the full meetings of the Board and the general meetings of the Company held during the Year is set out as follows:

Name of Directors	董事姓名	Number of Meetings Attended/Held		
		Board Meeting	Annual General Meeting	Special General Meeting
		董事會會議	股東週年大會	股東特別大會
Executive Directors		執行董事		
Dr. Yap, Allan (<i>Chairman</i>)	葉家海博士 (<i>主席</i>)	5/6	0/1	0/1
Ms. Chan Ling, Eva (<i>Managing Director</i>)	陳玲女士 (<i>董事總經理</i>)	6/6	1/1	1/1
Mr. Chan Pak Cheung, Natalis	陳百祥先生	4/6	0/1	0/1
Independent Non-executive Directors		獨立非執行董事		
Mr. Kwok Ka Lap, Alva	郭嘉立先生	6/6	1/1	1/1
Mr. Poon Kwok Hing, Albert	潘國興先生	6/6	1/1	1/1
Mr. Sin Chi Fai	冼志輝先生	6/6	0/1	0/1

The Chairman also held a meeting with the INEDs without the presence of the Executive Directors during the Year according to Code Provision A.2.7 of the CG Code.

RELATIONSHIP BETWEEN THE BOARD MEMBERS

None of the members of the Board has any relationship (including financial, business, family or other material/relevant relations) between each other.

董事會 (續)

各董事會成員於本年度內舉行的全體董事會會議及本公司股東大會之出席情況如下：

Number of Meetings Attended/Held 出席／舉行會議次數

Board Meeting	Annual General Meeting	Special General Meeting
董事會會議	股東週年大會	股東特別大會

於本年度內，主席亦已根據企業管治守則之守則條文第A.2.7條與獨立非執行董事舉行了一次執行董事避席之會議。

董事會成員間之關係

董事會成員之間概無任何關係 (包括財務、業務、家屬或其他重大／相關關係)。

Corporate Governance Report

企業管治報告

DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Company has purchased appropriate directors and officers liability insurance in respect of legal actions against the Directors and officers of the Group arising from the performance of his/her duties.

BOARD DIVERSITY POLICY

The Board has adopted the Board diversity policy (“Policy”) to guide the Board in developing and achieving its diversity in terms of skills, professional experience, knowledge, expertise, education, age, gender and length of service in order to enhance the effectiveness of the Board.

In selecting new Directors, the Nomination Committee will identify suitably qualified candidates to become members of the Board with adequate consideration to the Policy and make recommendations to the Board.

In reviewing and assessing the composition of the Board, the Nomination Committee will consider the benefits of all aspects of diversity on the Board.

Board appointments will be based on merit and candidates will be considered against objective criteria with due regard for the benefits of diversity on the Board.

The Board has not set any measurable objectives for implementing the Policy having taken into account the existing composition of the Board and the business model of the Group.

The Board will review the Policy, as appropriate, to ensure its continued effectiveness.

董事及行政人員責任保險

本公司已為董事及本集團之行政人員投購適當的董事及行政人員責任保險，以就彼等因履行職務所面對的法律行動提供保障。

董事會多元化政策

董事會已採納董事會多元化政策（「政策」），指導董事會從技能、專業經驗、知識、專業技術、教育、年齡、性別及服務年資方面多元化發展，藉此提升董事會效率。

提名委員會於甄選新董事時，將充分考慮政策以物色合適資格人選成為董事會成員，並向董事會提供建議。

提名委員會於檢討及評核董事會組成時，會充分考慮董事會成員多元化之裨益。

董事會於作出委任時會以用人唯才為原則，並按客觀標準及充分顧及董事會成員多元化的裨益，以甄別候選人。

經考慮現有董事會組成及本集團業務模式，董事會並無為推行政策而訂立任何可計量的目標。

董事會將於適當時候檢討政策，確保政策行之有效。

Corporate Governance Report

企業管治報告

CHAIRMAN AND MANAGING DIRECTOR

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the Chairman and the Managing Director, who performs the function of chief executive officer, are currently held by Dr. Yap, Allan and Ms. Chan Ling, Eva separately. The Chairman is responsible for the leadership of the Board while the Managing Director is responsible for the operation of the business and performance of the Group. The division of responsibilities between the Chairman and the Managing Director of the Company is clearly established and set out in writing.

Code Provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. The Chairman of the Company, Dr. Yap, Allan, was unable to attend the annual general meeting of the Company held on 1 June 2017 (“2017 AGM”) as he had other business engagement. Ms. Chan Ling, Eva, the Managing Director of the Company, attended and took the chair of the 2017 AGM in accordance with Bye-Law 68 of the Bye-Laws and answered questions from the Shareholders, if any.

主席及董事總經理

企業管治守則之守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由一人同時兼任。主席與董事總經理（等同於行政總裁）現分別由葉家海博士及陳玲女士出任。主席負責領導董事會，而董事總經理負責本集團之業務營運及表現。本公司主席與董事總經理之間職責分工清晰並已予以書面訂明。

企業管治守則之守則條文第E.1.2條規定，董事會主席應出席股東週年大會。由於本公司主席葉家海博士另有其他商務，故未能出席於二零一七年六月一日舉行之本公司股東週年大會（「二零一七年股東週年大會」）。本公司董事總經理陳玲女士出席二零一七年股東週年大會，並根據公司細則第68條擔任大會主席，以及回答股東的提問（如有）。

Corporate Governance Report

企業管治報告

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

According to Code Provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills.

During the Year, Directors were provided with materials on the corporate governance and updates on the developments of the Listing Rules for their reading. Directors were also provided with monthly updates on the Group's business and financial matters.

From time to time, the Company Secretary circulates details of training courses which may be of interests to Directors. All Directors are encouraged to attend the relevant training courses and seminars organised by professional bodies at the Company's expenses.

According to the records received by the Company, the Directors (namely, Dr. Yap, Allan, Ms. Chan Ling, Eva, Mr. Chan Pak Cheung, Natalis, Mr. Kwok Ka Lap, Alva, Mr. Poon Kwok Hing, Albert and Mr. Sin Chi Fai) participated in continuous professional development during the Year by reading materials provided by the Company. Besides, Ms. Chan Ling, Eva had attended seminars organised by various professional bodies.

董事培訓及專業發展

根據企業管治守則之守則條文第A.6.5條，所有董事應參與持續專業發展，發展並更新其知識及技能。

於本年度內，董事獲提供有關企業管治之資料以及有關上市規則發展之更新資料以供參閱。董事亦獲提供有關本集團業務及財務事宜之每月最新資料。

公司秘書不時傳閱董事可能有興趣參與之培訓課程的詳情。本公司鼓勵全體董事出席由專業機構舉辦的相關培訓課程及講座，費用由本公司支付。

根據本公司所收到的記錄，所有董事（葉家海博士、陳玲女士、陳百祥先生、郭嘉立先生、潘國興先生及冼志輝先生）於本年度內均透過閱讀由本公司提供之資料，參與持續專業發展。此外，陳玲女士亦已出席由各專業機構舉辦的講座。

Corporate Governance Report

企業管治報告

NON-EXECUTIVE DIRECTORS

Code Provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The current INEDs were not appointed for a specific term. However, all Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with Bye-Law 99 of the Bye-Laws. Every Director is also subject to retirement by rotation at least once every three years according to Code Provision A.4.2 of the CG Code. The Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those prescribed by Code Provision A.4.1, and therefore does not intend to take any steps in this regard at the moment.

The Company has received an annual confirmation of independence from each of the INEDs as required under Rule 3.13 of the Listing Rules. On 27 March 2018, the Nomination Committee held a meeting to assess the independence of INEDs. Taking into account the independence criteria set out in Rule 3.13 of the Listing Rules, the Nomination Committee considered that all INEDs remained independent.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" ("Model Code") set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. The Company has made specific enquiries with all Directors and they have confirmed their compliance with the required standard set out in the Model Code during the Year.

非執行董事

企業管治守則之守則條文第A.4.1條規定，非執行董事之委任應有指定任期，並須接受重新選舉。現任獨立非執行董事並非按指定任期委任。然而，所有董事根據本公司之公司細則第99條須於股東週年大會上輪值退任及可重選連任。每名董事亦根據企業管治守則之守則條文第A.4.2條規定應最少每三年輪值退任一次。董事會認為已採取足夠措施以確保本公司之企業管治常規不遜於守則條文第A.4.1條之相關規定，因此目前無意就此方面採取任何措施。

本公司已接獲各獨立非執行董事根據上市規則第3.13條之規定而發出有關其獨立性之年度確認書。於二零一八年三月二十七日，提名委員會舉行會議，就獨立非執行董事之獨立性作出評估。就上市規則第3.13條所載之獨立性準則作出考慮，提名委員會認為所有獨立非執行董事仍屬獨立人士。

董事之證券交易

本公司已採納載於上市規則附錄十之「上市發行人董事進行證券交易之標準守則」（「標準守則」）作為董事於買賣本公司證券之守則。本公司已向所有董事作出特定查詢，而彼等已確認於本年度內遵守標準守則之所需標準。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Company has established an audit committee (“Audit Committee”) with written terms of reference in line with the Code.

The Audit Committee currently comprises three INEDs, namely, Mr. Poon Kwok Hing, Albert (Chairman of the Audit Committee), Mr. Kwok Ka Lap, Alva and Mr. Sin Chi Fai.

The main responsibilities of the Audit Committee are (i) to review the financial information of the Company and to oversee the relationship with the external auditor; (ii) to assist the Board to review the Group’s financial reporting system, and risk management and internal control systems (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group’s accounting and financial reporting function); and (iii) to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor.

During the Year, the Audit Committee held three (3) meetings and had performed the following work:

- (1) to review the financial reporting matters including the annual results for the year ended 31 December 2016 and the interim results for the six months ended 30 June 2017 and make recommendations to the Board;
- (2) to approve the engagement letters of external auditor for the audit of the 2016 annual results and the review of 2017 interim results;
- (3) to review the adequacy and effectiveness of the risk management and internal control systems of the Group; and
- (4) to make recommendation to the Board on the re-appointment of external auditor at the 2017 AGM.

審核委員會

本公司已成立審核委員會（「審核委員會」），並依照守則訂明其書面職權範圍。

審核委員會目前由三名獨立非執行董事，潘國興先生（審核委員會主席）、郭嘉立先生及冼志輝先生組成。

審核委員會主要職責為(i)審閱本公司財務資料，以及管理與外聘核數師的關係；(ii)協助董事會審閱本集團之財務申報機制及風險評估及內部監控制度（包括本集團在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足）；及(iii)就外聘核數師的委任、重新委任及罷免向董事會提供建議。

於本年度內，審核委員會舉行了三(3)次會議並已履行以下工作：

- (1) 審閱財務申報事宜，包括截至二零一六年十二月三十一日止年度之全年業績及截至二零一七年六月三十日止六個月之中期業績，並向董事會提出建議；
- (2) 批准外聘核數師就審核二零一六年全年業績及審閱二零一七年年中期業績之聘任書；
- (3) 檢討本集團之風險管理及內部監控制度是否足夠及成效；及
- (4) 建議董事會於二零一七年股東週年大會上續聘外聘核數師。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE (CONTINUED)

The attendance of individual members at the meetings of the Audit Committee held during the Year is as follows:

審核委員會 (續)

各審核委員會成員於本年度內舉行的會議之出席情況如下：

Name of Audit Committee Members	審核委員會成員姓名	Number of Meetings
		Attended/Held
		出席／舉行會議次數
Mr. Poon Kwok Hing, Albert	潘國興先生	3/3
Mr. Kwok Ka Lap, Alva	郭嘉立先生	3/3
Mr. Sin Chi Fai	冼志輝先生	3/3

REMUNERATION COMMITTEE

The Company has established a remuneration committee ("Remuneration Committee") with written terms of reference in line with the Code.

The Remuneration Committee currently comprises two INEDs, namely, Mr. Kwok Ka Lap, Alva (Chairman of the Remuneration Committee) and Mr. Poon Kwok Hing, Albert, and one Executive Director, namely, Ms. Chan Ling, Eva.

The main responsibilities of the Remuneration Committee are (i) to consider and to make recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management of the Company; (ii) to review and determine the remuneration and compensation packages of the Executive Directors and the senior management of the Company; and (iii) to make recommendations to the Board on the remuneration of non-executive Directors.

薪酬委員會

本公司已成立薪酬委員會（「薪酬委員會」），並依照守則訂明其書面職權範圍。

薪酬委員會目前由兩名獨立非執行董事，郭嘉立先生（薪酬委員會主席）及潘國興先生及一名執行董事，陳玲女士組成。

薪酬委員會之主要職責為(i)考慮及向董事會建議本公司所有董事及高級管理人員之薪酬政策及架構；(ii)審閱及釐定本公司執行董事及高級管理人員之薪酬待遇及賠償安排；及(iii)向董事會建議非執行董事之薪酬。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE (CONTINUED)

During the Year, the Remuneration Committee held one (1) meeting and had performed the following work:

- (1) to review the directors' fees for the INEDs for 2018 and make recommendations to the Board;
- (2) to review the remuneration policy of the Company and the remuneration packages of the Executive Directors and the senior management of the Company; and
- (3) to review and approve the proposed level of salary increase of employees, including the senior management of the Company, for 2018.

In addition, the Remuneration Committee passed one (1) set of resolutions in writing in 2017 regarding the payment of discretionary bonuses to the Managing Director and the senior management of the Company for 2016.

The attendance of individual members at the meeting of the Remuneration Committee held during the Year is set out below:

薪酬委員會(續)

於本年度內，薪酬委員會舉行了一(1)次會議，並已履行以下工作：

- (1) 審閱獨立非執行董事二零一八年之董事袍金及向董事會提出建議；
- (2) 檢討本公司之薪酬政策及執行董事及高級管理人員之薪酬待遇；及
- (3) 審閱及批准職員，包括本公司高級管理人員，於二零一八年之薪酬調整之建議幅度。

此外，薪酬委員會於二零一七年通過了一(1)份書面決議，關於向董事總經理及高級管理人員派發二零一六年酌情花紅。

各薪酬委員會成員於本年度內舉行的會議之出席情況如下：

Name of Remuneration Committee Members	薪酬委員會成員姓名	Number of Meetings
		Attended/Held 出席／舉行會議次數
Mr. Kwok Ka Lap, Alva	郭嘉立先生	1/1
Mr. Poon Kwok Hing, Albert	潘國興先生	1/1
Ms. Chan Ling, Eva	陳玲女士	1/1

Directors are remunerated with reference to their respective duties and responsibilities with the Company and prevailing market conditions.

董事之薪酬乃根據彼等各自於本公司之職責及目前市況而釐定。

During the Year, no Directors were involved in deciding his or her own remuneration.

於本年度內，概無董事參與決定其本人之薪酬。

Details of emoluments of the Directors for the Year are disclosed in note 11 to the consolidated financial statements.

董事於本年度之酬金詳情載於綜合財務報表附註11。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE (CONTINUED)

The remuneration of the members of the senior management for the Year is within the following bands:

薪酬委員會 (續)

高級管理人員於本年度之薪酬在以下範圍內：

		Number of Senior Management 高級管理人員數目
Up to HK\$1,000,000	1,000,000港元止	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1

NOMINATION COMMITTEE

The Company has established a nomination committee ("Nomination Committee") with written terms of reference in line with the Code.

The Nomination Committee currently comprises two INEDs, namely, Mr. Poon Kwok Hing, Albert (Chairman of the Nomination Committee since 1 January 2018), Mr. Kwok Ka Lap, Alva, and one Executive Director, namely, Ms. Chan Ling, Eva (appointed on 1 January 2018).

The main responsibilities of the Nomination Committee are (i) to review the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement the corporate strategy of the Company; (ii) to identify individuals suitably qualified to become members of the Board; (iii) to assess the independence of INEDs; (iv) to review the time required from a Director to perform his/her responsibilities to the Company; and (v) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

提名委員會

本公司已成立提名委員會(「提名委員會」)，並依照守則訂明其書面職權範圍。

提名委員會目前由兩名獨立非執行董事，潘國興先生(自二零一八年一月一日起擔任提名委員會主席)、郭嘉立先生及一名執行董事陳玲女士(於二零一八年一月一日獲委任)組成。

提名委員會之主要職責為(i)檢討董事會架構、人數及組成，並就任何為配合本公司之企業策略而擬對董事會作出的變動向董事會提出建議；(ii)物色具備合適資格之人士出任董事會成員；(iii)評核獨立非執行董事之獨立性；(iv)檢討董事為履行職責所需付出的時間；及(v)就委任或重新委任董事及董事繼任計劃向董事會提出建議。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE (CONTINUED)

During the Year, the Nomination Committee held two (2) meetings and had performed the following work:

- (1) to assess the independence of INEDs;
- (2) to consider and make recommendations to the Board on the re-appointment of retiring Directors at the 2017 AGM;
- (3) to review the structure, size and composition of the Board; and
- (4) to review the time required from a Director to perform his/her responsibilities to the Company.

The attendance of individual members at the meetings of the Nomination Committee held during the Year is as follows:

提名委員會(續)

於本年度內，提名委員會舉行了兩(2)次會議，並已履行以下工作：

- (1) 評估獨立非執行董事之獨立性；
- (2) 考慮及就退任董事於二零一七年股東週年大會上膺選連任一事向董事會提出建議；
- (3) 檢討董事會架構、人數及組成；及
- (4) 檢討董事為向本公司履行其職責而需付出的時間。

各提名委員會成員於本年度內舉行的會議之出席情況如下：

Name of Nomination Committee Members	提名委員會成員姓名	Number of Meetings
		Attended/Held 出席／舉行會議次數
Mr. Poon Kwok Hing, Albert	潘國興先生	2/2
Mr. Kwok Ka Lap, Alva	郭嘉立先生	2/2
Ms. Chan Ling, Eva (appointed on 1 January 2018)	陳玲女士 (於二零一八年一月一日獲委任)	0/0
Dr. Yap, Allan (ceased on 1 January 2018)	葉家海博士 (於二零一八年一月一日不再擔任)	2/2

CORPORATE GOVERNANCE COMMITTEE

The Company has established a corporate governance committee ("Corporate Governance Committee") with written terms of reference in line with the CG Code.

企業管治委員會

本公司已成立企業管治委員會(「企業管治委員會」)，並依照企業管治守則訂明其書面職權範圍。

Corporate Governance Report

企業管治報告

The Corporate Governance Committee currently comprises two INEDs, namely, Mr. Kwok Ka Lap, Alva and Mr. Poon Kwok Hing, Albert and one Executive Director, namely, Ms. Chan Ling, Eva (Chairman of the Corporate Governance Committee).

The main responsibilities of the Corporate Governance Committee are (i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; and (iv) to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

During the Year, the Corporate Governance Committee held two (2) meetings and had performed the following work:

- (1) to review the Company's practices on corporate governance and the Company's practices in compliance with legal and regulatory requirements;
- (2) to review the Company's compliance with the CG Code for the year ended 31 December 2016 and for the six months ended 30 June 2017 and disclosures in the Corporate Governance Report and the interim report; and
- (3) to review the training and continuous professional development of Directors and senior management.

企業管治委員會目前由兩名獨立非執行董事，郭嘉立先生及潘國興先生及一名執行董事，陳玲女士（企業管治委員會主席）組成。

企業管治委員會之主要職責為(i)制定及檢討本公司企業管治之政策及常規，並向董事會提出建議；(ii)檢討及監察董事及高級管理人員之培訓及持續專業發展；(iii)檢討及監察本公司在遵守法律及監管規定方面的政策及常規；及(iv)檢討本公司遵守守則之情況以及在企業管治報告內所作之披露。

於本年度內，企業管治委員會舉行了兩(2)次會議，並完成以下工作：

- (1) 檢討本公司企業管治之常規及本公司在遵守法律及監管規定方面的常規；
- (2) 檢討截至二零一六年十二月三十一日止年度及截至二零一七年六月三十日止六個月本公司遵守企業管治守則之情況及於企業管治報告及中期報告內之披露；及
- (3) 檢討董事及高級管理人員之培訓及持續專業發展。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE COMMITTEE

(CONTINUED)

The attendance of individual members at the meetings of the Corporate Governance Committee held during the Year is as follows:

企業管治委員會 (續)

各企業管治委員會成員於本年度內舉行的會議之出席情況如下：

Name of Corporate Governance Committee Members	企業管治委員會成員姓名	Number of Meetings
		Attended/Held 出席／舉行會議次數
Ms. Chan Ling, Eva	陳玲女士	2/2
Mr. Poon Kwok Hing, Albert	潘國興先生	2/2
Mr. Kwok Ka Lap, Alva	郭嘉立先生	2/2

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the financial performance and cash flows for such financial period. In preparing the consolidated financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently, and made judgments and estimates that are prudent, fair and reasonable. The Directors have prepared the consolidated financial statements for the Year on a going concern basis.

Auditor's Responsibilities and Remuneration

Messrs. Deloitte Touche Tohmatsu ("Deloitte") were re-appointed by the Shareholders at the 2017 AGM as the Company's external auditor until the next annual general meeting. During the Year, the fee payable to Deloitte for audit services was approximately HK\$3,816,000. Fees paid for interim review and other non-audit services were approximately HK\$1,617,000.

The statement of Deloitte regarding their reporting responsibilities are set out in the Independent Auditor's Report on pages 54 to 63 of this annual report.

問責及審核

董事對財務報表之責任

董事須負責編製各財務期間之綜合財務報表，並真實及公平反映於該財政期間本集團之事務、財務表現及現金流量狀況。於編製本年度之綜合財務報表時，董事已選擇及貫徹應用合適之會計政策，並已作出審慎、公平及合理之判斷及估計。董事按持續經營基準編製本年度之綜合財務報表。

核數師之責任及酬金

德勤•關黃陳方會計師行(「德勤」)於二零一七年股東週年大會上獲股東重新委任為本公司之外聘核數師，任期直至下一屆股東週年大會為止。於本年度內，就審核服務應付予德勤之費用約3,816,000港元。就中期審閱和其他非審核服務支付之費用約1,617,000港元。

德勤就其申報責任作出之聲明載於本年報第54頁至第63頁之獨立核數師報告。

ACCOUNTABILITY AND AUDIT (CONTINUED)

Risk Management and Internal Controls

The Board acknowledges that it is their responsibility to ensure the Group, setting appropriate policies and maintaining its effectiveness of the internal control and risk management systems. Such systems are designed to manage rather than eliminate risks of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

On behalf of the Board, the Audit Committee evaluates the effectiveness of the internal control and risk management systems of the Company, the main features including the reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations, the adequacy of resources, staff qualifications and experience, training programs and budgets as well. The process includes identification, evaluation, management measures and control and review. Meetings are held regularly to review the effectiveness of the internal control and risk management systems, to identify any significant management and operational risks as well as control failings or weaknesses.

During the Year, the Company has outsourced its internal control audit function to an independent accounting firm covering the review of key internal controls in selected areas based on key operational, financial and compliance risks as identified under the risk management framework and as advised by the Audit Committee and the management. The independent accounting firm is staffed with persons with relevant qualifications and experience. They reported directly and primarily to the Audit Committee and assist the Board in monitoring and managing the risks and internal controls of the Group. They also planned their internal audit schedules in consultation with, but independently of the management. The Audit Committee reviewed the activities of the independent accounting firm on a regular basis, including the overseeing and monitoring of the implementation improvements on the weaknesses of the system of internal controls within the Group.

問責及審核(續)

風險管理及內部監控

董事會確認其有責任確保本集團制訂適當政策及維護其內部監控及風險管理制度之成效。有關系統旨在管理而非消除未能實現業務目標的風險，並僅可就避免重大失實陳述或損失提供合理而非絕對之保證。

審核委員會代表董事會評估本公司內部監控及風險管理制度之成效，主要特點包括財務報告之可靠性、營運之成效及效率、遵守適用法律法規，以及資源、員工資格及經驗、培訓計劃及預算是否充足。該程序包括識別、評估、管理措施以及監控及審查。本公司定期舉行會議，以審查內部監控及風險管理系統之成效、識別任何顯著之管理及營運風險以及監控失誤或弱點。

於本年度內，本公司已將其內部監控審核職能外判予一間獨立會計師事務所，涵蓋根據風險管理框架所識別及由審核委員會及管理層所告知之關鍵營運、財務及合規風險內之特定領域之關鍵內部監控。該獨立會計師事務所之人員具備相關資格及經驗，並直接及主要向審核委員會報告，以及協助董事會監察及管理本集團之風險及內部監控。彼等於計劃其內部審核日程時已諮詢管理層，但可獨立於管理層行事。審核委員會定期審閱該獨立會計師事務所之工作，包括監督及監察就本集團內之內部監控制度之弱點而實施改善措施。

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND AUDIT (CONTINUED)

Risk Management and Internal Controls (CONTINUED)

In accordance with the internal control audit plan, the independent accounting firm has conducted an annual review of the effectiveness of the Company's system of internal controls. Weaknesses in internal controls and recommendations for areas of improvements have been reported to the Audit Committee. Following the receipt of such recommendations, the Company has fully implemented the recommendations to further strengthen the risk management framework and internal control system during 2017. The Audit Committee was satisfied that there were no significant control failings, weaknesses or significant areas of concern identified during the Year which might affect shareholders. It concluded that an adequate and effective internal control system is maintained to safeguard the shareholders' investment and the Group's assets.

The Audit Committee has also reviewed the effectiveness and adequacy of the internal control audit function and the Audit Committee considers that the internal control audit function is adequately resourced.

Framework for Disclosure of Inside Information

The Company has adopted a policy on Disclosure of Inside Information which set out the procedures and internal controls for the handling and dissemination of inside information in a timely manner pursuant to Rules 13.09 and 13.10 of the Listing Rules and the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance.

COMPANY SECRETARY

The Company Secretary is an employee of the Company. During the Year, the Company Secretary complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

問責及審核(續)

風險管理及內部監控(續)

根據內部監控審核計劃，該獨立會計師事務所已就本公司之內部監控制度之成效進行年度檢討。內部監控之弱點及對改善領域之建議已報告審核委員會。於收到該建議後，本公司於二零一七年已全面實施該建議以進一步加強風險管理框架及內部監控制度。審核委員會確認於本年度內並無重大監控失誤、不足之處或可能會影響股東之相關重要範疇。其結論為維持適當而有效的內部監控制度以保障股東之投資及本集團之資產。

審核委員會亦已檢討內部監控審核職能之成效及是否足夠，而審核委員會認為內部監控審核職能獲得足夠資源。

內幕消息披露框架

本公司已採納內幕消息披露政策所載列處理及適時發放根據上市規則第13.09條及第13.10條以及證券及期貨條例第XIVA部之內幕消息條文之內幕消息的相關程序及內部監控。

公司秘書

公司秘書為本公司之全職僱員。於本年度內公司秘書已符合上市規則第3.29條之有關專業培訓要求。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Company acknowledges the importance of communicating with Shareholders. The Board has adopted a Shareholders' communication policy setting out formal channels of communication with Shareholders.

The Company maintains continuing communication with Shareholders through a number of channels including financial reports (interim and annual reports), announcements, annual general meetings and other general meetings that may be convened as well as other documents submitted to the Stock Exchange.

Information relating to the Group is available on the Company's website at www.rhh.com.hk.

The Company uses general meetings as a tool to effectively communicate with Shareholders and provide Shareholders with the opportunity of asking questions on any relevant matters.

Shareholders are encouraged to participate in general meetings of the Company or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.

Directors, appropriate management executives and the external auditor are available at the annual general meetings of the Company to answer Shareholders' questions.

與股東之溝通

本公司深明與股東通訊之重要性。董事會已採納股東通訊政策，列載與股東溝通之正式渠道。

本公司透過不同渠道與股東保持溝通，當中包括財務報告（中期及年度報告）、公佈、股東週年大會及其他可能召開之股東大會，以及向聯交所呈交之其他文件。

有關本集團之資料可於本公司網站 www.rhh.com.hk 查閱。

本公司藉股東大會為與股東溝通之有效工具，並提供機會讓股東就任何相關事宜作出提問。

本公司鼓勵股東參與本公司股東大會並於會上投票，如其本身未克出席，亦可委派代表代其出席大會並於會上投票。

董事、適當的管理行政人員及外聘核數師將出席本公司之股東週年大會，以回答股東提問。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Put Enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. To the extent the requisite information of the Company is publicly available, Shareholders may at any time send enquiry(ies) to the Board in writing at the head office and principal place of business of the Company in Hong Kong at Room 3401, 34th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, or by email to info@rhh.com.hk.

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

Procedures for Shareholders to Convene a Special General Meeting

Pursuant to Section 74 of the Companies Act 1981 of Bermuda, registered Shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth (10%) of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, may request the Board to convene a special general meeting.

The written requisition must state the purposes of the meeting, and be signed by the requisitioner(s) and deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda for the attention of the Company Secretary and may consist of several documents in like form, each signed by one or more requisitionists.

股東權利

股東向董事會作出查詢之程序

股東可向本公司的香港股份過戶登記分處卓佳秘書商務有限公司(地址為香港皇后大道東183號合和中心22樓)查詢其持有之股權情況事宜。若所需之本公司資料是於可供公眾查閱之範圍內，股東可隨時向董事會提出書面查詢。有關查詢送交本公司於香港的總辦事處及主要營業地點(地址為香港灣仔皇后大道東183號合和中心34樓3401室)或電郵至 info@rhh.com.hk。

股東亦可在本公司之股東大會上向董事會作出查詢。

股東召開股東特別大會之程序

根據百慕達一九八一年公司法第74條，任何於遞交要求日期持有有權在本公司股東大會投票之本公司已繳足股本不少於十分之一(10%)之註冊股東，可要求董事會召開股東特別大會。

書面要求必須列明召開會議之目的，並由有關呈請人簽署及送達本公司之註冊辦事處，地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda(註明收件人為公司秘書)。該書面要求可由數份相同格式及每份由一名或多名呈請人簽署之文件組成。

SHAREHOLDERS' RIGHTS (CONTINUED)

Procedures for Shareholders to Convene a Special General Meeting (CONTINUED)

The requisition will be verified with the Company's branch share registrar in Hong Kong and upon confirmation that the request is proper and in order, the Company Secretary will arrange with the Board to convene a special general meeting by serving sufficient notice to all Shareholders in accordance with the requirements set out in the Listing Rules and the Bye-Laws.

In the event that the requisition has been verified as not in order, the requisitioner(s) concerned will be advised of this outcome and accordingly, a special general meeting will not be convened as requested.

If the Board does not within twenty-one (21) days from the date of the deposit of a valid requisition, proceed duly to convene a meeting, the requisitioner(s), or any of them representing more than one half (50%) of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date of deposit of the requisition. A general meeting so convened by the requisitioner(s) shall be convened in the same manner, as nearly as possible as that in which meetings are to be convened by the Board.

股東權利(續)

股東召開股東特別大會之程序(續)

有關要求將由本公司的香港股份過戶登記分處核實，在確認為適當及符合程序後，公司秘書將與董事會安排召開股東特別大會，並根據上市規則及公司細則規定給予所有股東充分通知期。

若要求經核實為不符合程序，有關呈請人將獲知會結果，而股東特別大會亦不會按要求召開。

倘董事會並無於有效之遞交要求日期起計二十一(21)日內召開會議，則呈請人(或當中持有彼等總投票權半數以上(50%)之任何人士)可自行召開會議，惟按此方式召開之任何股東大會不得於上述遞交要求日期起三個月屆滿後舉行。呈請人依此召開之股東大會須盡可能以接近本公司召開會議之方式召開。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS (CONTINUED)

Procedures for Shareholders to Put Forward Proposals at General Meetings

Pursuant to Section 79 of the Companies Act 1981 of Bermuda, either (i) any number of registered Shareholders representing not less than one-twentieth (5%) of the total voting rights of all Shareholders having at the date of the requisition a right to vote at the general meeting of the Company to which the requisition relates; or (ii) not less than one hundred (100) of such Shareholders, can submit a requisition in writing to the Company:

- (a) to give to Shareholders entitled to receive notice of next annual general meeting notice of any resolution (other than a proposal for election as a Director) which may properly be moved and is intended to be moved at that meeting; and
- (b) to circulate Shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand (1,000) words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The written requisition must be signed by the requisitionist(s) (may consist of one or several documents in like form, each signed by one or more requisitionists) and deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda for the attention of the Company Secretary with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six (6) weeks before the annual general meeting in case of a requisition requiring notice of resolution or not less than one (1) week before the general meeting in case of any other requisition. Provided that if an annual general meeting is called for a date six (6) weeks or less after the requisition has been deposited, the copy though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

股東權利(續)

股東於股東大會上提呈議案之程序

根據百慕達一九八一年公司法第79條，(i)於遞交要求日期持有有權在本公司股東大會投票的總投票權不少於二十分之一(5%)之註冊股東；(ii)或不少於一百(100)名有關登記股東，可向本公司提交書面要求：

- (a) 向有權接收下一屆股東週年大會通告之股東發出通知，以告知任何可能於該大會上正式動議及擬於會上動議之決議案（不包括提名候選董事之動議）；及
- (b) 向有權接收任何股東大會通告之股東傳閱不超過一千(1,000)字之陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。

書面要求必須經由呈請人簽署，且可由數份相同格式及每份由一名或多名呈請人簽署之文件組成，及送達本公司之註冊辦事處，地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda（註明收件人為公司秘書）。該要求連同繳存合理及足夠款項用以支付公司相關支出，及（倘為須發出決議案通知之要求）須於股東週年大會舉行前不少於六(6)週送達或（倘為任何其他要求）須於股東大會舉行前不少於一(1)週送達。惟倘在送達須發出決議案通知要求後六(6)週或較短期間內之某一日召開股東週年大會，則該要求雖未有在規定時間內送達，就此而言亦將被視為已妥善送達。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS (CONTINUED)

Procedures for Shareholders to Put Forward Proposals at General Meetings (CONTINUED)

The requisition will be verified with the Company's branch share registrar in Hong Kong and upon confirmation that the request is proper and in order, the Company Secretary will arrange with the Board to include the resolution in the agenda for the annual general meeting or circulating the statement for the general meeting.

In the event that the requisition is not in order or the requisitioner(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purpose, the requisitioner(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the annual general meeting or the statement will not be circulated for the general meeting.

Procedures for Shareholders to Propose a Person for Election as a Director

As regards the procedures for proposing a person for election as a Director, please refer to the procedures made available on the Company's website at www.rhh.com.hk.

CONSTITUTIONAL DOCUMENTS

No amendments were made to the Company's Memorandum of Association and Bye-Laws during the Year.

股東權利 (續)

股東於股東大會上提呈議案之程序 (續)

有關要求將由本公司的香港股份過戶登記分處核實，待確認為適當及符合程序後，公司秘書將與董事會安排有關決議案納入股東週年大會之議程內或在股東大會傳閱有關陳述書。

若要求經核實為不符合程序或繳存款項不足夠用以支付公司上述目的之支出，有關呈請人將獲知會結果，而提呈之決議案將不獲納入股東週年大會之議程內，亦不會在股東大會傳閱有關陳述書。

股東提名候選董事之程序

有關股東提名候選董事之程序，請瀏覽本公司網站www.rhh.com.hk登載之程序。

章程文件

本公司於本年度內並無修訂組織章程大綱及公司細則。

Report of the Directors

董事會報告

The directors of the Company (“Directors”) present their report and the audited consolidated financial statements of the Company and its subsidiaries (collectively “Group”) for the year ended 31 December 2017 (“Year”).

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its principal subsidiaries are engaged in the business of hotel operation and trading of securities. Particulars of the Company’s principal subsidiaries as at 31 December 2017 are set out in note 36 to the consolidation financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 64 and 65 of this annual report.

The board of Directors of the Company (“Board”) has resolved not to recommend a final dividend for the Year (2016: nil).

BUSINESS REVIEW

A fair review of the business, a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group’s business that have occurred since the end of the financial year 2017 and a discussion on future development in the Group’s business are set out in the Management Discussion and Analysis on pages 2 to 11 respectively of this annual report. Also, details of financial risks are set out in note 34 to the consolidated financial statements. The aforesaid discussions form part of the Report of Directors.

本公司董事（「董事」）謹提呈本公司及其附屬公司（統稱「本集團」）截至二零一七年十二月三十一日止年度（「本年度」）之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。其主要附屬公司從事酒店經營及證券買賣。本公司於二零一七年十二月三十一日的主要附屬公司之資料載於綜合財務報表附註36。

業績及派息

本集團本年度之業績載於本年報第64頁及第65頁之綜合損益及其他全面收益表。

本公司董事會（「董事會」）已決議不建議派發本年度之末期股息（二零一六年：無）。

業務回顧

對本集團業務之中肯審視、面對之主要風險及不明朗因素的描述、於二零一七年財政年度結束後發生並對本集團有影響之重大事件之詳情，以及有關本集團之未來業務發展的討論分別載於本年報第2頁至第11頁之管理層論述及分析。此外，財務風險詳情載於綜合財務報表附註34。該等討論組成本董事會報告的一部份。

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and communities in which it engages from time to time. The Group achieves this through rational resources utilisation and compliance with applicable environmental laws and practices of environmental protection, health and safety, workplace conditions and employment. The Group continues to improve the environmental performance as an integral and fundamental part of the business strategy and operating methods.

A separate environmental, social and governance report is expected to be published on the websites of the Stock Exchange and the Company no later than three months after the publication of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with the applicable laws and regulations. Sufficient resources and training have been allocated and provided to ensure the on-going compliance with those applicable laws and regulations. During the year ended 31 December 2017 and up to the date of this report, the Board was unaware of any incidence of non-compliance with applicable laws and regulations that have a significant impact on the Group's business where the Group is operating.

RELATIONSHIP WITH MAJOR STAKEHOLDERS

The Group is committed to operate in a sustainable manner while balancing the interests of its various stakeholders including customers, suppliers and employees. During the year ended 31 December 2017 and up to the date of this report, there were no material and significant disputes between the Group and its key stakeholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

環保政策及表現

本集團於其不時經營業務之環境及社群致力實現長期可持續性。本集團實現此目標時乃透過合理之資源運用及遵守有關環保、健康及安全、工作地點狀況及僱傭之適用環保法律及常規。本集團繼續提升環保表現以作為業務策略及營運方法之關鍵及基本部分。

另行刊發之環境、社會及管治報告預期不遲於本年報刊發後的三個月內在聯交所及本公司網站刊發。

遵守法律及法規

本集團理解遵守監管規定之重要性及不遵守適用法律及法規之風險。本集團已分配及提供足夠資源及培訓以確保持續遵守該等適用法律及法規。截至二零一七年十二月三十一日止年度及直至本報告日期，董事會並不知悉有任何不遵守適用法律及法規之事故曾對本集團經營所在之本集團業務有重大影響。

與主要持份者之關係

本集團致力以可持續方式經營，並同時平衡與其不同持份者（包括客戶、供應商及僱員）之權益。截至二零一七年十二月三十一日止年度及直至本報告日期，本集團與其主要持份者並無重大及重要爭議。本集團將繼續確保與其各主要持份者保持有效溝通及維持良好關係。

Report of the Directors

董事會報告

FINANCIAL SUMMARY

A financial summary of the Group for the past five years is set out on page 177 of this annual report.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 26 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

In addition to the accumulated profits, under The Companies Act 1981 of Bermuda, contributed surplus is also available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

In the opinion of the Directors, the reserves of the Company which were available for distribution to shareholders of the Company ("Shareholders") at 31 December 2017 were nil (2016: nil).

PROPERTY, PLANT AND EQUIPMENT

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

PARTICULARS OF PROPERTIES OF THE GROUP

Particulars of the properties of the Group as at 31 December 2017 are set out on pages 178 to 180 of this annual report.

財務概要

本集團過往五年之財務概要載於本年報第177頁。

股本

本公司股本於本年度內之變動詳情載於綜合財務報表附註26。

本公司可供分派儲備

除累計溢利外，根據百慕達一九八一年公司法，繳入盈餘亦可供分派。然而，本公司不可以繳入盈餘宣派或派付股息或從中作出分派，倘：

- (a) 現時或於作出分派後無法償還其到期負債；或
- (b) 其資產之變現價值將因此少於其負債以及其已發行股本及股份溢價賬之總和。

董事認為，本公司於二零一七年十二月三十一日可供分派予本公司股東（「股東」）之儲備為零（二零一六年：零）。

物業、機器及設備

本集團於本年度內之物業、機器及設備之變動詳情載於綜合財務報表附註15。

本集團之物業詳情

本集團於二零一七年十二月三十一日之物業詳情載於本年報第178頁至第180頁。

Report of the Directors

董事會報告

DIRECTORS

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

Executive Directors:

Dr. Yap, Allan (*Chairman*)

Ms. Chan Ling, Eva (*Managing Director*)

Mr. Chan Pak Cheung, Natalis

Independent Non-executive Directors:

Mr. Kwok Ka Lap, Alva

Mr. Poon Kwok Hing, Albert

Mr. Sin Chi Fai

In accordance with Bye-Law 99 of the Bye-Laws of the Company (“Bye-Laws”) and Code Provision A.4.2 of the Corporate Governance Code (“CG Code”) contained in Appendix 14 to the Rules Governing the Listing of the Securities on the Stock Exchange (“Listing Rules”), Dr. Yap, Allan and Mr. Kwok Ka Lap, Alva shall retire from office by rotation at the 2018 annual general meeting of the Company (“2018 AGM”) and, being eligible, have offered themselves for re-election.

DIRECTORS’ SERVICE CONTRACTS

None of the Directors being proposed for re-election at the 2018 AGM has a service contract with the Group which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-Laws and subject to the provisions of the statutes, the Directors shall be entitled to be indemnified out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may sustain or incur in or about the execution of the duty of their respective offices or in relation thereto. The Company has arranged appropriate Directors and officers liability insurance for the Directors and officers of the Group during the Year.

董事

於本年度及截至本報告日期，董事如下：

執行董事：

葉家海博士(主席)

陳玲女士(董事總經理)

陳百祥先生

獨立非執行董事：

郭嘉立先生

潘國興先生

冼志輝先生

根據本公司之公司細則(「公司細則」)第99條及聯交所證券上市規則(「上市規則」)附錄十四所載之企業管治守則(「企業管治守則」)之守則條文第A.4.2條，葉家海博士及郭嘉立先生將於本公司二零一八年股東週年大會(「二零一八年股東週年大會」)上輪值退任，惟彼等符合資格並願意膺選連任。

董事之服務合約

擬於二零一八年股東週年大會上膺選連任之董事，概無與本集團訂立不可於一年內由僱用公司毋須作出賠償(法定賠償除外)之情況下終止之服務合約。

獲准許彌償條文

根據公司細則以及在法規條文的規限下，董事有權就關於執行彼等各自之職務或與此相關者之一切而令彼等或彼等當中任何人士可能承擔或面對之所有訴訟、費用、支出、損失、損害及開支而獲得以本公司之資產作出之彌償保證。於本年度，本公司已為董事及本集團之行政人員安排適當的董事及行政人員責任保險。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance to which the Company, or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interests, whether directly or indirectly, subsisted at the end of 2017 or at any time during the Year.

MANAGEMENT CONTRACTS

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

SHARE OPTION SCHEME

The Company adopted a share option scheme ("Scheme") on 30 May 2013 and is valid and effective for a period of 10 years commencing on 3 June 2013 (the date on which the last condition to the Scheme was satisfied) until 2 June 2023, subject to early termination by the Company in general meeting or by the Board.

The total number of shares in respect of which options may be granted under the Scheme, when aggregated with any shares subject to any other schemes of the Company, is not permitted to exceed 10% of the shares of the Company in issue on the date of adoption of the Scheme ("Scheme Mandate Limit") unless the Company obtains an approval from Shareholders in a general meeting to refresh the Scheme Mandate Limit provided that the Scheme Mandate Limit so refreshed must not exceed 10% of the shares of the Company in issue as at the date of approval of refreshment by Shareholders. Nevertheless, the maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and not yet exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the issued shares of the Company from time to time.

董事於重要交易、安排或合約之權益

於二零一七年年結時或於本年度內任何時間，概無本公司或其任何附屬公司所訂立而董事或與董事有關連的實體於當中直接或間接擁有重大權益之重要交易、安排或合約。

管理合約

於本年度，概無訂立或存在任何有關涉及管理及經營本集團全部或任何重大部分業務之合約。

購股權計劃

本公司於二零一三年五月三十日採納了一項購股權計劃（「計劃」）。計劃於二零一三年六月三日（計劃之最後一項條件達成之日期）起計十年內有效至二零二三年六月二日止，惟若本公司在股東大會上或董事會提早終止除外。

根據計劃及本公司任何其他購股權計劃可予授出之所有購股權獲行使時而可予發行之股份總數，不得超過於採納計劃當日本公司已發行股份之10%（「計劃授權限額」），除非本公司獲得股東於股東大會上批准更新計劃授權限額，惟據此更新之計劃授權限額不得超過股東批准更新當日本公司已發行股份之10%。儘管而言，根據計劃及本公司任何其他購股權計劃授出而尚未行使之所有購股權獲行使時可予發行本公司之最高股份數目，不得超過本公司不時已發行股份之30%。

SHARE OPTION SCHEME (CONTINUED)

At the special general meeting of the Company held on 1 June 2017, Shareholders approved the refreshment of the Scheme Mandate Limit. As at the date of this annual report, the total number of options available for granting by the Company under the Scheme was 78,921,104, representing 10% of the shares of the Company in issue on that date.

The number of shares of the Company in respect of which options may be granted under the Scheme and other share option scheme(s) of the Company to any Participant in aggregate in any 12-month period up to and including the date of such grant is not permitted to exceed 1% of the shares of the Company in issue. Any grant of further options above this limit shall be subject to the requirements under the Listing Rules.

Where any grant of options to a substantial shareholder of the Company or any Independent Non-executive Director, or any of their respective associates (as defined in the Listing Rules), would result in the number of shares issued and to be issued upon exercise of all options already granted and to be granted to such person in 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the shares of the Company in issue; and
- (ii) having an aggregate value, based on the closing price of the shares of the Company on the date of each grant in excess of HK\$5 million,

such grant of options shall be subject to approval of Shareholders in general meeting in accordance with the Listing Rules.

購股權計劃(續)

於二零一七年六月一日舉行之本公司股東特別大會上，股東批准更新計劃授權限額。於本年報日期，本公司根據計劃可予授出之購股權為78,921,104份，佔本公司於該日期之已發行股份之10%。

根據計劃及本公司其他購股權計劃可授予任何參與者之本公司股份總數於截至有關授出當日(包括該日)止的任何十二個月期間內，不得超過授出當日本公司已發行股份之1%。倘授出超過上述限額之購股權，則必須遵守上市規則之規定。

倘向本公司主要股東或任何獨立非執行董事或彼等各自之聯繫人(定義見上市規則)授出購股權，並將導致該有關人士於截至有關授出當日止(包括該日)之十二個月期間內所有已獲授予及將獲授予之購股權予以行使後所發行及將予發行之股份數目：

- (i) 佔本公司已發行股份合共超過0.1%；及
- (ii) 本公司股份按各授出日期之收市價計算的總值超逾5,000,000港元，

上述授出購股權須根據上市規則獲股東在股東大會上批准，方可進行。

Report of the Directors

董事會報告

SHARE OPTION SCHEME (CONTINUED)

The subscription price of the options under the Scheme will be a price determined by the Board, in its absolute discretion, but in any case will not be lower than the highest of:

- (i) the closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a trading day;
- (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and
- (iii) the nominal value of a share of the Company on the date of grant.

Further details of the Scheme are set out in note 27 to the consolidated financial statements.

As at the date of this annual report, the Company had 65,600,000 options outstanding under the Scheme, representing approximately 8.3% of the shares of the Company in issue on that date.

購股權計劃 (續)

根據計劃之購股權之認購價，將由董事會全權酌情釐定之價格，惟無論如何不會低於：

- (i) 本公司股份於授出日期(必須為交易日)在聯交所每日報價表所載之收市價；
- (ii) 本公司股份於緊接授出日期前五個交易日在聯交所每日報價表所載之平均收市價；及
- (iii) 本公司股份於授出日期之面值(以最高者為準)。

計劃之進一步詳情載於綜合財務報表附註27。

於本年報日期，本公司尚有根據計劃授出但未行使之65,600,000份購股權，佔本公司於該日期之已發行股份約8.3%。

Report of the Directors

董事會報告

SHARE OPTION SCHEME (CONTINUED)

購股權計劃(續)

Details of the movements of the share options granted under the Scheme were as follows:

根據計劃授出的購股權之變動詳情如下：

Eligible participant	Number of share options 購股權數目				Outstanding as at 31 December 2017	Date of grant (Note 1)	Exercise price per share HK\$	Exercise period
	Outstanding as at 1 January 2017	Granted during the Year	Exercised during the Year	Cancelled/ lapsed during the Year				
合資格參與者	於 二零一七年 一月一日 尚未行使	於 本年度內 授出	於 本年度內 行使	於 本年度內 註銷/失效	於 二零一七年 十二月 三十一日 尚未行使	授出日期 (附註1)	每股 行使價 港元	行使期
Directors 董事								
Dr. Yap, Allan 葉家海博士	-	7,800,000	-	-	7,800,000	24.04.2017	0.590	24.04.2017-23.04.2022
Ms. Chan Ling, Eva 陳玲女士	-	7,800,000	-	-	7,800,000	24.04.2017	0.590	24.04.2017-23.04.2022
Mr. Chan Pak Cheung, Natalis 陳百祥先生	-	2,000,000	-	-	2,000,000	24.04.2017	0.590	24.04.2017-23.04.2022
Mr. Kwok Ka Lap, Alva 郭嘉立先生	-	500,000	-	-	500,000	24.04.2017	0.590	24.04.2017-23.04.2022
Mr. Poon Kwok Hing, Albert 潘國興先生	-	500,000	-	-	500,000	24.04.2017	0.590	24.04.2017-23.04.2022
Mr. Sin Chi Fai 冼志輝先生	-	500,000	-	-	500,000	24.04.2017	0.590	24.04.2017-23.04.2022
Employee 員工	-	500,000	-	-	500,000	24.04.2017	0.590	24.04.2017-23.04.2022
Other eligible participants 其他合資格參與者	-	46,000,000	-	-	46,000,000	24.04.2017	0.590	24.04.2017-23.04.2022
Total 總計	-	65,600,000	-	-	65,600,000			

Notes:

附註：

- The closing market price of the shares of the Company immediately before the date of grant as quoted in the Stock Exchange's daily quotation sheets was HK\$0.44 per share.
- The fair value of the share options granted during the Year calculated at the date of grant using the Binomial model is set out in note 27 to the consolidated financial statements.

- 本公司股份於緊接購股權授出之日期前於聯交所每日報價表所載之收市價為每股份0.44港元。
- 於本年度內所授出之購股權按授出日期採用二項式期權定價模式計算之估計公平價值載於綜合財務報表附註27。

Report of the Directors

董事會報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in “Share Option Scheme” above, at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2017, the interests and short positions of the directors of the Company (“Directors”) in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) (a) as recorded in the register required to be kept under section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 to the Listing Rules were as follows:

購買股份或債券之安排

除上文「購股權計劃」所披露者外，於本年度，本公司或其任何附屬公司概無訂立任何安排，致使董事可藉收購本公司或任何其他法人團體之股份或債券而獲益。

董事之股份、相關股份及債券權益和淡倉

於二零一七年十二月三十一日，本公司董事（「董事」）於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有之權益及淡倉，而該等權益及淡倉(a)記錄於根據證券及期貨條例第352條須予備存之登記冊內；或(b)依據上市規則附錄十之上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所如下：

Report of the Directors

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

董事之股份、相關股份及債券權益和淡倉(續)

Long positions in the shares and the underlying shares of the Company

於本公司股份及相關股份之好倉

Name of Director	Capacity/Nature of interest	Number of shares held	Number of underlying shares held (Note 1)	Total	Approximate percentage of the issued share capital of the Company (Note 2)
董事名稱	身份／權益性質	所持股份數目	所持相關股份數目 (附註1)	總額	佔本公司已發行股本之概約百分比 (附註2)
Dr. Yap, Allan 葉家海博士	Beneficial owner 實益擁有人	–	7,800,000	7,800,000	0.99%
Ms. Chan Ling, Eva 陳玲女士	Beneficial owner 實益擁有人	–	7,800,000	7,800,000	0.99%
Mr. Chan Pak Cheung, Natalis 陳百祥先生	Beneficial owner 實益擁有人	–	2,000,000	2,000,000	0.25%
Mr. Kwok Ka Lap, Alva 郭嘉立先生	Beneficial owner 實益擁有人	–	500,000	500,000	0.06%
Mr. Poon Kwok Hing, Albert 潘國興先生	Beneficial owner 實益擁有人	–	500,000	500,000	0.06%
Mr. Sin Chi Fai 冼志輝先生	Beneficial owner 實益擁有人	–	500,000	500,000	0.06%

Notes:

- All Directors' interests in the underlying shares of the Company were in respect of the share options granted by the Company during the Year, details of which are set out under the section headed "Share Option Scheme" above.
- Based on a total of 789,211,046 issued shares of the Company as at 31 December 2017.

Save as disclosed above, as at 31 December 2017, none of the Directors had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) (a) as recorded in the register required to be kept under section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- 董事於本公司相關股份所擁有之權益均為本公司於年內授出之購股權，有關詳情載於上文「購股權計劃」一節。
- 根據本公司於二零一七年十二月三十一日之已發行股份總數為789,211,046股。

除上文披露者外，於二零一七年十二月三十一日，概無董事於本公司或其相關法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有任何權益或淡倉，而該等權益或淡倉(a)記錄於根據證券及期貨條例第352條須予備存之登記冊內；或(b)依據標準守則須知會本公司及聯交所。

Report of the Directors

董事會報告

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that requires the Company to enter into an agreement that will or may result in the Company issuing shares, were entered into by the Group during the Year or existed at the end of 2017.

股票掛鈎協議

於本年度或於二零一七年年結時，本集團概無訂立任何將會或可導致本公司發行股份的股票掛鈎協議，或要求本公司訂立任何協議將會或可導致本公司發行股份的股票掛鈎協議。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31 December 2017, interests of the Directors, other than independent non-executive Directors, in competing businesses required to be disclosed pursuant to Rule 8.10 of the Listing Rules were as follows:

董事於有競爭性業務之權益

於二零一七年十二月三十一日，根據上市規則第8.10條須予披露董事（獨立非執行董事除外）有競爭性業務之權益如下：

Name of Director	Name of entity which business are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團之業務有競爭性或可能有競爭性之實體名稱	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團之業務有競爭性或可能有競爭性之實體簡述	Nature of interest of the Director in the entity 董事於該實體之權益性質
Dr. Yap, Allan 葉家海博士	Master Glory Group Limited and its subsidiaries 凱華集團有限公司及其附屬公司	Trading of securities 證券買賣	Chairman and an executive director, and a substantial shareholder 主席、執行董事及主要股東

As the Board is independent from the boards of the above mentioned entities, the Group is capable of carrying on its business independently of, and at arm's length from the business of those entities.

由於董事會獨立於上述實體之董事會，故本集團有能力獨立於此等實體按公平基準經營其業務。

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董事會報告

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

主要股東及其他人士於股份及相關股份之權益及淡倉

As at 31 December 2017, the interests or short positions of persons, other than Directors, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

於二零一七年十二月三十一日，根據證券及期貨條例第336條而備存之登記冊所載，董事以外人士於本公司股份及相關股份中擁有的權益或淡倉如下：

Name of Shareholder	Long position/ Short position	Capacity/ Nature of interest	Number of shares held	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
股東名稱	好倉／淡倉	身份／權益性質	所持股份數目	股本之概約百分比
(a) Master Glory Group Limited ("MGG") (Note 1)	Long position	Interest of controlled corporation	148,506,000	18.82%
凱華集團有限公司 (「凱華集團」) (附註1)	好倉	受控制公司之權益	148,506,000	18.82%
Master Glory Group (B.V.I.) Limited ("MGG BVI") (Note 1)	Long position	Interest of controlled corporation	148,506,000	18.82%
Master Glory Group (B.V.I.) Limited (「MGG BVI」) (附註1)	好倉	受控制公司之權益	148,506,000	18.82%
Master Glory Investment Group Limited ("MGIG") (Note 1)	Long position	Interest of controlled corporation	148,506,000	18.82%
凱華投資集團有限公司 (「凱華投資集團」) (附註1)	好倉	受控制公司之權益	148,506,000	18.82%
Leaptop Investments Limited ("Leaptop") (Note 1)	Long position	Interest of controlled corporation	148,506,000	18.82%
Leaptop Investments Limited (「Leaptop」) (附註1)	好倉	受控制公司之權益	148,506,000	18.82%
Asia Will Limited ("AWL") (Note 1)	Long position	Beneficial owner	148,506,000	18.82%
得普有限公司 (「得普」) (附註1)	好倉	實益擁有人	148,506,000	18.82%
(b) China Enterprises Limited ("CEL") (Note 2)	Long position	Interest of controlled corporation	48,660,424	6.17%
China Enterprises Limited (「CEL」) (附註2)	好倉	受控制公司之權益	48,660,424	6.17%
Cosmos Regent Ltd. (Note 2)	Long position	Beneficial owner	43,325,554	5.49%
Cosmos Regent Ltd. (附註2)	好倉	實益擁有人	43,325,554	5.49%

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INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Notes:

- (1) AWL, which held 148,506,000 shares of the Company, was a wholly-owned subsidiary of Leaptop which was in turn a wholly-owned subsidiary of MGIG. MGIG was a wholly-owned subsidiary of MGG BVI which was in turn wholly-owned by MGG. Accordingly, Leaptop, MGIG, MGG BVI and MGG were deemed to be interested in 148,506,000 shares of the Company held by AWL.
- (2) CEL was deemed to be interested in 48,660,424 shares of the Company through its interest in its wholly-owned subsidiaries, Cosmos Regent Ltd. and Million Good Limited, which held 43,325,554 shares of the Company and 5,334,870 shares of the Company respectively.

Save as disclosed above, as at 31 December 2017, the Company had not been notified of any other persons who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

主要股東及其他人士於股份及相關股份之權益及淡倉(續)

附註：

- (1) 得普乃Leaptop之全資附屬公司，其持有148,506,000股本公司股份之權益，而Leaptop則為凱華投資集團之全資附屬公司。凱華投資集團為MGG BVI之全資附屬公司，而MGG BVI則由凱華集團全資擁有。因此，Leaptop、凱華投資集團、MGG BVI及凱華集團被視作擁有得普所持有148,506,000股本公司股份之權益。
- (2) CEL透過其於全資附屬公司Cosmos Regent Ltd.及Million Good Limited（分別持有43,325,554股本公司股份及5,334,870股本公司股份）之權益而被視作擁有48,660,424股本公司股份之權益。

除上文披露者外，於二零一七年十二月三十一日，本公司並無接獲任何其他人士通知，表示其於本公司之股份及相關股份中擁有權益或淡倉並已記錄於根據證券及期貨條例第336條須備存之登記冊內。

Report of the Directors

董事會報告

CHANGES IN INFORMATION OF DIRECTORS

Changes in information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2017 interim report are as follows:

Yap, Allan

Dr. Yap ceased to be a member and the chairman of the nomination committee of the Company with effect from 1 January 2018.

Chan Ling, Eva

Ms. Chan has been appointed as a member of the nomination committee of the Company with effect from 1 January 2018. The monthly salary of Ms. Chan was revised from HK\$180,000 to HK\$188,000 with effect from 1 February 2018. A discretionary bonus for the Year in the amount of HK\$600,000 was paid to Ms. Chan in February 2018.

Poon Kwok Hing, Albert

Mr. Poon has been appointed as the chairman of the nomination committee of the Company with effect from 1 January 2018, and he is entitled to receive an additional fee of HK\$20,000 per annum for being the chairman of the nomination committee of the Company with effect from 1 January 2018.

Other updated information regarding the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out in the Directors Profile on pages 12 to 15 of this annual report.

董事資料之變更

根據上市規則第13.51B(1)條之規定，自二零一七年年中期報告日期起須予披露之董事資料變更如下：

葉家海

自二零一八年一月一日起，葉博士不再擔任本公司提名委員會成員及主席。

陳玲

陳女士自二零一八年一月一日起獲委任為本公司提名委員會成員。陳女士的月薪由180,000港元調整為188,000港元，自二零一八年二月一日起生效。本公司於二零一八年二月向陳女士支付本年度的酌情花紅為600,000港元。

潘國興

潘先生自二零一八年一月一日起獲委任為本公司提名委員會主席，以及彼就擔任本公司提名委員會主席一職可收取每年20,000港元之額外袍金，自二零一八年一月一日起生效。

根據上市規則第13.51B(1)條之規定，有關董事須予披露之其他更新資料載於本年報第12頁至第15頁之董事簡介。

Report of the Directors

董事會報告

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

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

PROVIDENT FUND SCHEMES

Particulars of the Group's provident fund schemes are set out in note 29 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate amount of purchases and turnover attributable to the Group's five largest suppliers and customers were less than 30% of the total value of the Group's purchases and turnover respectively.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules as at the date of this annual report.

DONATIONS

During the Year, the Group did not make any charitable donations.

CORPORATE GOVERNANCE

Details on the Company's corporate governance practices are set out in the Corporate Governance Report on pages 17 to 37 of this annual report.

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於本年度內概無購買、出售或贖回本公司任何上市證券。

公積金計劃

本集團之公積金計劃之詳情載於綜合財務報表附註29。

優先購買權

公司細則或百慕達法例並無任何有關優先購買權之條文規定，本公司須按比例向現有股東提呈發售新股份。

主要客戶及供應商

本集團五大供應商及客戶之採購及營業總額分別少於本集團採購及營業總額之30%。

公眾持股量之充足性

根據本公司可得悉之公開資料及據董事所知，本公司於本年報日期已維持上市規則規定之公眾持股量。

捐獻

於本年內，本集團並無作出任何慈善捐獻。

企業管治

本公司企業管治常規之詳情載於本年報第17頁至第37頁之企業管治報告。

Report of the Directors

董事會報告

AUDITOR

Messrs. Deloitte Touche Tohmatsu shall retire and, being eligible, offer themselves for re-appointment at the 2018 AGM. Having approved by the Board upon the Audit Committee's recommendation, a resolution for the re-appointment of Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the 2018 AGM.

On behalf of the Board

YAP, ALLAN
CHAIRMAN

Hong Kong, 27 March 2018

核數師

德勤•關黃陳方會計師行將於二零一八年股東週年大會上退任，惟符合資格並願意重新委聘。經董事會考慮審核委員會之建議後批准，本公司將於二零一八年股東週年大會上提呈有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

主席
葉家海

香港，二零一八年三月二十七日

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF ROSEDALE HOTEL HOLDINGS LIMITED

珀麗酒店控股有限公司

(incorporated in Bermuda with limited liability)

致珀麗酒店控股有限公司股東

(於百慕達註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of Rosedale Hotel Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 64 to 176, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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.

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.

意見

本核數師(以下簡稱「我們」)已審計列載於64至176頁的珀麗酒店控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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

意見的基礎

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

Independent Auditor's Report

獨立核數師報告

Emphasis of Matter

We draw attention to note 15 to the consolidated financial statements which describes the uncertainty related to the extension of business licence period of Rosedale Hotel Guangzhou Co., Ltd. (“Rosedale Guangzhou”), an indirect non-wholly owned subsidiary of the Company, to 15 January 2027. Should the Group be unable to successfully extend the business licence period, the hotel operations of Rosedale Guangzhou may be affected and further impairment of the hotel property may be required. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

強調事項

本行謹請注意綜合財務報表附註15提及有關 貴公司之間接非全資附屬公司廣州珀麗酒店有限公司(「廣州珀麗」)將營業執照有效期延長至二零二七年一月十五日之不明朗因素。倘若 貴集團無法將營業執照有效期順利延長，則廣州珀麗之酒店營運可能受到影響及可能須對酒店物業作出進一步減值。吾等並無修訂在此事項方面之意見。

關鍵審計事項

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

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (CONTINUED)

Key audit matter

關鍵審計事項

Impairment assessment of hotel properties

酒店物業之減值評估

We identified the impairment assessment of the Group's hotel properties, which are included in property, plant and equipment (note 15 to the consolidated financial statements) as a key audit matter due to the significance of the balance of hotel properties to the consolidated financial statements as a whole, combined with the judgement involved in estimating their recoverable amounts. The Group's hotel properties are located in the PRC and the Group incurred segment loss of HK\$22,552,000 arising from hotel operations during the year ended 31 December 2017. The management has recognised an impairment loss of HK\$14,772,000 allocating to hotel property of HK\$6,322,000 and leasehold improvement of HK\$8,450,000. As at 31 December 2017, the carrying values of the hotel properties amounted to HK\$372,662,000.

我們將 貴集團酒店物業(計入物業、機器及設備(綜合財務報表附註15))之減值評估識別為關鍵審計事項，原因為酒店物業之結餘對綜合財務報表整體之重要性，加上估計酒店物業之可收回金額中涉及之判斷。貴集團之酒店物業位於中國，而於截至二零一七年十二月三十一日止年度，貴集團自酒店業務產生分部虧損22,552,000港元。管理層已確認減值虧損14,772,000港元，乃分配至酒店物業6,322,000港元及租賃物業裝修8,450,000港元。於二零一七年十二月三十一日，酒店物業之賬面值為372,662,000港元。

關鍵審計事項(續)

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Our procedures in relation to management's assessment on the recoverable amounts of hotel properties included:

我們關於管理層對酒店物業可收回金額評估之程序包括：

- Understanding the management's process for estimating the cash flow projections and financial budgets;
理解管理層在估計現金流量預測及財務預算之程序；
- Evaluating the competence, capabilities and objectivity of the Valuer as well as the appropriateness of the Valuers' scope of work;
評估估值師之才幹、能力及客觀性以及估值師工作範疇是否合適；

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (CONTINUED)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Impairment assessment of hotel properties (CONTINUED)

酒店物業之減值評估(續)

The management reviewed the recoverable amount of each hotel property at the end of the reporting period by estimating the value-in-use of these hotel properties with assistance of an independent qualified valuer (the "Valuer") not connected with the Group to determine the impairment amount required to write down these hotel properties to their recoverable amounts. The value-in-use of the hotel properties are dependent on certain key inputs including the estimated gross profit margin, future revenue growth rates and discount rates of the hotel properties.

管理層審視各項酒店物業於呈報期結束時之可收回金額，方法為在與 貴集團並無關連之獨立合資格估值師(「估值師」)協助下，估計此等酒店物業之使用價值，以釐定將此等酒店物業撇減至可收回金額所需之減值金額。酒店物業之使用價值取決於若干關鍵輸入數據，包括估計毛利率、未來收入增長率及酒店物業之貼現率。

- Evaluating the valuation model, including the assumptions applied therein, prepared by the Valuer in determining (i) the value-in-use based on the management's estimates of estimated gross profit margin, future revenue growth rates expected to arise from the hotel operations, with reference to the historical performance and the financial budgets of the Group approved by the management and (ii) discount rates used by the management by comparing the data derived externally to the Group's own inputs of the current market risk-free rate of interest as well as the industry specific risk factor of the hotel operations; and
- 評估估值師用於釐定以下各項而編製之估值模型(包括當中應用之假設)：(i)使用價值，乃基於管理層對估計毛利率、預期酒店業務將帶來之未來收入增長率之估計，當中已參考過往表現及管理層批准之 貴集團之財務預算；及(ii)管理層使用之貼現率，方法為將從外界衍生之數據與 貴集團本身對當前市場無風險利率之輸入數據以及酒店業務之行業特定風險因素進行比較；及
- Evaluating the historical accuracy of the management's assessment of the cash flow projections by comparing the historical estimates to actual performance in current year.
評估管理層過去對現金流量預測所作評估之準確性，方法為將過往估計與本年度之實際表現作比較。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (CONTINUED)

Key audit matter

關鍵審計事項

Valuation of investment properties

投資物業之估值

We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the judgements involved in determining the fair value. The Group's investment properties represent a completed complex for commercial use, which is located in the PRC. As at 31 December 2017, the carrying value of the Group's investment properties amounted to HK\$164,000,000. A decrease in fair value of HK\$41,529,000 has been recognised in the consolidated statement of profit or loss and other comprehensive income for the year then ended.

我們將投資物業之估值識別為關鍵審計事項，原因為投資物業之結餘對綜合財務報表整體之重要性，加上估計投資物業之公平價值中涉及之判斷。貴集團之投資物業代表一幢位於中國作商業用途之綜合樓。於二零一七年十二月三十一日，貴集團投資物業之賬面值為164,000,000港元。於截至該日止之年度的綜合損益及其他全面收益表中已確認公平價值減少41,529,000港元。

All of the Group's investment properties are stated at fair value based on the valuation performed by the Valuer. The fair value is derived by using direct comparison approach.

貴集團全部投資物業均根據估值師進行之估值而按公平價值列賬。公平價值採用直接比較法得出。

關鍵審計事項(續)

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Our procedures in relation to the management's assessment on the valuation of investment properties included:

我們關於管理層對投資物業估值之評估之程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer as well as the appropriateness of the Valuer's scope of work;
評估估值師之才幹、能力及客觀性以及估值師工作範疇是否合適；
- Reviewing the valuation report from the Valuer and holding discussion with the management and the Valuer to understand the valuation basis, methodology used and underlying assumptions applied;
審視估值師之估值報告並且與管理層及估值師進行討論，以理解估值基礎、所用方法以及所應用之相關假設；

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (CONTINUED)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Valuation of investment properties (CONTINUED)

投資物業之估值(續)

Details of the valuation techniques and significant inputs used in the valuation are disclosed in note 16 to the consolidated financial statements. The valuation of investment properties are dependent on certain inputs, including the price per square metre of the comparable transactions, adjusting factors on locations and residual operating period.

估值技術及估值所用之主要輸入數據之詳情於綜合財務報表附註16披露。投資物業之估值取決於若干輸入數據，包括可比較交易之每平方米價格，以及與位置及餘下經營期有關之調整系數。

- Evaluating the reasonableness of the underlying data including comparable market transactions being used by the Valuer and the adjusting factors related to locations and residual operating period; and
評估相關數據之合理性，包括估值師所使用之可比較市場交易以及與位置及剩餘經營期有關之調整系數；及
- Performing market research and analysis to assess whether the changes in fair value of investment properties resulted from the valuation was reasonable and consistent with the market trends to our knowledge.
進行市場研究及分析以評估估值產生之投資物業公平價值變動是否合理及是否與我們所知之市場趨勢一致。

Independent Auditor's Report

獨立核數師報告

Other Information

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

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

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

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

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

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

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

其他資訊

貴公司董事需對其他資訊負責。其他資訊包括刊載於年報內的資訊，但不包括綜合財務報表及我們的核數師報告。

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

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

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表承擔的責任

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

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程式以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程式，但目的並非對貴集團內部控制的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (CONTINUED)

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

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

核數師就審計綜合財務報表承擔的責任(續)

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (CONTINUED)

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

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

The engagement partner on the audit resulting in the independent auditor's report is Stephen C.L. Yuen.

核數師就審計綜合財務報表承擔的責任(續)

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

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

出具本獨立核數師報告的審計專案合夥人是袁忠亮先生。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

27 March 2018

德勤•關黃陳方會計師行
執業會計師
香港

二零一八年三月二十七日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		NOTES	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
		附註		
Revenue	收入	5	252,311	242,296
Direct operating costs	直接經營成本		(151,633)	(144,689)
Gross profit	毛利		100,678	97,607
Interest income	利息收入	7	8,574	14,088
Other income, gains and losses	其他收入、收益及虧損	8	(38,660)	8,990
Distribution and selling expenses	分銷及銷售開支		(1,143)	(1,476)
Administrative expenses	行政開支		(126,173)	(159,287)
Finance costs	融資成本	9	(1,066)	(2,280)
Equity-settled share-based payment expenses	以股本結算之以股代款開支	27	(13,715)	–
Impairment loss recognised in respect of property, plant and equipment	物業、機器及設備之已確認減值虧損	15	(14,772)	–
Impairment loss recognised in respect of an amount due from a joint venture	應收一家合營公司款項之已確認減值虧損	17	–	(27,983)
Decrease in fair value of investment properties	投資物業之公平價值減少	16	(41,529)	(22,009)
Share of result of a joint venture	應佔一家合營公司業績	17	–	(179)
Loss before taxation	除稅前虧損	10	(127,806)	(92,529)
Income tax credit (expense)	所得稅抵免(開支)	12	2,558	(665)
Loss for the year	本年度虧損		(125,248)	(93,194)
Other comprehensive income (expense)	其他全面收益(開支)			
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：			
Exchange differences arising on translation of foreign operations	換算海外業務時產生之匯兌差額		52,885	(45,887)
Total comprehensive expense for the year	本年度全面開支總額		(72,363)	(139,081)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		NOTE 附註	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Loss for the year attributable to:	本年度虧損由下列人士應佔：			
Owners of the Company	本公司擁有人		(116,128)	(86,438)
Non-controlling interests	非控股權益		(9,120)	(6,756)
			(125,248)	(93,194)
Total comprehensive expense for the year attributable to:	本年度全面開支總額由下列人士應佔：			
Owners of the Company	本公司擁有人		(71,501)	(125,490)
Non-controlling interests	非控股權益		(862)	(13,591)
			(72,363)	(139,081)
LOSS PER SHARE	每股虧損		HK\$	HK\$
– Basic	– 基本	14	(0.15)	(0.11)
– Diluted	– 攤薄		(0.15)	N/A 不適用

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2017 於二零一七年十二月三十一日

		NOTES	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	15	401,111	415,470
Investment properties	投資物業	16	164,000	192,000
Interest in a joint venture	於一家合營公司之權益	17	–	–
Amount due from a joint venture	應收一家合營公司款項	17	–	–
Available-for-sale investments	可供出售投資	18	–	–
Other assets	其他資產	19	19,800	19,800
			584,911	627,270
Current assets	流動資產			
Inventories	存貨	20	2,556	2,441
Trade and other receivables	貿易及其他應收賬款	21	62,899	184,350
Investments held for trading	持作買賣之投資	22	22,343	60,000
Cash and cash equivalents	現金及現金等值項目	23	1,801,383	1,660,949
			1,889,181	1,907,740
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	24	108,189	102,856
Tax liabilities	稅項負債		76,874	79,048
			185,063	181,904
Net current assets	流動資產淨值		1,704,118	1,725,836
Total assets less current liabilities	資產總值減流動負債		2,289,029	2,353,106

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2017 於二零一七年十二月三十一日

		NOTES	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
		附註		
Non-current liability	非流動負債			
Deferred taxation	遞延稅項	25	41,154	46,583
Net assets	資產淨值		2,247,875	2,306,523
Capital and reserves	資本及儲備			
Share capital	股本	26	7,892	7,892
Share premium and reserves	股份溢價及儲備		2,048,327	2,106,113
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,056,219	2,114,005
Non-controlling interests	非控股權益		191,656	192,518
Total equity	權益總額		2,247,875	2,306,523

The consolidated financial statements on pages 64 to 176 were approved and authorised for issue by the Board of Directors on 27 March 2018 and are signed on its behalf by:

載於第64頁至第176頁之綜合財務報表已於二零一八年三月二十七日獲董事會批准及授權刊發，並由下列董事代表簽署：

YAP, ALLAN
EXECUTIVE DIRECTOR

CHAN LING, EVA
EXECUTIVE DIRECTOR

葉家海
執行董事

陳玲
執行董事

Consolidated Statement of Changes in Equity

綜合股東權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Special reserve	Translation reserve	Share options reserve	Other reserves	Retained earnings (accumulated losses)	Sub-total	Non-controlling interests	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	股份溢價	特別儲備	匯兌儲備	購股權儲備	其他儲備	(累計虧損)	小計	非控股權益	合計
		千港元	千港元	千港元 (附註ii)	千港元	千港元	千港元 (附註i)	千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	7,892	1,360,752	658,303	99,343	-	(70,319)	190,621	2,246,592	201,051	2,447,643
Loss for the year	本年度虧損	-	-	-	-	-	-	(86,438)	(86,438)	(6,756)	(93,194)
Other comprehensive expense for the year	本年度其他全面開支										
Exchange difference arising on translation of foreign operations	換算海外公司財務報表時產生之匯兌差額	-	-	-	(39,052)	-	-	-	(39,052)	(6,835)	(45,887)
Total comprehensive expense for the year	本年度全面開支總額	-	-	-	(39,052)	-	-	(86,438)	(125,490)	(13,591)	(139,081)
Acquisition of additional interests in a subsidiary	收購一家附屬公司之額外權益	-	-	-	-	-	-	(7,097)	(7,097)	5,058	(2,039)
At 31 December 2016	於二零一六年十二月三十一日	7,892	1,360,752	658,303	60,291	-	(70,319)	97,086	2,114,005	192,518	2,306,523
Loss for the year	本年度虧損	-	-	-	-	-	-	(116,128)	(116,128)	(9,120)	(125,248)
Other comprehensive income for the year	本年度其他全面收益										
Exchange difference arising on translation of foreign operations	換算海外公司財務報表時產生之匯兌差額	-	-	-	44,627	-	-	-	44,627	8,258	52,885
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	44,627	-	-	(116,128)	(71,501)	(862)	(72,363)
Recognition of equity-settled share-based payments (note 27)	確認以股本結算之以股代款支付(附註27)	-	-	-	-	13,715	-	-	13,715	-	13,715
At 31 December 2017	於二零一七年十二月三十一日	7,892	1,360,752	658,303	104,918	13,715	(70,319)	(19,042)	2,056,219	191,656	2,247,875

Consolidated Statement of Changes in Equity

綜合股東權益變動表

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

Notes:

- (i) When the Group increases its interest in an entity that is already an entity controlled by the Group, it is accounted for as equity transaction. The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Other reserves represent the differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid that is recognised directly in equity.
- (ii) The special reserve represents (i) the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the shares of the Company issued for the acquisition under the group reorganisation in September 1997; and (ii) reduction of share capital took place during the years ended 31 December 2006 and 2008.

附註：

- (i) 當本集團增加其於本集團已取得控制權之實體之權益時，有關增加會以股本交易入賬。本集團權益及非控股權益之賬面值會作出調整，以反映各自於該附屬公司相關權益之變動。其他儲備指非控股權益之調整金額與直接於權益確認之已付代價公平價值間之差額。
- (ii) 特別儲備指(i)按一九九七年九月進行集團重組時所收購附屬公司股份之面值與為收購而發行本公司股份之面值間之差額；及(ii)於截至二零零六年及二零零八年十二月三十一日止年度進行之股本削減。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Cash flows generated by operating activities	經營業務產生之現金流量		
Loss for the year	本年度虧損	(125,248)	(93,194)
Adjustments for:	調整：		
Share of result of a joint venture	應佔一家合營公司業績	-	179
Depreciation of property, plant and equipment	物業、機器及設備之折舊	37,660	29,982
Equity-settled share-based payment expenses	以股本結算之以股代款支付開支	13,715	-
Interest income	利息收入	(8,574)	(14,088)
Gain on early redemption of loan notes receivable	提前贖回應收貸款票據之收益	-	(8,371)
Interest expense	利息開支	1,066	2,280
Loss (gain) on disposal of property, plant and equipment	出售物業、機器及設備之虧損(收益)	21	(3,628)
Impairment loss recognised in respect of property, plant and equipment	物業、機器及設備之已確認減值虧損	14,772	-
Unrealised loss in fair value of investments held for trading	持作買賣投資之公平價值未實現虧損	39,264	5,765
Decrease in fair value of investment properties	投資物業之公平價值減少	41,529	22,009
Impairment loss recognised in respect of an amount due from a joint venture	應收一家合營公司款項之已確認減值虧損	-	27,983
Income tax (credit) expense	所得稅(抵免)開支	(2,558)	665
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	11,647	(30,418)
Decrease (increase) in trade and other receivables	貿易及其他應收賬款減少(增加)	123,873	(63,416)
(Increase) decrease in inventories	存貨(增加)減少	(115)	50
Increase in investments held for trading	持作買賣投資增加	-	(51,359)
Increase in trade and other payables	貿易及其他應付賬款增加	4,137	13,754
		127,895	(100,971)
Cash generated from (used in) operations	經營業務所得(所用)之現金流量	139,542	(131,389)
Taxation paid in the People's Republic of China (the "PRC")	已付之中華人民共和國(「中國」)稅項	(5,980)	(3,306)
Net cash from (used in) operating activities	經營業務所得(所用)之現金淨額	133,562	(134,695)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Cash flows from investing activities	投資活動之現金流量		
Interest received	已收利息	8,574	9,037
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	46	9,680
Additions to property, plant and equipment	購買物業、機器及設備	(4,283)	(14,243)
Deposit refunded for a possible acquisition of an investment	可能收購一項投資之已退回按金	-	172,940
Early repayment of loan notes receivable	提前償還應收貸款票據	-	200,000
Net cash from investing activities	投資活動產生之現金淨額	4,337	377,414
Cash flows from financing activities	融資活動之現金流量		
Repayment of other borrowings	償還其他借貸	(6,934)	(10,000)
Advance from other borrowings	獲得其他借貸	6,934	-
Acquisition of additional interest in a subsidiary	收購一家附屬公司之額外權益	-	(2,039)
Interest paid	已付利息	(1,066)	(2,280)
Net cash used in financing activities	融資活動所用之現金淨額	(1,066)	(14,319)
Net increase in cash and cash equivalents	現金及現金等值項目之增加淨額	136,833	228,400
Cash and cash equivalents at beginning of the year	年初之現金及現金等值項目	1,660,949	1,436,453
Effect of exchange rate changes on the balance of cash held in foreign currencies	匯率變動對外幣現金結餘之影響	3,601	(3,904)
Cash and cash equivalents at end of the year, represented by bank balances and cash	年終之現金及現金等值項目，即銀行結餘及現金	1,801,383	1,660,949

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATION

Rosedale Hotel Holdings Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its substantial shareholder is Master Glory Group Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company is an investment holding company. Its principal subsidiaries are engaged in the businesses of hotel operation and trading of securities.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 12	As part of the annual improvements to HKFRSs 2014-2016 cycle

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

1. 一般資料

珀麗酒店控股有限公司(「本公司」)於百慕達註冊成立為獲豁免有限公司，其股份乃於香港聯合交易所有限公司(「聯交所」)上市。其主要股東為凱華集團有限公司。本公司之註冊辦事處及主要營業地點之地址於本年報公司資料內披露。

本公司乃一家投資控股公司。其主要附屬公司從事經營酒店業務及證券買賣。

綜合財務報表乃以港元(亦為本公司之功能貨幣)呈列。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效之香港財務報告準則之修訂

本公司及其附屬公司(「本集團」)已於本年度首次應用下列由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則之修訂：

香港會計準則第7號之修訂	披露計劃
香港會計準則第12號之修訂	就未實現虧損確認遞延稅項資產
香港財務報告準則第12號之修訂	作為二零一四年至二零一六年週期香港財務報告準則之年度改進之一部分

除下文所述外，於本年度應用香港財務報告準則之修訂對本集團於本年度及過往年度之財務表現及狀況及／或於該等綜合財務報表所載之披露事項並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Amendments to HKAS 7 “Disclosure initiative”

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

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第7號之修訂「披露計劃」

本集團已於本年度應用該等修訂。該等修訂要求實體提供披露，使財務報表使用者可評估融資活動所產生負債之變動，包括現金及非現金變動。此外，該等修訂亦要求披露金融資產變動，前提為假如來自該等金融資產之現金流量已經或未來現金流量將會列入來自金融活動之現金流量。

具體而言，該等修訂要求披露以下各項：(i) 融資現金流量變動；(ii) 取得或失去附屬公司或其他業務之控制權之變動；(iii) 匯率變動之影響；(iv) 公平價值變動；及 (v) 其他變動。

該等項目之年初與年末結餘之對賬載於附註35。為與有關修訂之過渡條文貫徹一致，本集團並無披露前一年度之比較資料。除附註35之額外披露外，應用該等修訂對本集團之綜合財務報表並無影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

New and revised HKFRSs issued but not yet effective

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

HKFRS 9	Financial instruments ¹
HKFRS 15	Revenue from contracts with customers and the related amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance contracts ⁴
HK(IFRIC)–Int 22	Foreign currency transactions and advance consideration ¹
HK(IFRIC)–Int 23	Uncertainty over income tax treatments ²
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 “Financial instruments” with HKFRS 4 “Insurance contracts” ¹
Amendments to HKFRS 9	Prepayment features with negative compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³
Amendments to HKAS 28	Long-term interests in associates and joint ventures ²
Amendments to HKAS 28	As part of the annual improvements to HKFRSs 2014–2016 cycle ¹
Amendments to HKAS 40	Transfers of investment property ¹
Amendments to HKFRSs	Annual improvements to HKFRSs 2015–2017 cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2021.

Except for the new and amendments to HKFRSs and Interpretations mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早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9號	金融工具 ¹
香港財務報告準則第15號	「來自客戶合約之收入」及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ⁴
香港(國際財務報告詮釋委員會)—詮釋22	外幣交易及預收/付代價 ¹
香港(國際財務報告詮釋委員會)—詮釋23	所得稅處理之不確定性 ²
香港財務報告準則第2號之修訂	以股代款交易之分類及計量 ¹
香港財務報告準則第4號之修訂	對香港財務報告準則第4號「保險合約」應用香港財務報告準則第9號「金融工具」 ¹
香港財務報告準則第9號之修訂	附帶負補償之預付款項特點 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營公司之間銷售產或注入資產 ³
香港會計準則第28號之修訂	於聯營公司及合營公司之長期權益 ²
香港會計準則第28號之修訂	作為二零一四年至二零一六年週期香港財務報告準則之年度改進之一部分 ¹
香港會計準則第40號之修訂	轉撥投資物業 ¹
香港財務報告準則之修訂	二零一五年至二零一七年週期香港財務報告準則之年度改進 ²

¹ 於二零一八年一月一日或之後開始之年度期間生效。

² 於二零一九年一月一日或之後開始之年度期間生效。

³ 於將釐定之日期或之後開始之年度期間生效。

⁴ 於二零二一年一月一日或之後開始之年度期間生效。

除下文所述新訂香港財務報告準則及香港財務報告準則之修訂以及詮釋外，本公司董事預計應用所有其他新訂及經修訂香港財務報告準則及香港財務報告準則之修訂於可見將來將不會對綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 9 “Financial instruments”

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

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入金融資產與金融負債分類及計量之新規定、一般對沖會計以及有關金融資產之減值規定。

香港財務報告準則第9號中與本集團相關之主要規定：

- 香港財務報告準則第9號範圍內之所有已確認金融資產其後按攤銷成本或公平價值計量，尤其是就以收取合約現金流量為目的之業務模式持有之債務投資，以及擁有合約現金流，且有關現金流純粹為支付本金及未償還本金之利息之債務投資，均一般按於其後會計期間結束時之攤銷成本計量。於目的為同時收回合約現金流及出售金融資產之業務模式中持有，以及合約條款令於特定日期產生之現金流純粹為支付本金及未償還本金的利息之債務工具，一般以透過其他全面收益按公平價值計算（「透過其他全面收益按公平價值計算」）之方式計量。所有其他金融資產按於其後會計期結束時之公平價值計量。此外，根據香港財務報告準則第9號，實體有權不可撤回地選擇於其他全面收益會計股本投資（並非持作買賣者）公平價值之其後變動，僅股息收入一般於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 9 “Financial instruments” (CONTINUED)

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

Based on the Group’s financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9.

Classification and measurement

Equity securities classified as available-for-sale investments carried at cost less impairment as disclosed in note 18: these securities are qualified for designation as measured at FVTOCI under HKFRS 9 and the Group will measure these securities at fair value at the end of subsequent reporting periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in the investments revaluation reserve if any.

All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號「金融工具」（續）

- 就金融資產之減值而言，與香港會計準則第39號「金融工具：確認及計量」項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各呈報日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

根據本集團於二零一七年十二月三十一日之金融工具及風險管理政策，本公司董事預計應用香港財務報告準則第9號有以下潛在影響。

分類及計量

於附註18所披露分類為可供出售投資之股本證券按成本扣除減值列賬：根據香港財務報告準則第9號，該等證券符合資格指定為透過其他全面收益按公平價值計量，且本集團將於其後呈報期結束時按公平價值計量該等證券，並將公平價值收益或虧損確認為其他全面收益及於投資重估儲備累計（如有）。

所有其他金融資產及金融負債將繼續按目前根據香港會計準則第39號計量之相同基準計量。

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綜合財務報表附註

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

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

HKFRS 9 “Financial instruments” (CONTINUED)

Impairment

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

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, there will not be any material impact to the results and financial position to the Group based on the facts and circumstances as at 31 December 2017.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號「金融工具」（續）

減值

一般而言，本公司董事預計應用香港財務報告準則第9號之預期信貸虧損模式時，將導致須就與按攤銷成本列賬之本集團金融資產有關而尚未產生之信貸虧損提早作出撥備，而其他項目須於本集團應用香港財務報告準則第9號時作出減值撥備。

根據本公司董事進行之評估，倘本集團應用預期信貸虧損模式，根據於二零一七年十二月三十一日之事實及情況，將不會對本集團之業績及財務狀況造成任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 15 “Revenue from contracts with customers”

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

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

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號「來自客戶合約之收入」

香港財務報告準則第15號已經頒佈，其制定一項單一全面模式以供實體用於就來自客戶合約之收入入賬。香港財務報告準則第15號於生效後將取代載於香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋之現有收入確認指引。

香港財務報告準則第15號之核心原則為實體於確認描述向客戶轉讓承諾貨品或服務之收入時，金額應能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入收入確認之五個步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於實體完成履約責任時（或就此）確認收入

根據香港財務報告準則第15號，實體於完成履約責任時（或就此）確認收入，即於特定履約責任相關貨品或服務之「控制權」移交客戶之時。香港財務報告準則第15號已就特殊情況之處理方法加入更明確之指引。此外，香港財務報告準則第15號要求更詳盡之披露。

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綜合財務報表附註

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

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

HKFRS 15 “Revenue from contracts with customers” (CONTINUED)

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

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16 “Leases”

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號「來自客戶合約之收入」（續）

二零一六年，香港會計師公會頒佈香港財務報告準則第15號之澄清，內容有關履約責任之識別、委託人相對代理人之考慮因素以及許可授權之應用指引。

本公司董事預期，於未來應用香港財務報告準則第15號可能令披露增加，然而，本公司董事並不預期應用香港財務報告準則第15號將對相關呈報期所確認之收入之時間性及金額造成重大影響。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關詮釋。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

HKFRS 16 “Leases” (CONTINUED)

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

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號「租賃」（續）

使用權資產初步按成本計量，並隨後以成本（惟若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債乃按租賃付款（非當日支付）的現值初步計量。隨後，租賃負債就（其中包括）利息及租賃付款以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前就分類為投資物業之租賃土地呈列預付租賃付款為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第16號時，有關租賃負債的租賃付款將分配為本金及利息部份，並將由本集團以融資現金流量呈列。

根據香港會計準則第17號，本集團已就本集團為承租人之租賃土地確認預付租賃付款。應用香港財務報告準則第16號可能導致該等資產分類之潛在變動，惟須視乎倘相關資產為自行擁有所呈列時本集團是否將使用權資產獨立呈列或於同一分類項目內呈列。

與承租人會計處理方法相反，香港財務報告準則第16號大致延續香港會計準則第17號內出租人的會計規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

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綜合財務報表附註

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

HKFRS 16 “Leases” (CONTINUED)

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2017, the Group as lessee had non-cancellable operating lease commitments of HK\$119,706,000 as disclosed in note 28. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$20,214,000 and refundable rental deposits received of HK\$9,335,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號「租賃」（續）

此外，香港財務報告準則第16號要求較廣泛的披露。

於二零一七年十二月三十一日，如附註28所披露，本集團作為承租人有不可撤銷的經營租賃承擔119,706,000港元。初步評估顯示該等安排將符合租賃的定義。於應用香港財務報告準則第16號時，本集團將就所有租賃確認使用權資產及對應負債，除非其符合作為低值或短期租賃。

此外，本集團目前將已支付的可退還租賃按金20,214,000港元及已收取的可退還租賃按金9,335,000港元視為香港會計準則第17號適用之租賃下之權利及義務。根據香港財務報告準則第16號下對租賃付款之定義，該等按金並非與相關資產使用權有關之款項，因此，該等按金之賬面值可能調整至攤銷成本，而該等調整被視為額外租賃付款。對已支付之可退還租賃按金作出之調整將計入使用權利資產之賬面值，而對已收取之可退還租賃按金作出之調整則被視為預付租賃付款。

此外，應用新規定可能導致出現上文所述之計量、呈列及披露之變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

3. 主要會計政策

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

綜合財務報表乃根據歷史成本基準編製，惟若干投資物業及持作買賣之投資以各呈報期結束時之公平價值計量（見下文所載會計政策說明）除外。

歷史成本一般根據為交換貨品及服務而提供之代價公平價值計算。

公平價值為於計量日期市場參與者之間按有序交易出售一項資產將收取之價格或轉讓負債時將支付之價格，而不論該價格是否可直接觀察或使用另一項估值方法估計。於估計資產或負債之公平價值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮之資產或負債之特點。於該等綜合財務報表中作計量及／或披露用途之公平價值乃按此基準釐定，惟香港財務報告準則第2號「以股代款」範圍內之以股代款交易、香港會計準則第17號「租賃」範圍內之租賃交易，以及與公平價值類似但並非公平價值（例如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值）之計量除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

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.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

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

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

The principal accounting policies are set out below.

3. 主要會計政策 (續)

非金融資產公平價值之計量及市場參與者可透過按該資產之最高及最佳用途使用該資產，或將該資產售予另一可按該資產之最高及最佳用途使用該資產之市場參與者，從而產生經濟效益之能力。

就按公平價值交易及於往後期間採用不可觀察輸入數據之估值技術以計量公平價值之金融工具及投資物業而言，估值技術乃予以校定，致使估值技術之結果等如交易價格。

此外，就財務申報而言，公平價值量分為第一、第二或第三級別，此等級別之劃分乃根據公平價值輸入數據之可觀察程度及該等數據對公平價值計量之整體重要性，概述如下：

- 第一級輸入數據指實體於計量日期就相同資產或負債於活躍市場上獲得之報價(未經調整)；
- 第二級輸入數據指可直接或間接從觀察資產或負債之資料而得出之輸入數據(不包括第一級之報價)；及
- 第三級輸入數據指不可從觀察資產或負債得出之輸入數據。

主要會計政策載列如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Basis of consolidation

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

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

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

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

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

3. 主要會計政策(續)

綜合賬目基準

綜合財務報表包括本公司及本公司控制之公司及其附屬公司之財務報表。當本公司有權：

- 控制被投資公司；
- 自參與被投資公司業務獲得或有權獲得可變回報；及
- 有能力動用其權力影響被投資公司回報時，即獲得控制權。

倘有事實及情況顯示上列控制權三個要素中一個或多個要素發生變動，本集團會重新評估是否對被投資公司擁有控制權。

當本集團取得對附屬公司之控制權時，會開始將附屬公司綜合入賬，而當本集團失去對附屬公司之控制權時，會終止將附屬公司綜合入賬。具體而言，年內所收購或出售附屬公司之收入及開支自本集團獲得控制權當日起至本集團不再擁有附屬公司控制權當日止，列入綜合損益及其他全面收益表內。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Basis of consolidation (CONTINUED)

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interest's proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. 主要會計政策 (續)

綜合賬目基準 (續)

如有需要，附屬公司之財務報表會作出調整，使其會計政策與本集團會計政策一致。

與本集團成員公司間交易相關之所有集團間資產及負債、權益、收入、開支及現金流量已於綜合賬目時全數對銷。

本集團於現有附屬公司之擁有權權益之變動

倘本集團於現有附屬公司之擁有權權益之變動並無導致本集團失去附屬公司之控制權，有關變動會入賬列作權益交易。本集團權益之相關組成部份與非控股權益之賬面值會就其兩者於附屬公司之權益變動而作出調整，包括根據本集團與非控股權益之權益比例於本集團與非控股權益之間重新歸類相關儲備。

非控股權益之調整金額與已付或已收代價公平價值之任何差額於權益直接確認，並由本公司擁有人應佔。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Basis of consolidation (CONTINUED)

Changes in the Group's ownership interests in existing subsidiaries (CONTINUED)

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

3. 主要會計政策(續)

綜合賬目基準(續)

本集團於現有附屬公司之擁有權權益之變動(續)

倘本集團失去對一家附屬公司之控制權，則該附屬公司之資產及負債以及非控股權益(如有)乃終止確認。收益或虧損於損益確認，並按(i)所收代價之公平價值及任何保留權益之公平價值總額與(ii)本公司擁有人應佔該附屬公司之資產(包括商譽)及負債賬面值兩者間之差額計算。先前於其他全面收益就該附屬公司確認之所有款額，會按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則所訂明/允許而重新分類至損益或轉撥至另一權益類別)。於失去控制權當日在前附屬公司保留之任何投資之公平價值被視作初步確認其後根據香港會計準則第39號入賬時之公平價值，或(如適用)初步確認於一家合營公司之投資時之成本。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in a joint venture

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

The results and assets and liabilities of a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of the joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profits or loss and other comprehensive income are not accounted for unless resulted in changes in ownership interest held by the Group. When the Group's share of loss of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

3. 主要會計政策(續)

於一家合營公司之投資

一家合營公司指一項合營安排，對安排擁有共同控制權之訂約方據此對合營安排之資產淨值擁有權利。共同控制乃指按照合約約定對某項安排所分佔控制權，共同控制僅在相關活動需要分佔控制權之各方作出一致同意之決定時存在。

一家合營公司之業績及資產與負債以權益會計法計入此等綜合財務報表內。就權益法所用合營公司之財務報表按本集團於類似情況就同類交易及事件採用之一致會計政策編製。根據權益法，於一家合營公司之投資乃按成本於綜合財務狀況報表初步確認，並其後就確認本集團應佔該合營公司之損益及其他全面收益作出調整。該合營公司於損益及其他全面收益以外之淨資產變動不會入賬，惟導致本集團所持控制權權益出現變動除外。當本集團所佔一家合營公司之虧損超出本集團於該合營公司之權益時(包括實質上組成本集團於該合營公司之淨投資一部分之任何長期權益)，本集團終止確認其應佔之進一步虧損。惟倘本集團須承擔法律或推定義務，或須代表該合營公司支付款項，則須確認額外虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Investment in a joint venture (CONTINUED)

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

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

3. 主要會計政策(續)

於一家合營公司之投資(續)

於被投資公司成為合營公司當日，對合營公司之投資採用權益法入賬。收購於一家合營公司之投資時，投資成本超逾本集團應佔被投資公司已確認可識別資產及負債之公平淨值之任何金額，均確認為計入投資賬面值之商譽。本集團應佔可識別資產及負債之公平淨值超出投資成本之任何金額，於重新評估後隨即在收購投資期間於損益確認。

香港會計準則第39號之規定乃用以釐定是否需要就本集團於一家合營公司之投資確認任何減值虧損。如有需要，該項投資之全部賬面值(包括商譽)會根據香港會計準則第36號「資產減值」以單一項資產之方式進行減值測試，方法是比較其可收回金額(即使用價值與公平價值減出售成本之較高者)與賬面值。任何已確認之減值虧損構成該項投資之賬面值一部分。於該項投資之可收回金額其後增加時，則根據香港會計準則第36號確認該減值虧損之任何撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from hotels accommodation, food and banquet operations are recognised when the services are rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the rights to receive payment have been established.

The Group's accounting policy for recognition of revenue from operating lease is described in the accounting policy for leasing below.

3. 主要會計政策(續)

收入確認

收入按已收或應收代價之公平價值計量。

當收入金額能夠可靠地計量、未來經濟利益相當可能流入本集團，以及本集團每項活動均符合下文所述之指定條件時，則會確認相關收入。

來自酒店住宿、餐膳及宴會業務之收入乃於提供服務時確認。

利息收入乃參考未償還本金，按時間基準及適用之實際利率計算，實際利率乃於首次確認時按金融資產之預計年期將估計日後現金收入準確折現至該資產賬面淨值之比率。

投資之股息收入於收取股息之權利確立時確認。

本集團就確認經營租約收入之會計政策於以下有關租賃之會計政策載述。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Leasing

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

The Group as lessor

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

3. 主要會計政策(續)

租賃

凡租賃條款將擁有權之絕大部分風險及回報撥歸於承租人之租賃，均歸類為融資租賃。所有其他租賃均歸類為經營租賃。

本集團作為出租人

經營租賃之租金收入乃按相關租賃年期以直線法於損益確認。於磋商及安排經營租賃時產生之初始直接成本計入租賃資產之賬面值內，並於租賃期內以直線法支銷。

本集團作為承租人

經營租賃款項於租賃期內以直線法確認為開支。經營租賃產生之或然租金於產生期間確認為開支。

租賃土地及樓宇

當本集團就包括土地及樓宇部分之物業權益支付款項，本集團根據對與各部分擁有權有關之所有風險及回報是否已轉移至本集團作出之評估，個別地評估各部分之分類，惟倘該兩個部分明顯屬經營租賃則除外，在該情況下，整個物業入賬列作經營租賃。具體而言，全部代價(包括任何一次過預付款)於初始確認時根據土地部分與樓宇部分於租賃權益之相對公平價值之比例在租賃土地與樓宇部分之間分配。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Leasing (CONTINUED)

Leasehold land and building (CONTINUED)

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the property payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interest in a joint venture.

3. 主要會計政策 (續)

租賃 (續)

租賃土地及樓宇 (續)

倘相關付款能可靠地分配，作為經營租約入賬之租賃土地權益於綜合財務狀況報表列作「預付租賃款項」，並於租賃期內以直線法攤銷。倘租金付款未能可靠地分配至土地及樓宇部分，則整個物業一般以租賃土地猶如按融資租賃出租而分類。

外幣

於編製每間個別集團實體之財務報表時，倘交易之貨幣與該實體之功能貨幣不同（外幣），則按交易日期適用之匯率換算確認。於呈報期結束時，以外幣列值之貨幣項目按當日適用之匯率重新換算。以外幣列值並按公平價值入賬之非貨幣項目，按釐定公平價值日期適用之匯率重新換算。以外幣列值並按歷史成本計量之非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目產生之匯兌差額於產生期間在損益確認，惟應收或應付一項海外業務之貨幣項目匯兌差額，既無計劃結算而發生結算之可能性亦不大（因此構成海外業務投資淨額之一部份），並初步於其他全面收益確認及於出售或部份出售本集團之權益時由權益重新分類至損益除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Foreign currencies (CONTINUED)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

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

Retirement benefit costs

Payments to defined contribution retirement benefit plans, state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

3. 主要會計政策(續)

外幣(續)

為作呈列綜合財務報表之目的，本集團業務之資產及負債均以各呈報期結束時適用匯率換算為本集團之呈列貨幣(即港元)。收入及開支項目以期內平均匯率換算。產生之匯兌差額(如有)於其他全面收益確認，並以匯兌儲備名目於權益累計(歸類為非控股權益(如適用))。

借貸成本

所有借貸成本於其產生期間於損益內確認。

退休福利成本

定額供款退休福利計劃包括國家管理退休福利計劃及強制性公積金計劃，向該等計劃所作之供款於僱員提供服務而有權獲得有關供款時確認為開支。

短期僱員福利

短期僱員福利於僱員提供服務時就預期將支付福利之未貼現金額確認。所有短期僱員福利確認為開支，除非另一項香港財務報告準則要求或允許將有關福利納入資產成本，則作別論。

在扣除已經支付之任何金額後，對僱員應得之福利(例如工資及薪金、年假及病假)確認負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Share-based payment transactions

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments is determined at the grant date without taking into consideration all non-market vesting conditions. The share options vest immediately at the date of grant and their fair value is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

3. 主要會計政策(續)

以股代款交易

以股本結算之以股代款交易

向僱員支付之以股本結算以股份支付之款項按股本工具於授出日期之公平價值計量。

於以股本結算以股份支付款項於授出當日釐定之公平價值(並無考慮所有非市場歸屬條件)。於授出當日即時歸屬之購股權，其公平價值即時於損益支銷。

當購股權獲行使時，原先於購股權儲備內確認之款項將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日期仍未行使時，原先於購股權儲備確認之款項將轉撥至累計虧損。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Taxation

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

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

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

3. 主要會計政策(續)

稅項

所得稅開支指本年度應付稅項及遞延稅項之總額。

本年度應付稅項乃按本年度之應課稅溢利計算。由於其他年度之應課稅收入或可扣減之支出以及永不課稅或不可扣減之項目，應課稅溢利有別於綜合損益及其他全面收益表所呈報之「除稅前溢利」。本集團之即期稅項負債乃按呈報期結束前已實施或大致實施之稅率計算。

遞延稅項就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用之相關稅基產生之暫時差異確認。遞延稅項負債一般就所有應課稅暫時差異予以確認。遞延稅項資產一般於可能有應課稅溢利抵銷可動用之可扣減暫時差異時就所有可扣減暫時差異予以確認。倘暫時差異因於概不影響應課稅溢利或會計溢利之交易(業務合併除外)中初步確認資產及負債而產生，則不會確認遞延稅項資產及負債。此外，倘暫時差異因初步確認商譽而產生，則不會確認遞延稅項負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Taxation (CONTINUED)

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

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

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

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

3. 主要會計政策(續)

稅項(續)

遞延稅項負債就與於附屬公司之投資及於合營公司之權益相關之應課稅暫時差異而予以確認，惟在本集團可控制暫時差異之撥回以及暫時差異於可預見將來不可能撥回之情況下除外。涉及該等投資及權益之可扣減暫時差異產生之遞延稅項資產於具有足夠應課稅溢利可動用暫時差異之利益，且預期於可見將來撥回時，方予以確認。

遞延稅項資產之賬面值於各呈報期結束時均予以檢討，並於不可能再有充足應課稅溢利可容許收回所有或部分有關資產時調減。

遞延稅項資產及負債按預期於償還負債或資產變現之期間適用之稅率計算，而有關稅率之基準為於呈報期結束前已實施或大致實施之稅率(及稅法)。

遞延稅項負債及資產之計量反映本集團預期於呈報期結束時收回或償還資產及負債賬面值所產生之稅務後果。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Taxation (CONTINUED)

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment including hotel buildings held for use in the production or supply of services or for administrative purposes are stated in the consolidated statement of financial position at costs less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 主要會計政策(續)

稅項(續)

就計量以公平價值模型計量之投資物業遞延稅項而言，該等物業之賬面值已假設可透過銷售全面收回，除非此項假定被駁回則除外。倘持有投資物業折舊及所據之業務模式並非透過出售而是隨時間流逝消耗該物業所包含之絕大部分經濟利益，則本假定將被駁回。

即期及遞延稅項於損益確認，惟當與其他全面收益或直接於權益確認之項目有關之情況下，即期及遞延稅項則同樣分別於其他全面收益或直接於權益確認。

物業、機器及設備

物業、機器及設備(包括持有用於生產或供應服務或作行政用途之酒店樓宇)按成本減其後之累計折舊及隨後累計減值虧損(如有)於綜合財務狀況報表列賬。

資產之折舊，乃根據其估計可使用年期，經扣除剩餘價值後以直線法撇銷其成本確認。估計可使用年期、剩餘價值及折舊方法會在各呈報期結束時檢討，任何估計變動之影響按預計基準列賬。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Property, plant and equipment (CONTINUED)

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

3. 主要會計政策(續)

物業、機器及設備(續)

物業、機器及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時取消確認。出售或報廢物業、機器及設備項目時所產生之任何收益或虧損以出售所得款項與該資產之賬面值之差額計量，並於損益確認。

投資物業

投資物業為持作賺取租金及／或資本增值之物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業按其公平價值計量。所有按經營租約持作賺取租金或資本增值之本集團物業權益乃分類為投資物業並按此入賬，並採用公平價值模式計量。投資物業公平價值變動產生之收益或虧損計入產生期間之損益內。

有形資產之減值虧損

本集團於呈報期結束時審閱其有形資產之賬面值以確定是否有任何跡象表明該等資產存在減值虧損。倘存在任何該等跡象，則會估計相關資產之可收回金額，以釐定減值虧損(如有)之程度。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Impairment losses on tangible assets

(CONTINUED)

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

有形資產之減值虧損(續)

倘無法個別估計資產之可收回金額，則本集團估計該項資產所屬之現金產生單位之可收回金額。倘有可識別之合理一致分配基準，企業資產亦會分配至個別現金產生單位，或分配至有可識別合理一致分配基準之現金產生單位之最小組別。

可收回金額為公平價值減出售成本及使用價值兩者之較高者。於評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，而有關折現率反映當前市場對貨幣時間價值及估計未來現金流量未經調整之資產(或現金產生單位)之特定風險之評估。

倘預計一項資產(或現金產生單位)之可收回金額低於其賬面值，則該項資產(或現金產生單位)之賬面值應扣減至其可收回金額。分配減值虧損時，首先將減值虧損分配至減少任何商譽(如適用)之賬面值，繼而根據單位中各項資產之賬面值而按比例分配至其他資產。抵減後資產之賬面值不得低於以下三者之中最高者：該資產之公平價值扣除出售成本(如可釐定)之數、其使用價值(如可釐定)及零。原應分配至該資產之減值虧損金額，乃按照該單位中其他資產之賬面值按比例分配。減值虧損即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Impairment losses on tangible assets

(CONTINUED)

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

Inventories

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

Financial instruments

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

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

3. 主要會計政策(續)

有形資產之減值虧損(續)

倘減值虧損於日後撥回，則該項資產(或現金產生單位)之賬面值應增至其可收回金額之修訂後估值，惟增加後賬面值不得超過假設該項資產(或現金產生單位)於過往年度未確認減值虧損所釐定之賬面值。撥回之減值虧損即時於損益確認。

存貨

存貨按成本或可變現淨值兩者中之較低者列賬。存貨成本乃按加權平均法釐定。可變現淨值指存貨估計售價減所有估計完成成本及進行出售所需成本。

金融工具

倘集團實體成為工具合約條文之訂約方，則確認金融資產及金融負債。

金融資產及金融負債最初按公平價值計量。因收購或發行金融資產及金融負債(透過損益按公平價值計量(「透過損益按公平價值計量」)之金融資產及金融負債除外)而直接產生之交易成本於初次確認時加入金融資產或金融負債之公平價值或自金融資產或金融負債之公平價值扣除(按適用者)。因收購透過損益按公平價值計量之金融資產或金融負債而直接產生之交易成本即時於損益確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (CONTINUED)

Financial assets

Financial assets are classified into the following specified categories: financial assets at FVTPL, available-for-sale (“AFS”) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產分為以下特定類別：透過損益按公平價值計量之金融資產、可供出售(「可供出售」)金融資產以及貸款及應收賬款。分類視乎金融資產之性質及目的於初步確認時釐定。所有金融資產之日常買賣於交易日確認及取消確認。日常買賣指須根據市場規例或慣例訂立之時間內交付資產之金融資產買賣。

實際利率法

實際利率法乃計算債務工具之攤銷成本及分配相關期間利息收入之方法。實際利率乃於首次確認時按債務工具之預計年期或適用之較短期間，準確折現估計未來現金收入(包括構成實際利率不可或缺部分之一切已付或已收費用及點數、交易成本及其他溢價或折讓)至賬面淨值之利率。

債務工具之利息收入乃按實際利率基準確認。

Notes to the Consolidated Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (CONTINUED)

Financial assets (CONTINUED)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading or (ii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the 'other income, gains and losses' line item. Fair value is determined in the manner disclosed in note 34c.

3. 主要會計政策(續)

金融工具(續)

實際利率法(續)

透過損益按公平價值計量之金融資產

當金融資產乃(i)持作買賣用途或(ii)指定為透過損益按公平價值計量，有關金融資產會被分類為透過損益按公平價值計量。

倘若出現下列情況，則金融資產被分類為持作買賣：

- 其主要為於不久將來出售而購入；或
- 其於初步確認時為構成本集團合併管理之已識別金融工具組合一部分，且近期出現實際短期獲利規律；或
- 其並非指定為有效對沖工具之衍生工具。

透過損益按公平價值計量之金融資產按公平價值列賬，而重新計量所產生之任何收益或虧損則於損益確認。於損益確認之收益或虧損淨額包括於金融資產賺取之任何股息或利息，並計入「其他收入、收益及虧損」項目內。公平價值按附註34c所披露之方式釐定。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (CONTINUED)

Financial assets (CONTINUED)

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy in respect of impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including amount due from a joint venture, trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

可供出售金融資產

可供出售金融資產為非衍生項目，可獲指定為可供出售或未有劃分為(a)貸款及應收賬款、(b)持有至到期日之投資或(c)透過損益按公平價值計量之金融資產。

於活躍市場並無市場報價且其公平價值不能可靠地計量之可供出售股本投資，於各呈報期結束時按成本減任何已識別減值虧損計量(見下文有關金融資產減值虧損之會計政策)。

貸款及應收賬款

貸款及應收賬款為附帶固定或可釐定付款之非衍生性質金融資產，而其在活躍市場並無報價。於初次確認後，貸款及應收賬款(包括應收一家合營公司款項、貿易及其他應收賬款以及銀行結餘及現金)採用實際利率法按攤銷成本減任何減值計量(見下文有關金融資產減值虧損之會計政策)。

金融資產減值

金融資產(透過損益按公平價值計量者除外)於各呈報期結束時就有否減值跡象接受評估。倘有客觀證據顯示，有關投資之估計未來現金流量因一項或多項於初步確認金融資產後發生之事件而受到影響，則金融資產被視為出現減值。

Notes to the Consolidated Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (CONTINUED)

Financial assets (CONTINUED)

Impairment of financial assets (CONTINUED)

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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

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

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就可供出售股本投資而言，證券之公平價值顯著或長期低於其成本均被視為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據包括：

- 發行人或對手方出現重大財政困難；或
- 違約，例如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組；或
- 因為財務困難而導致該金融資產失去活躍市場。

應收賬款組合之客觀減值證據可包括本集團之過往收款經驗、組合內超逾平均信貸期之延遲還款次數增加，以及與拖欠應收賬款有關之全國或地方經濟狀況出現顯著改變。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (CONTINUED)

Financial assets (CONTINUED)

Impairment of financial assets (CONTINUED)

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

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

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就按攤銷成本列賬之金融資產而言，已確認減值虧損金額為資產賬面值與按該金融資產之原實際利率折現之估計未來現金流量現值間之差額。

就按成本列賬之金融資產而言，減值虧損之金額按該項資產之賬面值與按類似金融資產現行市場回報率折現之估計未來現金流量現值間之差額計量。此減值虧損不會於往後期間撥回。

除貿易及其他應收賬款之賬面值透過使用撥備賬扣減外，所有金融資產之賬面值會直接按減值虧損扣減。撥備賬之賬面值變動於損益確認。倘貿易及其他應收賬款被視為無法收回，則於撥備賬撇銷。其後收回過往撇銷之款項將計入損益內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (CONTINUED)

Financial assets (CONTINUED)

Impairment of financial assets (CONTINUED)

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

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

Financial liabilities and equity instruments

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

Equity instruments

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就按攤銷成本計量之金融資產而言，倘減值虧損金額於往後期間有所減少，而減幅在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益撥回，惟該投資於撥回減值當日之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

就可供出售股本投資而言，先前於損益確認之減值虧損不會透過損益撥回。於減值虧損後之任何公平價值增加乃於其他全面收益確認及於投資重估儲備項下累計。

金融負債及股本工具

由集團實體發行之債務及股本工具按合約安排之內容以及金融負債及股本工具之定義分類為金融負債或權益。

股本工具

股本工具為證明實體資產於扣除其所有負債後之剩餘權益之任何合約。由本集團發行之股本工具按已收取所得款項扣除直接發行成本確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (CONTINUED)

Financial liabilities and equity instruments (CONTINUED)

Financial liabilities at amortised cost

Financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Derecognition

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

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

按攤銷成本計量之金融負債

金融負債(包括貿易及其他應付賬款)其後採用實際利率法按攤銷成本計量。

實際利率法

實際利率法乃計算金融負債之攤銷成本及分配相關期間利息開支之方法。實際利率乃於首次確認時按金融負債之預計年期或適用之較短期間，準確折現估計未來現金付款(包括構成實際利率不可或缺部分之一切已付或已收費用及點數、交易成本及其他溢價或折讓)至賬面淨值之利率。

利息開支按實際利率基準確認。

取消確認

本集團僅於金融資產所產生現金流量之合約權利屆滿或於本集團轉讓金融資產以及該資產擁有權之絕大部分風險及回報予另一實體時，方會取消確認金融資產。

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3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (CONTINUED)

Derecognition (CONTINUED)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

3. 主要會計政策 (續)

金融工具 (續)

取消確認 (續)

於取消確認全部金融資產時，資產賬面值與已收及應收代價之總和間之差額乃於損益確認。

當及僅當本集團之責任獲解除、取消或已到期時，本集團方會取消確認金融負債。已取消確認之金融負債之賬面值與已付及應付代價間之差額於損益確認。

4. 估計不明朗因素之主要來源

本公司董事於應用附註3所述本集團之會計政策時，須就無法即時明顯從其他來源得知之資產及負債賬面值作出判斷、估計及假設。有關估計及相關假設乃根據過往經驗及其他被視為相關之因素作出。實際結果可能不同於該等估計。

該等估計及相關假設按持續基準進行檢討。如修訂該等會計估計僅對修訂期間有影響，則該等修訂在該期間確認，如有關修訂同時影響現時及未來期間，則在修訂期間及未來期間確認。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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

Impairment assessment of hotel properties included in property, plant and equipment

In considering the impairment loss of hotel properties included in property, plant and equipment, the recoverable amount of the hotel properties needs to be determined. The recoverable amount is the higher of its fair value less costs of disposal and value in use. It is difficult to precisely estimate fair value because quoted market prices for these assets may not be readily available. In determining the value in use, the Group uses all readily available information in determining expected cash flows generated by the cash-generating unit to each of the hotel operation belongs and they are discounted to their present value, of which the key assumptions to be applied in preparing cash flow forecasts including whether these cash flow forecasts are discounted using an appropriate rate. Changing the assumptions selected by the management in assessing impairment, including the discount rates, the gross profit margin or the revenue growth rate assumptions in the cash flow forecasts, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

4. 估計不明朗因素之主要來源 (續)

以下為有關未來之主要假設以及於呈報期結束時之估計不明朗因素之其他主要來源，兩者均存在可能導致須大幅調整下一財政年度之資產及負債賬面值之重大風險。

計入物業、機器及設備之酒店物業之減值評估

在考慮計入物業、機器及設備之酒店物業之減值虧損時，需釐定酒店物業之可收回金額。可收回金額為公平價值扣除出售成本與使用價值之較高者。由於未必可以隨時獲得相關資產之市場報價，因此難以準確估計公平價值。在釐定使用價值時，本集團使用全部現時可獲得之信息以釐定各酒店業務所屬之現金產出單位所產生之預期現金流量，並將之貼現至現值，其中將在編製現金流量預測時應用之關鍵假設包括此等現金流量預測是否使用適當之比率進行貼現。管理層在評估減值時選用之假設（包括現金流量預測中之貼現率、毛利率或收入增長率假設）的變化，可影響減值測試中使用之淨現值，從而影響本集團之財務狀況及經營業績。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment assessment of hotel properties included in property, plant and equipment (CONTINUED)

An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where the recoverable amount is less than expected, an impairment loss may arise. As at 31 December 2017, the carrying amount of hotel properties was approximately HK\$372,662,000 (2016: HK\$378,350,000) (net of accumulated depreciation and impairment loss of approximately HK\$280,775,000 (2016: HK\$220,097,000)). The directors performed impairment assessment of the Group's hotel properties, an impairment loss of HK\$14,772,000 was recognised during the year as their value in use determined in this manner was estimated to be lower than their carrying amounts.

Valuation of investment properties

Investment properties in the consolidated statement of financial position are carried at their fair values at the end of each reporting period as disclosed in note 16. The fair values were based on a valuation on these properties conducted by independent firm of professional valuers using property valuation techniques which involve certain assumptions. Changes to these assumptions and inputs would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in profit or loss. As at 31 December 2017, the carrying amount of investment properties was HK\$164,000,000 (2016: HK\$192,000,000).

4. 估計不明朗因素之主要來源 (續)

計入物業、機器及設備之酒店物業之減值評估 (續)

減值虧損乃按資產賬面值與可收回金額兩者之差額計量。倘可收回金額少於預期，則可能產生減值虧損。於二零一七年十二月三十一日，酒店物業之賬面值約為372,662,000港元(二零一六年：378,350,000港元)(已扣除累計折舊及減值虧損約280,775,000港元(二零一六年：220,097,000港元))。董事已就本集團之酒店物業進行減值評估，年內確認減值虧損14,772,000港元，原因為有關酒店物業按此方式釐定之使用價值乃估計高於其賬面值。

投資物業之估值

投資物業按於各呈報期結束時之公平價值在綜合財務狀況報表列賬(如附註16所披露)。有關公平價值是基於獨立專業估值師行運用物業估值技術(當中涉及若干假設)而對該等物業進行之估值。此等假設及輸入數據之變動可導致本集團投資物業之公平價值變動以及對於在損益報告之收益或虧損金額作出相應調整。於二零一七年十二月三十一日，投資物業之賬面值為164,000,000港元(二零一六年：192,000,000港元)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Depreciation of hotel properties

The Group's carrying amount of hotel properties as at 31 December 2017 was approximately HK\$372,662,000 (2016: HK\$378,350,000). The Group depreciates the hotel properties on a straight-line basis over the shorter of their remaining unexpired terms of the leases and the remaining years of co-operative period. The useful lives reflect the directors' estimate of the periods that the Group intends to derive economic benefits from the use of the Group's hotel properties. During the year, the useful lives of the hotel properties have been reviewed and these estimates are considered to be appropriate.

Allowance on trade and other receivables

The management regularly reviews the recoverability of the trade and other receivables. Appropriate allowance for estimated irrecoverable amount is recognised in profit or loss when there is an objective evidence that the amount is not recoverable.

In determining whether allowance for bad and doubtful debts is required, the Group takes into consideration the aged status and likelihood of collection. Specific allowance is only made for the trade and other receivables that are unlikely to be collected and is recognised on the difference between the carrying amount of trade and other receivables and the present value of estimated future cash flows discounted using the original effective interest rate. Where the actual cash flows are less than expected, an impairment loss may arise. As at 31 December 2017, the carrying amount of trade and other receivables was HK\$62,899,000 (2016: HK\$184,350,000).

4. 估計不明朗因素之主要來源 (續)

酒店物業折舊

於二零一七年十二月三十一日，本集團酒店物業之賬面值約為372,662,000港元(二零一六年：378,350,000港元)。本集團以直線法按酒店物業之租約剩餘年期及合作期間剩餘年數計算酒店物業折舊。可使用年期反映董事對本集團計劃透過使用本集團酒店物業獲取經濟利益之期間之估計。年內，已審閱酒店物業之可使用年期，而該等估計被認為恰當。

貿易及其他應收賬款撥備

管理層定期審閱貿易及其他應收賬款之可收回程度。當有客觀證據顯示款項不可收回時，會於損益確認估計不可收回款項之適當減值。

於釐定是否需要作出呆壞賬撥備時，本集團會考慮賬齡狀況及收款可能性，並僅就不大可能收回之貿易及其他應收賬款作出特定撥備，而撥備乃按貿易及其他應收賬款之賬面值與使用原實際利率折現之估計未來現金流量現值間之差額確認。倘實際現金流量少於預期，則可能產生減值虧損。於二零一七年十二月三十一日，貿易及其他應收賬款之賬面值為62,899,000港元(二零一六年：184,350,000港元)。

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5. REVENUE

Revenue represents the fair value of the consideration received or receivable from outside customers, net of discounts and sales-related taxes during the year. An analysis of the Group's turnover for the year is as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Hotel operations income	酒店經營收入	204,604	197,522
Rental income	租金收入	47,707	44,774
		252,311	242,296

6. SEGMENT INFORMATION

Segment information reported internally was analysed on the basis of the types of services provided and activities carried out by the Group's operating divisions. The Group is currently organised into two operating divisions – hotel operations and securities trading. The information reported to the Group's chief operating decision maker (the "CODM") (i.e. executive directors) for the purposes of resource allocation and assessment of performance is focused on these operating divisions.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. Hotel operations – hotel accommodation, food, banquet operations and rental income; and
2. Securities trading – trading of equity securities.

5. 收入

收入指於年內已收或應收外間客戶之代價公平價值減折扣及銷售相關稅項。本集團於本年度之營業額分析如下：

6. 分類資料

對內報告之分類資料乃按本集團營運部門所提供服務及經營業務之類型分析。本集團現時分為兩個營運部門—酒店經營及證券買賣。向本集團主要營運決策者（「主要營運決策者」）（即執行董事）呈報用於分配資源及評估業績之資料乃集中於該等營運部門。

具體而言，本集團根據香港財務報告準則第8號劃分之可報告及經營分類如下：

1. 酒店經營—酒店住宿、餐膳及宴會業務，以及租金收入；及
2. 證券買賣—股本證券買賣。

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6. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2017

		Hotel operations HK\$'000 酒店經營 千港元	Securities trading HK\$'000 證券買賣 千港元	Consolidated HK\$'000 綜合 千港元
REVENUE	收入	252,311	-	252,311
RESULTS	業績			
Segment loss excluding impairment loss recognised in respect of property, plant and equipment	分類虧損(不包括物業、機器及設備之已確認減值虧損)	(7,780)	1,550	(6,230)
Impairment loss recognised in respect of property, plant and equipment	物業、機器及設備之已確認減值虧損	(14,772)	-	(14,772)
Fair value change of investments held for trading	持作買賣投資之公平價值變動	-	(39,264)	(39,264)
Segment loss	分類虧損	(22,552)	(37,714)	(60,266)
Directors' emoluments	董事酬金			(7,223)
Interest income	利息收入			8,574
Decrease in fair value of investment properties	投資物業之公平價值減少			(41,529)
Finance costs	融資成本			(1,066)
Central administrative costs and unallocated corporate expenses	中央行政成本及未分配企業開支			(26,296)
Loss before taxation	除稅前虧損			(127,806)

6. 分類資料(續)

分類收入及業績

以下為本集團收入及業績按可報告及經營分類之分析。

截至二零一七年十二月三十一日止年度

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

6. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (CONTINUED)

For the year ended 31 December 2016

6. 分類資料(續)

分類收入及業績(續)

截至二零一六年十二月三十一日止年度

		Hotel operations HK\$'000 酒店經營 千港元	Securities trading HK\$'000 證券買賣 千港元	Consolidated HK\$'000 綜合 千港元
REVENUE	收入	242,296	–	242,296
RESULTS	業績			
Segment loss excluding impairment loss recognised in respect of property, plant and equipment	分類虧損(不包括物業、機器及設備之已確認減值虧損)	(31,555)	(20)	(31,575)
Fair value change of investments held for trading	持作買賣投資之公平價值變動	–	(5,765)	(5,765)
Segment loss	分類虧損	(31,555)	(5,785)	(37,340)
Directors' emoluments	董事酬金			(3,068)
Interest income	利息收入			14,088
Share of result of a joint venture	應佔一家合營公司業績			(179)
Impairment loss recognised in respect of amount due from a joint venture	應收一家合營公司款項之已確認減值虧損			(27,983)
Decrease in fair value of investment properties	投資物業之公平價值減少			(22,009)
Finance costs	融資成本			(2,280)
Central administrative costs and unallocated corporate expenses	中央行政成本及未分配企業開支			(13,758)
Loss before taxation	除稅前虧損			(92,529)

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6. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (CONTINUED)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 3. Segment loss represents the loss from each segment without allocation of directors' emoluments, interest income, share of result of a joint venture, impairment loss recognised in respect of amount due from a joint venture, decrease in fair value of investment properties, finance costs and central administrative costs and unallocated corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. 分類資料(續)

分類收入及業績(續)

經營及可報告分類之會計政策與附註3所述本集團會計政策相同。分類虧損指各分類錄得之虧損，當中並未分配董事酬金、利息收入、應佔一家合營公司業績、應收一家合營公司款項之已確認減值虧損、投資物業之公平價值減少、融資成本以及中央行政成本及未分配企業開支。此乃向主要營運決策者呈報供其分配資源及評估業績之計量方法。

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6. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

6. 分類資料(續)

分類資產及負債

以下為本集團按可報告及經營分類之資產及負債分析：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
SEGMENT ASSETS	分類資產		
Hotel operations	酒店經營	455,477	468,640
Securities trading	證券買賣	22,383	60,000
Total segment assets	分類資產總值	477,860	528,640
Investment properties	投資物業	164,000	192,000
Available-for-sale investments	可供出售投資	-	-
Interest in a joint venture	於一家合營公司之權益	-	-
Amount due from a joint venture	應收一家合營公司款項	-	-
Cash and cash equivalents	現金及現金等值項目	1,801,383	1,660,949
Other unallocated assets	其他未分配資產	30,849	153,421
Consolidated assets	綜合資產	2,474,092	2,535,010
SEGMENT LIABILITIES	分類負債		
Hotel operations	酒店經營	99,361	93,502
Securities trading	證券買賣	8,828	9,354
Total segment liabilities	分類負債總額	108,189	102,856
Tax liabilities	稅項負債	76,874	79,048
Deferred taxation	遞延稅項	41,154	46,583
Consolidated liabilities	綜合負債	226,217	228,487

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

6. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (CONTINUED)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than assets relating to investment properties, available-for-sale investments, interest in a joint venture, amount due from a joint venture, cash and cash equivalents and other unallocated assets; and
- all liabilities are allocated to operating segments other than liabilities relating to current and deferred tax liabilities.

Other segment information

2017

	Hotel operations HK\$'000 酒店經營 千港元	Securities trading HK\$'000 證券買賣 千港元	Unallocated HK\$'000 未分配 千港元	Consolidated total HK\$'000 綜合合計 千港元
Amounts included in the measure of segment profit or loss or segment assets:	計量分類溢利或虧損或分類資產時計入之款項：			
Addition to property, plant and equipment	物業、機器及設備增加	4,283	–	4,283
Depreciation of property, plant and equipment	物業、機器及設備之折舊	37,400	–	37,660
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	21	–	21

6. 分類資料(續)

分類資產及負債(續)

為監察分類表現及對各分類作資源分配：

- 所有資產均會分配至經營分類，惟與投資物業、可供出售投資、於一家合營公司之權益、應收一家合營公司款項、現金及現金等值項目以及其他未分配資產有關之資產除外；及
- 所有負債均會分配至經營分類，惟與即期及遞延稅項負債有關之負債除外。

其他分類資料

二零一七年

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

6. SEGMENT INFORMATION (CONTINUED)

Other segment information (CONTINUED)

2016

		Hotel operations HK\$'000 酒店經營 千港元	Securities trading HK\$'000 證券買賣 千港元	Unallocated HK\$'000 未分配 千港元	Consolidated total HK\$'000 綜合合計 千港元
Amounts included in the measure of segment profit or loss or segment assets:	計量分類溢利或虧損 或分類資產時計入 之款項：				
Addition to property, plant and equipment	物業、機器及設備增加	14,243	—	—	14,243
Depreciation of property, plant and equipment	物業、機器及設備 之折舊	26,705	—	3,277	29,982
Gain on disposal of property, plant and equipment	出售物業、機器及設備 之收益	3,628	—	—	3,628

Geographical information

The Group operates in two principal geographical areas – the PRC and Hong Kong.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of services provided in respect of hotel operations:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Hong Kong	香港	96,343	93,656
The PRC	中國	155,968	148,640
		252,311	242,296

6. 分類資料(續)

其他分類資料(續)

二零一六年

地域資料

本集團在兩個主要地域經營業務—中國及香港。

本集團來自外部客戶之持續經營業務收入，按提供服務所在地(就酒店經營而言)呈列之資料：

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

6. SEGMENT INFORMATION (CONTINUED)

Geographical information (CONTINUED)

Information about the Group's non-current assets presented based on the location of assets is detailed below:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
The PRC	中國	553,329	566,113
Hong Kong	香港	31,582	61,157
		584,911	627,270

Note: Non-current assets excluded available-for-sale investments.

Information about major customers and services

There was no revenue from any single external customers that contributed over 10% on the total sales of the Group during the years ended 31 December 2017 and 2016.

No analysis of the Group's revenue from its major services and securities trading is presented as no discrete financial information is prepared based on this analysis and the cost to develop it would be excessive.

6. 分類資料(續)

地域資料(續)

有關本集團非流動資產按資產所在地呈列之資料詳列如下：

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
The PRC	553,329	566,113
Hong Kong	31,582	61,157
	584,911	627,270

附註：非流動資產不包括可供出售投資。

有關主要客戶及服務之資料

於截至二零一七年及二零一六年十二月三十一日止年度，並無來自任何單一外部客戶之收入佔本集團總銷售額超過10%。

並無呈列本集團來自其主要服務及證券買賣之收入分析，原因為並無按此分析編製實質財務資料，而且編製之成本將會過高。

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綜合財務報表附註

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

7. INTEREST INCOME

7. 利息收入

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Interest income on:	源自下列項目之利息收入：		
Bank deposits and other receivables	銀行存款及其他應收賬款	8,574	5,339
Loan notes receivable	應收貸款票據	-	8,749
		8,574	14,088

8. OTHER INCOME, GAINS AND LOSSES

8. 其他收入、收益及虧損

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Fair value change of investments held for trading	持作買賣投資之公平價值變動	(39,264)	(5,765)
Gain on early redemption of loan notes receivable	提早贖回應收貸款票據之收益	-	8,371
Sundry income	雜項收入	625	2,756
(Loss) gain on disposal of property, plant and equipment	出售物業、機器及設備之(虧損)收益	(21)	3,628
		(38,660)	8,990

9. FINANCE COSTS

9. 融資成本

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Interest on other borrowings	其他借貸之利息	1,066	2,280

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綜合財務報表附註

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

10. LOSS BEFORE TAXATION

10. 除稅前虧損

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Loss before taxation has been arrived at after charging:	除稅前虧損已扣除下列各項：		
Depreciation of property, plant and equipment	物業、機器及設備之折舊	37,660	29,982
Auditor's remuneration	核數師酬金	3,816	3,600
Cost of inventories recognised as expenses	已確認為支出之存貨成本	23,222	17,616
Minimum lease payments paid in respect of rented premises	已付租賃物業之最低租金付款	35,646	34,142
Directors' emoluments (note 11)	董事酬金(附註11)	7,223	3,068
Salaries and allowances (excluding directors)	薪金及津貼(不包括董事)	78,211	71,464
Retirement benefits scheme contribution (excluding directors)	退休福利計劃供款(不包括董事)	6,062	10,464
Equity-settled share-based payment expenses (excluding directors)	以股本結算之以股代款開支(不包括董事)	9,610	-
Total staff costs	員工成本總額	101,106	84,996
and after crediting:	並已計入：		
Gross rental income from shops in hotel properties less negligible outgoings (included in revenue)	位於酒店物業內之商舖之租金收入總額減可忽略支出(已計入收入)	23,543	25,000

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11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND HIGHEST PAID EMPLOYEES

The emoluments paid or payable to each of the six (2016: six) directors and the chief executive were as follows:

For the year ended 31 December 2017

11. 董事及行政總裁酬金及最高薪酬僱員

已付或應付六名(二零一六年: 六名)董事及行政總裁各人之酬金如下:

截至二零一七年十二月三十一日止年度

	Fees HK\$'000 袍金 千港元	Salaries and other benefits HK\$'000 薪金及 其他福利 千港元	Retirement benefit scheme contributions HK\$'000 退休福利 計劃供款 千港元	Equity-settled share-based payment expenses HK\$'000 以股本結算之 以股代款開支 千港元	Total emoluments HK\$'000 總酬金 千港元
Executive directors: 執行董事:					
Dr. Yap, Allan 葉家海博士	120	-	-	1,677	1,797
Ms. Chan Ling, Eva* 陳玲女士*	-	2,760	18	1,677	4,455
Mr. Chan Pak Cheung, Natalis 陳百祥先生	-	-	-	430	430
Independent non-executive directors: 獨立非執行董事:					
Mr. Kwok Ka Lap, Alva 郭嘉立先生	80	-	-	107	187
Mr. Poon Kwok Hing, Albert 潘國興先生	80	-	-	107	187
Mr. Sin Chi Fai 冼志輝先生	60	-	-	107	167
	340	2,760	18	4,105	7,223

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

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND HIGHEST PAID EMPLOYEES (CONTINUED)

For the year ended 31 December 2016

11. 董事及行政總裁酬金及最高薪酬僱員(續)

截至二零一六年十二月三十一日止年度

		Fees HK\$' 000	Salaries and other benefits HK\$' 000	Retirement benefit scheme contributions HK\$' 000	Total emoluments HK\$' 000
		袍金 千港元	薪金及 其他福利 千港元	退休福利 計劃供款 千港元	總酬金 千港元
Executive directors:	執行董事：				
Dr. Yap, Allan	葉家海博士	120	—	—	120
Ms. Chan Ling, Eva*	陳玲女士*	—	2,750	18	2,768
Mr. Chan Pak Cheung, Natalis	陳百祥先生	—	—	—	—
Independent non-executive directors:	獨立非執行董事：				
Mr. Kwok Ka Lap, Alva	郭嘉立先生	60	—	—	60
Mr. Poon Kwok Hing, Albert	潘國興先生	60	—	—	60
Mr. Sin Chi Fai	冼志輝先生	60	—	—	60
		300	2,750	18	3,068

* Ms. Chan Ling, Eva is also the chief executive of the Company and her emoluments disclosed above include those for services rendered by her as the chief executive.

* 陳玲女士亦為本公司行政總裁，而其於上文所披露之酬金包括其作為行政總裁提供服務之酬金。

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

上列執行董事酬金乃關於彼等就管理本公司及本集團之事務所提供之服務。上列獨立非執行董事酬金乃關於彼等出任本公司董事所提供之服務。

There was no arrangement under which a director of the chief executive waived or agreed to waive any emoluments for both years.

於兩個年度概無董事或行政總裁放棄或同意放棄任何酬金之安排。

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綜合財務報表附註

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

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND HIGHEST PAID EMPLOYEES (CONTINUED)

During the years ended 31 December 2017 and 2016, except for mentioned above, no other emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office.

Of the five individuals with the highest emoluments in the Group, two (2016: one) were directors including chief executive of the Company whose emoluments are included in the disclosures above.

The emoluments of the remaining three (2016: four) highest paid individuals were as follows for both years:

11. 董事及行政總裁酬金及最高薪酬僱員 (續)

截至二零一七年及二零一六年十二月三十一日止年度，除上文所述外，本集團概無支付其他酬金予任何董事作為加入或加入本集團後之獎勵或作為離職之補償。

本集團五位最高薪酬人士中，兩位（二零一六年：一位）為董事（包括本公司行政總裁），其酬金已在上文披露。

本集團於兩個年度支付予餘下三位（二零一六年：四位）最高薪酬人士之酬金如下：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Salaries and other benefits	薪金及其他福利	2,795	3,364
Retirement benefit scheme contributions	退休福利計劃供款	54	72
Equity-settled share-based payment expenses	以股本結算之以股代款開支	103	-
		2,952	3,436
		2017 二零一七年	2016 二零一六年
Their emoluments were within the following bands:	以下為彼等之酬金組別：		
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	1	3
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	2	1

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

12. INCOME TAX CREDIT (EXPENSE)

12. 所得稅抵免(開支)

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Current tax:	即期稅項：		
The PRC Enterprise Income Tax	中國企業所得稅	(6,164)	(3,598)
Underprovision in prior years	過往年度撥備不足	(87)	(100)
		(6,251)	(3,698)
Deferred tax (note 25):	遞延稅項(附註25)：		
Current year	本年度	8,809	3,033
		2,558	(665)

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits arise in Hong Kong for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

由於本集團於兩個年度並無於香港產生應課稅溢利，因此並無作出香港利得稅撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個年度之稅率為25%。

其他司法權區產生之稅項按相關司法權區之通行稅率計算。

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

12. INCOME TAX CREDIT (EXPENSE) (CONTINUED)

The income tax credit (expenses) for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

12. 所得稅抵免(開支)(續)

本年度之所得稅抵免(開支)可與綜合損益及其他全面收益表之除稅前虧損對賬如下：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Loss before taxation	除稅前虧損	(127,806)	(92,529)
Tax at the domestic income tax rate of 25% (Note)	按本地所得稅率25%(附註)計算之稅項	31,951	23,132
Tax effect of expenses that are not deductible in determining taxable profit	於釐定應課稅溢利時不可扣減之開支之稅務影響	(6,533)	(9,251)
Tax effect of income that is not taxable in determining taxable profit	於釐定應課稅溢利時毋須課稅之收入之稅務影響	2,307	7,798
Tax effect of tax losses not recognised	未確認之稅務虧損之稅務影響	(8,400)	(8,426)
Utilisation of tax losses previously not recognised	動用先前未確認之稅項務虧損	4,922	-
Tax effect of deductible temporary differences not recognised	未確認之可扣減暫時差異之稅務影響	(21,602)	(13,773)
Tax effect of share of result of a joint venture	應佔一家合營公司業績之稅務影響	-	(45)
Underprovision in prior years	過往年度撥備不足	(87)	(100)
Income tax credit (expense) for the year	本年度之所得稅抵免(開支)	2,558	(665)

Note: The domestic tax rate which is the PRC Enterprise Income Tax rate in the jurisdiction where the operation of the Group is substantially based is used.

附註：所使用本地稅率為本集團業務之主要根據地所在司法權區之中國企業所得稅率。

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

13. DIVIDEND

No dividend was proposed for the year ended 31 December 2017, nor has any dividend been proposed since the end of the reporting period.

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	用作計算每股基本及攤薄虧損之本公司擁有人應佔虧損	(116,128)	(86,438)
		Number of shares 股份數目	
		2017 二零一七年	2016 二零一六年
Weight average number of ordinary shares for the purpose of basic and diluted loss per share	用作計算每股基本及攤薄虧損之普通股加權平均數目	789,211,046	789,211,046

For the year ended 31 December 2017, diluted loss per share does not assume the exercise of the Company's share options because the exercise price of the options was higher than the average market price of shares for the period and the assumed exercise of the share option would result in a decrease in loss per share.

Diluted loss per share for the year ended 31 December 2016 was not presented as there were no dilutive potential ordinary shares in issue during the year.

13. 股息

截至二零一七年十二月三十一日止年度概無建議派付股息，而自呈報期結束以來亦無建議派付任何股息。

14. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按下列數據計算：

截至二零一七年十二月三十一日止年度，每股攤薄虧損並無假設行使本公司之購股權，原因是購股權之行使價較股份於期間之市場價格為高，假設行使購股權將會導致每股虧損減少。

截至二零一六年十二月三十一日止年度之每股攤薄虧損並無呈列，原因是年內並無已發行之潛在攤薄普通股。

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

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、機器及設備

		Hotel properties HK\$'000 (Notes)	Furniture and fixtures HK\$'000	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Office equipment and machinery HK\$'000	Vessels HK\$'000	Total HK\$'000
		酒店物業 千港元 (附註)	傢俬 及裝置 千港元	租賃 物業裝修 千港元	汽車 千港元	辦公室設備 及機器 千港元	船隻 千港元	合計 千港元
COST	成本							
At 1 January 2016	於二零一六年一月一日	646,937	32,295	113,684	503	31,415	35,606	860,440
Additions	添置	-	2,281	10,932	974	56	-	14,243
Disposals	出售	-	(18,684)	(3,571)	-	(2,077)	(35,606)	(59,938)
Currency realignment	幣值調整	(48,490)	(1,126)	(4,251)	(51)	(1,563)	-	(55,481)
At 31 December 2016	於二零一六年十二月三十一日	598,447	14,766	116,794	1,426	27,831	-	759,264
Additions	添置	-	2,129	1,764	292	98	-	4,283
Disposals	出售	-	(300)	(5,378)	-	(939)	-	(6,617)
Currency realignment	幣值調整	54,990	1,155	7,230	128	2,051	-	65,554
At 31 December 2017	於二零一七年十二月三十一日	653,437	17,750	120,410	1,846	29,041	-	822,484
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 January 2016	於二零一六年一月一日	214,303	28,248	93,656	431	27,058	26,489	390,185
Provided for the year	本年度撥備	22,198	1,191	3,161	90	215	3,127	29,982
Eliminated on disposals	出售時撇除	-	(18,649)	(3,571)	-	(2,050)	(29,616)	(53,886)
Currency realignment	幣值調整	(16,404)	(609)	(4,347)	(47)	(1,080)	-	(22,487)
At 31 December 2016	於二零一六年十二月三十一日	220,097	10,181	88,899	474	24,143	-	343,794
Provided for the year	本年度撥備	31,514	1,590	4,126	232	198	-	37,660
Eliminated on disposals	出售時撇除	-	(277)	(5,366)	-	(907)	-	(6,550)
Impairment loss recognised	已確認減值虧損	6,322	-	8,450	-	-	-	14,772
Currency realignment	幣值調整	22,842	868	6,122	92	1,773	-	31,697
At 31 December 2017	於二零一七年十二月三十一日	280,775	12,362	102,231	798	25,207	-	421,373
CARRYING VALUES	賬面值							
At 31 December 2017	於二零一七年十二月三十一日	372,662	5,388	18,179	1,048	3,834	-	401,111
At 31 December 2016	於二零一六年十二月三十一日	378,350	4,585	27,895	952	3,688	-	415,470

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15. PROPERTY, PLANT AND EQUIPMENT

(CONTINUED)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum, after taking into account of their estimate residual value.

Hotel properties (comprising land and buildings)	Over the term of lease of land use rights or the remaining year of co-operative period, if shorter
Furniture and fixtures	10% – 20%
Leasehold improvements	10% – 20% or the term of the lease of land use rights, if shorter
Motor vehicles	8.33% – 20%
Office equipment and machinery	20%
Vessels	12%

Notes:

- (a) Included in the hotel properties in the PRC is a hotel property of approximately HK\$152,305,000, net of impairment loss of HK\$6,322,000 (2016: HK\$163,559,000, net of impairment loss of nil) situated in Guangzhou, in which the Group holds land use rights and property right of the hotel property for a term expiring in January 2037, under the name of Rosedale Hotel Guangzhou Co., Ltd. (“Rosedale Guangzhou”).

Pursuant to a co-operative agreement between Allied Glory Investment Limited (“Allied Glory”), an indirect non-wholly owned subsidiary of the Company, and the minority shareholder (the “PRC Partner”) of Rosedale Guangzhou, the co-operative period for Rosedale Guangzhou is 50 years commencing from 15 January 1987.

15. 物業、機器及設備(續)

以上物業、機器及設備項目乃於計及其估計剩餘價值後，按直線基準以下列年率折舊。

酒店物業 (包括土地 及樓宇)	按土地使用權之租賃 年期或合作期間剩 餘年數(以較短者 為準)
傢俬及裝置	10% – 20%
租賃物業裝修	10% – 20%或土地 使用權之租賃年期 (以較短者為準)
汽車	8.33% – 20%
辦公室設備 及機器	20%
船隻	12%

附註：

- (a) 於中國之酒店物業包括一座位於廣州市為152,305,000港元(扣除減值虧損6,322,000港元)(二零一六年：163,559,000港元(扣除減值虧損零))之酒店物業，該酒店物業之土地使用權及房屋產權由本集團以廣州珀麗酒店有限公司(「廣州珀麗」)之名義持有而年期將於二零三七年一月屆滿。

根據合榮投資有限公司(「合榮」，其為本公司之間接非全資附屬公司)與廣州珀麗之少數股東(「中國夥伴」)訂立之合作經營合同書，廣州珀麗的合作期為一九八七年一月十五日起計五十年。

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15. PROPERTY, PLANT AND EQUIPMENT

(CONTINUED)

Notes: (CONTINUED)

(a) (CONTINUED)

Rosedale Guangzhou is a sino-foreign co-operative joint venture incorporated in the People's Republic of China and its major asset is a hotel property located in Guangzhou (the "Rosedale Guangzhou Hotel"), which it owns and operates. The rights and ownership of Rosedale Guangzhou Hotel would be transferred to the PRC Partner upon the completion of the co-operative period. Pursuant to the approval issued by the Foreign Economic and Trade Commission (the "FETC"), Rosedale Guangzhou was granted an initial co-operative period of 30 years and such approval also stated that, subject to the satisfaction of certain conditions, the co-operative period could be extended for a further period of time but not more than 20 years. Rosedale Guangzhou was then granted a business licence with a period of 30 years which expired on 15 January 2017. Upon expiry of the business licence, the PRC Partner refused to cooperate with Allied Glory to jointly apply for the extension of the business licence to 15 January 2037.

Allied Glory applied for an arbitral award (the "Arbitral Award") to restate the co-operative period to 50 years and require the PRC Partner to cooperate in the application process of the relevant licence of Rosedale Guangzhou for an extension to 15 January 2037.

On 3 May 2017, Allied Glory received an Arbitral Award issued by the China International Economic and Trade Arbitration Commission (the "CIETAC") pursuant to which the co-operative period for Rosedale Guangzhou under the co-operative agreement made shall be extended until 15 January 2027 and the PRC Partner shall provide all necessary assistance to Rosedale Guangzhou in the application process for extending its business licence.

15. 物業、機器及設備(續)

附註：(續)

(a) (續)

廣州珀麗為在中華人民共和國註冊成立的中外合作經營企業，其主要資產為一項位於廣州之酒店物業（「廣州珀麗酒店」）而廣州珀麗酒店由廣州珀麗擁有及經營。廣州珀麗酒店之權利及擁有權將於合作期完成後轉移至中國夥伴。根據對外經濟貿易委員會發出之批准，廣州珀麗的初步合作期為三十年，而該批准亦訂明，在符合若干條件之情況下，合作期可進一步延長不多於二十年期。廣州珀麗當時所取得的三十年期營業執照已於二零一七年一月十五日屆滿。於營業執照屆滿後，中國夥伴拒絕與合榮合作共同申請將營業執照延期至二零三七年一月十五日。

合榮申請裁決書（「裁決書」）以將合作期重列至五十年並要求中國夥伴須在將廣州珀麗的相關執照延期至二零三七年一月十五日之申請過程中合作。

於二零一七年五月三日，合榮收到中國國際經濟貿易仲裁委員會（「仲裁委員會」）發出的裁決書，據此，合作經營合同書項下的廣州珀麗合作期須延長至二零二七年一月十五日，且中國夥伴在廣州珀麗辦理申請延長其營業執照的過程中須提供一切必須協助。

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15. PROPERTY, PLANT AND EQUIPMENT

(CONTINUED)

Notes: (CONTINUED)

(a) (CONTINUED)

The Arbitral Award, being a final award, took effect on the date of issue and is legally binding on all parties to the arbitration. The PRC Partner had, however, refused and/or failed to cooperate with Allied Glory to apply for such extension. Allied Glory then submitted an application to Guangzhou Intermediate Peoples' Court (the "Intermediate Court") for enforcement of the Arbitral Award and the application was accepted by the Intermediate Court in July 2017. The Intermediate Court directed such application to Guangzhou Haizhu Court which subsequently issued an execution order (the "Execution Order") to Bureau of Guangzhou Haizhu Industry and Information Technology ("海珠區科技工業商務和信息化局") and Bureau of Guangzhou Haizhu Market and Quality Supervision ("廣州市海珠區市場和質量監督管理局") on 14 September 2017 enabling Allied Glory to apply for the relevant business licence. On 30 November 2017, the Execution Order was suspended due to fact that, based on the reply from the Bureau of Guangzhou Haizhu Market and Quality Supervision, the unilateral application for the extension of the business licence could not proceed as it is subject to further re-submission with relevant extension documents.

The management of the Group is currently taking appropriate steps to enforce the Arbitral Award in accordance with all applicable laws and regulations. As of the date of this report, the renewal of the business licence is still being held up by the PRC Partner and cannot be further proceeded. The management is in the process of evaluating certain legal options so as to obtain the extension of the business licence. However, should the Group be unable to successfully extend the business licence period, the hotel operations of Rosedale Guangzhou may be affected and further impairment of the hotel property may be required.

15. 物業、機器及設備(續)

附註：(續)

(a) (續)

裁決書屬最終裁決，於發出日期生效並且對參與仲裁各方具有法律約束力。然而，中國夥伴已拒絕及／或未有與合榮合作以申請有關延期。合榮繼而向廣州市中級人民法院(「中級法院」)提出申請執行裁決書，而申請已獲得中級法院於二零一七年七月接納。中級法院將該申請指示廣州海珠法院處理，並其後於二零一七年九月十四日向海珠區科技工業商務和信息化局及廣州市海珠區市場和質量監督管理局發出執行令(「執行令」)，讓合榮申請相關營業執照。於二零一七年十一月三十日，執行令遭撤銷，原因是根據廣州市海珠區市場和質量監督管理局的回覆，單方面申請延長營業執照須待進一步再次呈交相關延期文件後方可進行。

本集團管理層現正採取合適步驟以根據所有適用法律及法規並在其規限下執行裁決書。於本報告日期，重續營業執照仍然受到中國夥伴阻撓及無法繼續辦理。管理層現正評估若干法律方案以便獲得營業執照延期。然而，倘若本集團無法將營業執照有效期順利延長，則廣州珀麗之酒店營運可能受到影響及可能須對酒店物業作出進一步減值。

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15. PROPERTY, PLANT AND EQUIPMENT

(CONTINUED)

Notes: (CONTINUED)

(a) (CONTINUED)

Change of depreciation rate of the hotel property during the year

As a result of the arbitral award issued by CIETAC on 3 May 2017, hotel property has been changed to be depreciated according to the remaining 10 years of co-operative period with effect from 1 January 2017. This change in depreciation rate has increased the depreciation charge of the hotel property held by Rosedale Guangzhou for the year by approximately HK\$9,540,000.

(b) Included in the hotel properties in the PRC is a hotel property with a carrying value of approximately HK\$168,319,000 (2016: HK\$164,480,000) situated in Shenyang, in which the Group holds land use rights and property right of the hotel property for a term expiring on 28 April 2046.

(c) Included in the hotel properties in the PRC is a hotel property with a carrying value of approximately HK\$52,038,000, net of accumulated impairment loss of HK\$17,496,000 (2016: HK\$50,311,000 net of accumulated impairment loss of HK\$17,496,000) situated in Luoyang, in which the Group holds the property right. The land use rights of the hotel property is currently held by Luoyang Power Supply Bureau (now known as Luoyang Power Supply Company of Henan Province Electric Power Company of State Grid), a non-controlling shareholder of the subsidiary holding the hotel property. Pursuant to a land use rights agreement entered into between Luoyang Power Supply Bureau and the subsidiary of the Group on 15 April 1999 (before the Group acquired the said subsidiary in 2004), Luoyang Power Supply Bureau agreed to permit the said subsidiary to use the land upon a term commencing from April 1999 to April 2049 for hotel use.

During the years ended 31 December 2017 and 2016, the Group incurred operating losses in hotel operations segment, and there were certain adverse changes in the market and economic environment in hotel operations located, the management have reviewed the recoverability of the relevant carrying amounts of these cash generating units ("CGUs"), which is based on each of the hotel operations located that generate independent cash flows, and the recoverability of the relevant carrying amounts of the individual assets of property, plant and equipment if their fair value less costs of disposal is available, as appropriate.

15. 物業、機器及設備(續)

附註：(續)

(a) (續)

年內更改酒店物業之折舊率

由於仲裁委員會於二零一七年五月三日發出裁決書，由二零一七年一月一日起，酒店物業已更改為按合作期剩餘10年折舊。此項折舊率更改已增加廣州珀麗持有之酒店物業之每年折舊開支約9,540,000港元。

(b) 於中國之酒店物業包括一座位於瀋陽市賬面值約168,319,000港元(二零一六年：164,480,000港元)之酒店物業，該酒店物業之土地使用權及房屋產權由本集團持有而年期將於二零四六年四月二十八日屆滿。

(c) 於中國之酒店物業包括一座位於洛陽市賬面值約52,038,000港元(扣除累計減值虧損17,496,000港元)(二零一六年：50,311,000港元(扣除減值虧損17,496,000港元))由本集團持有物業權益之酒店物業。該酒店物業之土地使用權現時由持有該酒店物業之附屬公司之非控股股東洛陽市電業局(現稱國網河南省電力公司洛陽供電公司)持有。根據洛陽市電業局及本集團該附屬公司於一九九九年四月十五日(於本集團在二零零四年收購該附屬公司前)訂立之土地使用權協議，洛陽市電業局同意批准上述附屬公司使用該土地，年期由一九九九年四月起至二零四九年四月止，以作酒店用途。

截至二零一七年及二零一六年十二月三十一日止年度，本集團於酒店經營分類產生經營虧損，並已於酒店業務所在市場及經濟環境出現若干不利轉變，管理層已審閱該等現金產生單位(「現金產生單位」)之相關賬面值之可收回程度，而有關現金產生單位乃按產生獨立現金流量所在之各酒店業務，以及個別物業、廠房及設備資產之相關賬面值(倘其公平價值減出售成本為可知)(如適用)之可收回程度而計算。

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15. PROPERTY, PLANT AND EQUIPMENT

(CONTINUED)

The recoverable amounts have been determined based on higher of fair value less cost of disposal or value-in-use calculations. The recoverable amount of the CGU of each hotel operations was based on its value in use and was determined with assistance of Asset Appraisal Limited, an independent professional qualified valuer not connected with the Group. The value in use calculation is a discounted cash flow model using cash flow projections based on five-year financial budgets, with reference to past performance and expectations for market development, approved by management and using a discount rate of 10.41% (2016: 10.27%). Cash flows after the 5 year period were extrapolated using a 3% (2016: 3%) growth rate in considering the economic condition of the market.

From the above assessment on each of the hotel operations located in the PRC, the recoverable amounts are HK\$152,305,000, HK\$203,760,000 and HK\$59,000,000 (2016: HK\$218,100,000, HK\$220,740,000 and HK\$53,000,000) for the hotel operations in Guangzhou, Shenyang and Luoyang, the PRC, respectively. An impairment loss of HK\$14,772,000 (2016: nil) was recognised in relation to the hotel property located in Guangzhou (allocating to the hotel property of HK\$6,322,000 based on its fair value less cost of disposal and leasehold improvement for the remaining of HK\$8,450,000), as its recoverable amount was estimated to be lower than its carrying amount mainly due to the shortening of the co-operative period of Rosedale Guangzhou to 15 January 2027 instead of 15 January 2037. There is no impairment loss identified for the respective hotel properties located in Shenyang (2016: nil) and Luoyang (2016: nil), based on the above impairment testing undertaken by the management.

15. 物業、機器及設備(續)

可收回金額乃根據公平價值減出售成本或使用價值之較高者釐定。各酒店業務之現金產生單位之可收回金額均基於其使用價值，並在與本集團並無關連之獨立專業合資格估值師中誠達資產評估顧問有限公司協助下釐定。使用價值計算為採用經管理層批准之五年期財務預算之現金流量預測及採用10.41%之貼現率(二零一六年：10.27%)之貼現現金流量模式，並參考過往表現及對市場發展之預期。有關五年期後之現金流量則在考慮市場之經濟狀況時，以3%(二零一六年：3%)之增長率進行推算。

從上文對位於中國之各酒店業務之評估，於中國之廣州、瀋陽及洛陽之酒店業務之可收回金額分別為152,305,000港元、203,760,000港元及59,000,000港元(二零一六年：218,100,000港元、220,740,000港元及53,000,000港元)。就位於廣州之酒店物業已確認減值虧損14,772,000港元(二零一六年：無)(分配至酒店物業之金額為6,322,000港元(根據其公平價值減出售成本而計算)及分配至租賃物業裝修之金額為餘下之8,450,000港元)，原因是其可收回金額估計低於其賬面值，乃主要由於廣州珀麗的合作期縮短至二零二七年一月十五日而並非二零三七年一月十五日。根據管理層進行之上述減值測試，並無識別減值虧損出現位於瀋陽(二零一六年：無)及洛陽(二零一六年：無)之酒店物業。

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16. INVESTMENT PROPERTIES

16. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平價值	
At 1 January 2016	於二零一六年一月一日	229,000
Currency realignment	幣值調整	(14,991)
Decrease in fair value recognised in the profit or loss	於損益確認之公平價值減少	(22,009)
At 31 December 2016	於二零一六年十二月三十一日	192,000
Currency realignment	幣值調整	13,529
Decrease in fair value recognised in the profit or loss	於損益確認之公平價值減少	(41,529)
At 31 December 2017	於二零一七年十二月三十一日	164,000

The fair value of the Group's investment properties at 31 December 2017 and 31 December 2016 has been arrived at on the basis of a valuation carried out on the respective dates by Norton Appraisals Limited ("Norton Appraisals"), an independent qualified professional valuer not connected to the Group.

Norton Appraisals is a member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of properties in the relevant locations. The fair value was determined based on the market comparison approach that reflects recent transaction prices for similar properties and also consider its term of operation up to 15 October 2023. There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties the highest and best use of the properties is their current use.

The Group's investment properties represent a completed complex for commercial use, which is situated on medium-term land use right in the PRC. The Group holds the property interest under operating lease to earn rentals and/or for capital appreciation. Accordingly, the property interest held under operating lease is measured using the fair value model and is classified and accounted for as investment properties.

本集團投資物業於二零一七年十二月三十一日及二零一六年十二月三十一日之公平價值經由與本集團並無關連之獨立合資格專業估值師普敦國際評估有限公司(「普敦國際評估」)於各自日期進行之估值釐定。

普敦國際評估為香港測量師學會會員，擁有適當資格，最近亦有評估相關地區物業價值之經驗。有關公平價值乃根據可反映類似物業近期成交價之市場比較法釐定，並計及二零二三年十月十五日止之經營年期。估值方法跟上一年度所用者並無變動。於估計該等物業之公平價值時，該等物業之最大及最佳用途為其當前用途。

本集團之投資物業指已落成之商用綜合大樓，乃位於中國之中期土地使用權。本集團以經營租賃持有物業權益以賺取租金及／或達致資本增值。因此，以經營租賃持有之物業權益乃使用公平價值模型計量，並分類及入賬列為投資物業。

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16. INVESTMENT PROPERTIES (CONTINUED)

The following table gives information about how the fair value of the investment properties is determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurement is categorised based on the degree to which the inputs to the fair value measurement is observable.

16. 投資物業 (續)

下表載列投資物業公平價值之釐定方法 (尤其是所採用估值方法及輸入數據)，以及按照公平價值計量輸入數據之可觀察程度劃分公平價值計量之公平價值層級。

Fair value hierarchy 公平價值層級	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大無法觀察輸入數據	Relationship of unobservable inputs to fair value 無法觀察輸入數據與公平價值之關係
Level 3 第三級	<p>Direct comparison approach 直接比較法</p> <p>The key inputs are: 主要輸入數據為：</p> <p>Price per square metre of RMB5,200 (2016: RMB6,600) taking adjusting factors on location and residual operating period 每平方米價格人民幣5,200元 (二零一六年：人民幣6,600 元)，計及對位置及剩餘經 營期之調整系數</p>	<p>Adjusting factors: 調整系數：</p> <p>(a) ranging from 20% to 50% (2016: 20% to 50%) on location; 有關位置，介乎20%至 50% (二零一六年： 20%至50%)；</p> <p>(b) 34% (2016: 42%) on residual operating period 有關剩餘經營期，34% (二零一六年：42%)</p>	<p>A slight increase in the adjusting factor on location will decrease significantly the fair value, and vice versa. 位置調整系數輕微上升，會 導致公平價值大幅減少， 反之亦然。</p> <p>A slight increase in the adjusting factor on residual operating period will increase significantly the fair value, and vice versa. 剩餘經營期調整系數輕微上 升，會導致公平價值大幅 增加，反之亦然。</p>

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16. INVESTMENT PROPERTIES (CONTINUED)

Fair value measurements and valuation processes

In estimating the fair value of the Group's investment property, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation of the Group's investment property. At the end of each reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Group.

Information about the valuation techniques and inputs used in determining the fair value of the Group's investment property is disclosed above.

There were no transfers into or out of Level 3 for both years.

The resulting decrease in fair value of the investment property of approximately HK\$41,529,000 for the year ended 31 December 2017 (2016: HK\$22,009,000) has been recognised in the profit or loss.

16. 投資物業(續)

公平價值計量及估值程序

於估計本集團投資物業之公平價值時，本集團使用可得之市場可觀察數據。倘並無第一級輸入數據可供使用，本集團會委聘第三方合資格估值師就本集團投資物業進行估值。於各呈報期結束時，本集團管理層與合資格外聘估值師緊密合作，確立並釐定合適之估值方法及輸入數據作第二級及第三級公平價值計量。本集團會首先考慮並採納第二級輸入數據(可衍生自活躍市場可觀察報價之輸入數據)。倘並無第二級輸入數據可供使用，本集團將採納納入第三級輸入數據之估值方法。倘資產公平價值有重大變動，會向本集團董事會匯報波動之原因。

有關釐定本集團投資物業公平價值時所用估值方法及輸入數據之資料，已於上文披露。

於兩個年度內，概無轉入第三級或自當中轉出之情況。

由此產生截至二零一七年十二月三十一日止年度之投資物業公平價值減少約41,529,000港元(二零一六年：22,009,000港元)已於損益確認。

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17. INTEREST IN A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE

17. 於一家合營公司之權益／應收一家合營公司款項

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Cost of investment – unlisted	非上市投資之成本	–	–
Share of post-acquisition loss and other comprehensive expense, net of dividend received	應佔收購後虧損及其他全面支出，扣除已收股息	(7,624)	(7,624)
Deemed capital contribution – interest-free loan	視作出資－免息貸款	7,624	7,624
		–	–
Amount due from a joint venture (a)	應收一家合營公司款項(a)	27,983	27,983
Less: Impairment loss recognised (b)	減：已確認減值虧損(b)	(27,983)	(27,983)
		–	–

(a) The amount due from a joint venture with principal of US\$4,500,000 (equivalent to approximately HK\$35,000,000) (2016: US\$4,500,000 (equivalent to approximately HK\$35,000,000)) was unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of the directors, settlement is neither planned nor likely to occur in the foreseeable future. The directors considered that the amount forms part of the net investment in the joint venture and the amount of the capital contribution of HK\$7,624,000 arising from the interest free loan was determined based on the present value of future cash flows discounted using an effective interest rate of 5% repayable in 5 years.

(b) As at 31 December 2016, the management identified an impairment loss of HK\$27,983,000 recognised in profit or loss due to poor performance of the joint venture and the net liabilities position of the joint venture amounting to HK\$65,816,000 as at 31 December 2016.

(a) 應收一家合營公司款項之本金4,500,000美元(相當於約35,000,000港元)(二零一六年: 4,500,000美元(相當於約35,000,000港元))為無抵押、免息及無固定還款期。董事認為，並無有關結清款項之計劃或有關款項之結清在可見將來可能會發生。董事認為有關款項構成於該合營公司之投資淨額的一部份，而自免息貸款產生之出資金額7,624,000港元，乃以5%之實際利率貼現未來現金流量所得出之現值而釐定，須於五年內償還。

(b) 於二零一六年十二月三十一日，管理層於損益中確認減值虧損27,983,000港元，原因為該合營公司之表現遜色及該合營公司於二零一六年十二月三十一日錄得65,816,000港元之負債淨額。

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17. INTEREST IN A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE (CONTINUED)

As at 31 December 2017 and 2016 the Group had interest in the following joint venture:

Name of entity 實體名稱	Form of entity 實體形式	Place of incorporation/ principal place of operation 成立地點/ 主要營業地點	Class of share held 所持股份類別	Proportion of nominal value of issued capital held by the Group 本集團持有之 已發行股本之面值比率		Proportion of voting rights held by the Group 本集團持有之 投票權比率		Principal activities 主要業務
				2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Star One Investments Limited ("Star One")	Limited liability company	The British Virgin Islands (the "BVI")/the PRC	Ordinary share	50%	50%	50%	50%	Investment holding 投資控股
Star One Investments Limited ("Star One")	有限責任公司	英屬維爾京群島(「英屬維爾京群島」)/中國	普通股					

Summarised financial information of the joint venture

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

The joint venture is accounted for using the equity method in these consolidated financial statements.

17. 於一家合營公司之權益/應收一家合營公司款項(續)

於二零一七年及二零一六年十二月三十一日，本集團擁有以下合營公司之權益：

合營公司之財務資料概要

下文載列本集團合營公司之財務資料概要。下列財務資料概要代表合營公司按照香港財務報告準則編製的財務報表中所示金額。

合營公司以權益法在本綜合財務報表入賬。

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Current assets	流動資產	3,879	3,879
Non-current assets	非流動資產	216,186	227,145
Current liabilities	流動負債	(13,284)	(14,459)
Non-current liabilities	非流動負債	(318,203)	(282,381)

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17. INTEREST IN A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE (CONTINUED)

Summarised financial information of the joint venture (CONTINUED)

Major items included in the above:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Non-current assets	非流動資產		
– Property, plant and equipment	– 物業、機器及設備	216,186	227,145
Non-current liabilities	非流動負債		
– Amount due to shareholders	– 應付股東款項	198,715	153,420
– bank borrowing	– 銀行借貸	119,488	128,961
		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Revenue for the year	年度收入	–	–
Loss and total comprehensive expense for the year	年度虧損及全面開支總額	(45,606)	(50,926)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

17. 於一家合營公司之權益／應收一家合營公司款項(續)

合營公司之財務資料概要(續)

上文包括之主要項目為：

上列財務資料概要與綜合財務報表中確認之於合營公司權益之賬面值的對賬：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Net liabilities of Star One	Star One之負債淨額	(111,422)	(65,816)
Proportion of the Group's ownership interest in Star One	本集團於Star One之擁有權權益之比例	50%	50%
Deemed capital contribution	視作出資—免息貸款	(55,711)	(32,908)
– interest-free loan		7,624	7,624
Cumulative unrecognised share of loss of the joint venture	應佔該合營公司虧損之累計未確認金額	48,087	25,284
Carrying amount of the Group's interest in Star One	本集團於Star One之權益之賬面值	–	–

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18. AVAILABLE-FOR-SALE INVESTMENTS

18. 可供出售投資

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Equity securities	股本證券		
Unlisted shares, at cost	非上市股份，按成本值	63,877	63,877
Less: Impairment losses recognised	減：已確認減值虧損	(63,877)	63,877
Amounts shown under non-current assets 非流動資產項下所示金額		—	—

Particulars of the Group's major available-for-sale investments as at 31 December 2017 and 2016 are as follows:

於二零一七年及二零一六年十二月三十一日，本集團之主要可供出售投資詳情如下：

Name of entity 實體名稱	Place of establishment/ incorporation 成立/註冊 成立地點	Paid up capital/ registered capital 繳足股本/ 註冊資本 '000 千元	Proportion of nominal value of issued/registered capital held by the Group 本集團持有之已發行股本/ 註冊資本面值之比率		Interest attributable to the Group 本集團應佔權益		Principal activities 主要業務
			2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
廣州銀豪地產開發有限公司 ("廣州銀豪") (Note a)	The PRC	RMB8,000	25%	25%	25%	25%	Property investment
廣州銀豪地產開發有限公司 ("廣州銀豪") (附註a)	中國	人民幣8,000元					物業投資
More Cash Ltd. ("More Cash") (Note b)	The BVI	US\$10	6%	6%	6%	6%	Property investment
More Cash Ltd. ("More Cash") (附註b)	英屬維爾京群島	10美元					物業投資

Notes:

附註：

- (a) Though a subsidiary of the Group holds a 25% interest in 廣州銀豪, the directors considered that the Group cannot exercise significant influence on the financial and operating policies of 廣州銀豪 and accordingly, it is classified as an available-for-sale investment.
- (b) More Cash wholly holds a subsidiary, 廣州江南房產有限公司, which is incorporated in the PRC and engaged in property development in the PRC.

- (a) 雖然本集團一家附屬公司持有廣州銀豪25%之權益，惟董事認為本集團不能對廣州銀豪之財務及經營政策行使重大影響力，故廣州銀豪被分類為一項可供出售投資。
- (b) More Cash全資持有一家於中國註冊成立之附屬公司廣州江南房產有限公司，該附屬公司於中國從事地產發展。

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18. AVAILABLE-FOR-SALE INVESTMENTS

(CONTINUED)

The above unlisted investments represent investments in unlisted equity securities issued by private entities established in the PRC or incorporated in the BVI. They were measured at cost less impairment at end of the reporting period because the range of reasonable fair value estimates was so significant that the directors of the Company were of the opinion that their fair values cannot be measured reliably.

At 31 December 2017, the accumulated impairment losses of the available-for-sale investments were HK\$63,877,000 (2016: HK\$63,877,000) after taking into account of the financial position of the investees.

19. OTHER ASSETS

Rental deposits for hotel operating agreements

酒店經營協議之租金押金

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
----------------------------------	----------------------------------

19,800

19,800

The amounts represented rental deposit paid in connection with hotel operating agreements, which entitle the Group to manage and operate a hotel exclusively in Hong Kong for a period of 6 years. The rental deposits are fully refundable upon the end of the lease term.

該等款項指與酒店經營協議有關之已付租金押金。酒店經營協議賦予本集團權利，獨家管理及經營香港一家酒店為期六年。租金押金可於租約期滿時全數退還。

20. INVENTORIES

The inventories were carried at cost and represent principally food, beverages and general stores which are to be utilised in the ordinary course of operations.

18. 可供出售投資 (續)

上述非上市投資指於中國成立或於英屬維爾京群島註冊成立之私人實體所發行之非上市股本證券之投資。由於該等投資之合理公平價值估計範圍頗大，本公司董事認為不能可靠地計量有關公平價值，故該等投資於呈報期結束時按成本值減減值計量。

於二零一七年十二月三十一日，經計及被投資公司之財務狀況後，可供出售投資之累計減值虧損為63,877,000港元（二零一六年：63,877,000港元）。

19. 其他資產

20. 存貨

存貨以成本列賬，主要為日常業務過程中使用之食品、飲品及一般用品。

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21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收賬款

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Trade receivables	貿易應收賬款	7,095	8,371
Rental and utility deposits	租金及水電按金	1,342	3,087
Other receivables and prepayments	其他應收賬款及預付款項	54,462	172,892
		62,899	184,350
Total trade and other receivables	貿易及其他應收賬款總額	62,899	184,350

The Group allows an average credit period of 30 days to its trade customers. The following is an analysis of trade receivables by age, presented based on invoice date at the end of the reporting period which approximated the respective revenue recognition date.

本集團給予其貿易客戶之平均賒賬期為30日。以下為貿易應收賬款於呈報期結束時按發票日期(與相關收入確認日期相若)呈列之賬齡分析。

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
0 – 30 days	0至30日	6,222	6,669
31 – 60 days	31至60日	637	1,169
61 – 90 days	61至90日	150	367
Over 90 days	超過90日	86	166
		7,095	8,371

Before accepting any new customers, the Group has assessed the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed once a year, and the Group reviews the repayment history of receivables by each customer with reference to the payment terms stated in contracts to determine the recoverability of a trade receivable. In the opinion of the directors of the Company, the trade receivables that are neither past due nor impaired have good credit quality at the end of the reporting period with reference to past settlement history.

本集團在接納任何新客戶前，已評估準客戶之信貸質素，並釐定該客戶之信貸限額。客戶獲授之限額會每年檢討一次，而本集團參照合約所列之付款條款檢討每名客戶償還應收賬款之紀錄，以釐定貿易應收賬款之可收回程度。本公司董事認為，參照過往之清償紀錄，於呈報期結束時並未逾期且未有減值之貿易應收賬款具有良好信貸質素。

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21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK\$873,000 (2016: HK\$1,702,000) which are past due at the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired

31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	超過90日
Total	總計

The Group performed assessment on individual trade receivables and no allowance was recognised for both years.

21. 貿易及其他應收賬款(續)

本集團之貿易應收賬款結餘包括總賬面值約873,000港元(二零一六年: 1,702,000港元)之貿易應收賬款。該等貿易應收賬款於呈報期結束時已逾期, 但本集團並無就此作出減值虧損撥備, 原因是該等貿易應收賬款之信貸質素並無重大變動, 金額仍被視為可收回。本集團並無就該等結餘持有任何抵押品。

已逾期但未減值之貿易應收賬款之賬齡

2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
637	1,169
150	367
86	166
873	1,702

本集團會評估個別貿易應收賬款, 並無就兩個年度確認撥備。

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21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivables and prepayments

On 31 December 2014, the Company and two independent third parties (the “Third Parties”) entered into agreements, pursuant to which the Company agreed to provide a short term interest-free advance of HK\$75 million (the “Loan”) to the Third Parties for on-lending to a target company (the “Target”) and its subsidiaries (the “Target Group”) in order to facilitate an acquisition of the entire equity interest in a PRC Company, which is an entity established under the laws of the PRC and is principally engaged in property leasing and management, and owns a parcel of land in Zhuhai, the PRC. Simultaneously, the Company also entered into a framework agreement that subject to completion of the possible acquisition to invest an aggregate amount of HK\$300 million for redevelopment of the land and properties of the PRC Company. In order to secure the Company’s interest in this on-lending advancement, (i) a deed of share charge was executed over the entire issued share capital of the Target in favour of the Company; and (ii) the Target has executed a deed of share charge over the entire issued share capital of its subsidiary incorporated in Hong Kong in favour of the Company, as the security to the advancement for the Company.

21. 貿易及其他應收賬款(續)

其他應收賬款及預付款項

於二零一四年十二月三十一日，本公司與兩名獨立第三方(「第三方」)訂立協議，據此，本公司同意向第三方提供短期免息墊款75,000,000港元(「該貸款」)，以轉借予目標公司(「目標公司」)及其附屬公司(「目標集團」)，以便其收購一家中國公司之全部股本權益。該中國公司為一家根據中國法律成立之實體，主要從事物業租賃及管理業務，並在中國珠海擁有一幅土地。與此同時，本公司亦訂立一份框架協議，待可能收購事項完成後，投資合共300,000,000港元，以重新發展中國公司之土地及物業。作為本公司於此項轉借墊款之權益之抵押，(i)已簽立一份股份抵押契據，以本公司為受益人將目標公司全部已發行股本抵押；及(ii)目標公司已簽立一份股份抵押契據，以本公司為受益人將其於香港註冊成立之附屬公司全部已發行股本抵押，以作為本公司提供墊款之抵押品。

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21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivables and prepayments (CONTINUED)

During the years ended 31 December 2015 and 2016, the Group and the counterparties further entered into the several extension letters to further extend the repayment date of the Loan and the Loan was extended to 30 June 2017. Details are set out in the Company's announcements dated 31 December 2014, 31 March 2015, 30 June 2015, 30 September 2015, 30 December 2015, 30 April 2016 and 29 December 2016. During the year ended 31 December 2017, the directors have reviewed the recoverability of the advance by taking into consideration of the current progress of the Target in the acquisition of equity interest in the PRC Company and considered to enter into another extension letter with the counterparties to further extend the repayment date of the Loan to 31 December 2017. If the formal agreement is not entered into on or before 31 December 2017, the framework agreement shall lapse with effect from 1 January 2018. Details are set out in the Company's announcement dated 22 June 2017.

On 29 December 2017, the Loan was fully repaid by the Third Parties and no formal agreement was entered on or before 31 December 2017.

As at 31 December 2016, included in the other receivables were certain unsecured and unguaranteed loans to independent third parties of HK\$73,158,000 with repayment terms within one year and interest bearing from 5% to 9% (2016: 5% to 9%) per annum. During the year ended 31 December 2017, all unsecured and unguaranteed loans to independent third parties were repaid on their respective due dates.

As at 31 December 2017, the balance represents mainly prepayments and other receivables for operation use.

21. 貿易及其他應收賬款(續)

其他應收賬款及預付款項(續)

於截至二零一五年及二零一六年十二月三十一日止年度，本集團與對手方進一步訂立數份延期函件，將該貸款之還款日期進一步押後，而該貸款已延展至二零一七年六月三十日。詳情載於本公司日期為二零一四年十二月三十一日、二零一五年三月三十一日、二零一五年六月三十日、二零一五年九月三十日、二零一五年十二月三十日、二零一六年四月三十日及二零一六年十二月二十九日之公佈。於截至二零一七年十二月三十一日止年度，董事已考慮目標公司於收購一家中國公司股本權益之目前進度而檢討該墊款之可收回程度，並經考慮後與對手方訂立另一份延期函件，將貸款之還款日期進一步押後至二零一七年十二月三十一日。倘於二零一七年十二月三十一日或之前並未訂立正式協議，則框架協議將於二零一八年一月一日起失效。詳情載於本公司日期為二零一七年六月二十二日之公佈。

於二零一七年十二月二十九日，該貸款已由第三方悉數償還，因此於二零一七年十二月三十一日或之前並未訂立正式協議。

於二零一六年十二月三十一日，其他應收款項中包括向獨立第三方提供之若干無抵押及無擔保貸款73,158,000港元，有關貸款須於一年內償還，並按年利率5%至9%（二零一六年：5%至9%）計息。截至二零一七年十二月三十一日止年度，向獨立第三方提供之所有無抵押及無擔保貸款已於各自到期日償還。

於二零一七年十二月三十一日，該結餘主要指作為經營用途之預付款項及其他應收賬款。

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22. INVESTMENTS HELD FOR TRADING

Held-for-trading investments include:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Listed securities	上市證券		
Equity securities listed in Hong Kong	於香港上市之股本證券	8,668	10,179
Equity securities listed in overseas	於海外上市之股本證券	13,675	49,821
		22,343	60,000

The fair value was based on the quoted bid prices of the respective securities in active markets.

At 31 December 2017 and 2016, no investments held for trading have been pledged as security.

22. 持作買賣投資

持作買賣投資包括：

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Equity securities listed in Hong Kong	8,668	10,179
Equity securities listed in overseas	13,675	49,821
	22,343	60,000

公平價值乃根據相關證券於活躍市場之買入報價計算。

於二零一七年及二零一六年十二月三十一日，並無持作買賣投資被抵押作擔保。

23. CASH AND CASH EQUIVALENTS

Bank balances and cash

Bank balances and cash comprise cash held by the Group and short-term bank deposits carrying interest at prevailing market interest rates ranging from of 0.01% to 1.3% (2016: 0.01% to 0.72%) per annum.

23. 現金及現金等值項目

銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及按現行市場年利率介乎0.01%至1.3% (二零一六年：0.01%至0.72%) 計息之短期銀行存款。

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24. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK\$5,945,000 (2016: HK\$5,565,000) and the aged analysis of the trade payables presented based on the invoice date at the end of the reporting period is as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
0 – 30 days	0至30日	3,485	3,411
31 – 60 days	31至60日	796	770
61 – 90 days	61至90日	528	545
Over 90 days	超過90日	1,136	839
		5,945	5,565

The credit period on purchases of goods ranged from 30 to 60 days. Included in other payables at 31 December 2017 are advance receipt from customers of approximately HK\$6,356,000 (2016: HK\$6,113,000), deposits received for rented premises of approximately HK\$9,335,000 (2016: HK\$11,285,000), payable for hotel construction amounting to approximately HK\$496,000 (2016: HK\$496,000) and accrual for administrative expenses of approximately HK\$58,722,000 (2016: HK\$51,399,000).

24. 貿易及其他應付賬款

列入貿易及其他應付賬款之款項包括為數約5,945,000港元(二零一六年: 5,565,000港元)之貿易應付賬款,而貿易應付賬款於呈報期結束時按發票日期列示之賬齡分析如下:

購貨之除賬期介乎30日至60日。於二零一七年十二月三十一日列入其他應付賬款包括預先收取客戶款項約6,356,000港元(二零一六年: 6,113,000港元)、就租賃物業已收訂金約9,335,000港元(二零一六年: 11,285,000港元)、就酒店建設應付款項約496,000港元(二零一六年: 496,000港元)及應計行政開支約58,722,000港元(二零一六年: 51,399,000港元)。

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25. DEFERRED TAXATION

The followings are the major deferred tax liabilities and movement thereon during the current and prior years:

		Accelerated tax depreciation on hotel properties HK\$'000 酒店物業之 加速稅項折舊 千港元
At 1 January 2016	於二零一六年一月一日	52,223
Currency realignment	幣值調整	(2,607)
Credit to the profit or loss (note 12)	計入損益(附註12)	(3,033)
At 31 December 2016	於二零一六年十二月三十一日	46,583
Currency realignment	幣值調整	3,380
Credit to the profit or loss (note 12)	計入損益(附註12)	(8,809)
At 31 December 2017	於二零一七年十二月三十一日	41,154

As at 31 December 2017, the Group has unused tax losses subject to the agreement of tax authorities of approximately HK\$596,274,000 (2016: HK\$582,362,000) available for offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unutilised tax losses of approximately HK\$7,146,000, HK\$21,114,000, HK\$28,075,000, HK\$25,613,000 and HK\$439,000 will expire in 2018, 2019, 2020, 2021 and 2022 (2016: the unutilised tax losses of HK\$12,237,000, HK\$8,609,000, HK\$19,565,000, HK\$26,016,000 and HK\$23,734,000 will expire in 2017, 2018, 2019, 2020 and 2021), respectively. The losses arising from overseas subsidiaries are insignificant, which will expire after a specific period of time. Other unrecognised tax losses may be carried forward indefinitely.

以下為於本年度及過往年度之主要遞延稅項負債以及其變動：

於二零一七年十二月三十一日，本集團之未動用稅務虧損（須經稅務機關同意）約為596,274,000港元（二零一六年：582,362,000港元），可用作抵銷未來溢利。由於未能預計日後之溢利來源，故並無就該等稅務虧損確認遞延稅項資產。根據中國有關法律及法規，將於二零一八年、二零一九年、二零二零年、二零二一年及二零二二年到期之未動用稅務虧損約為7,146,000港元、21,114,000港元、28,075,000港元、25,613,000港元及439,000港元（二零一六年：未動用稅務虧損12,237,000港元、8,609,000港元、19,565,000港元、26,016,000港元及23,734,000港元將分別於二零一七年、二零一八年、二零一九年、二零二零年及二零二一年到期）。海外附屬公司產生且將於特定期間後到期之虧損並不重大。其他未確認之稅務虧損可無限期結轉。

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25. DEFERRED TAXATION (CONTINUED)

At the end of the reporting period, the Group has deductible temporary differences of approximately HK\$173,238,000 (31 December 2016: HK\$86,830,000) in respect of the impairment of property, plant and equipment, fair value loss of investment properties and impairment of amount due from a joint venture. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

25. 遞延稅項 (續)

於呈報期結束時，本集團就物業、機器及設備之減值、投資物業之公平價值虧損以及應收一家合營公司款項之減值而有可扣減暫時差異約173,238,000港元(二零一六年十二月三十一日：86,830,000港元)。由於不大可能有應課稅溢利抵銷可動用之可扣減暫時差異，因此並無就有關可扣減暫時差異確認遞延稅項資產。

26. SHARE CAPITAL

26. 股本

	Number of shares	Amount HK\$'000
	股份數目	金額 千港元
Authorised:		
Shares of HK\$0.01 each at 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017		
法定：		
於二零一六年一月一日、二零一六年十二月三十一日、二零一七年一月一日及二零一七年十二月三十一日		
每股面值0.01港元之股份	150,000,000,000	1,500,000
Issued and fully paid:		
Shares of HK\$0.01 each at 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017		
已發行及繳足：		
於二零一六年一月一日、二零一六年十二月三十一日、二零一七年一月一日及二零一七年十二月三十一日		
每股面值0.01港元之股份	789,211,046	7,892

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27. SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted a share option scheme (the “Scheme”) on 30 May 2013 and is valid and effective for a period of 10 years commencing on 3 June 2013 (the date on which the last condition to the Scheme was satisfied) until 2 June 2023, subject to early termination by the Company in general meeting or by the Board.

The purpose of the Scheme is to enable the Company to grant options to subscribe for shares of the Company (the “Options”) to any eligible employee (including executive directors) and any non-executive director of the Group or any entity in which the Group holds an equity interest (the “Invested Entity”), any supplier of goods or services to the Group or any Invested Entity, any customer of the Group or any Invested Entity, any consultant, adviser, manager, officer and entity that provides research, development or other technological support to the Group or any Invested Entity, and any shareholder or any member of the Group who has contributed to the business of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity (the “Participant”), as incentives or rewards for their contributions or potential contribution to the Group.

The total number of shares in respect of which Options may be granted under the Scheme, when aggregated with any shares subject to any other schemes of the Company, is not permitted to exceed 10% of the shares of the Company in issue on the date of adoption of the Scheme (the “Scheme Mandate Limit”) unless the Company obtains an approval from shareholders in a general meeting to refresh the Scheme Mandate Limit provided that the Scheme Mandate Limit so refreshed must not exceed 10% of the shares of the Company in issue as at the date of approval of refreshment by shareholders. Nevertheless, the maximum number of shares of the Company which may be issued upon exercise of all outstanding Options granted and not yet exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the issued shares of the Company from time to time.

27. 以股代款交易

本公司於二零一三年五月三十日採納了一項購股權計劃（「計劃」）。計劃於二零一三年六月三日（計劃之最後一項條件達成之日期）起計十年內有效至二零二三年六月二日止，惟若本公司在股東大會上或董事會提早終止除外。

計劃旨在讓本公司可向對本集團作出貢獻或潛在貢獻之本集團或本集團持有股本權益之任何實體（「投資實體」）之任何合資格僱員（包括執行董事）及任何非執行董事、任何向本集團或任何投資實體提供貨品或服務之供應商、本集團或任何實體之任何客戶、向本集團或任何投資實體提供研究、開發或其他科技支援之任何專業顧問、諮詢人、經理、行政人員和實體、對本集團或任何投資實體之業務作出貢獻之本集團任何股東或任何成員公司或本集團任何成員公司或任何投資實體所發行任何證券之任何持有人（「參與者」）授出購股權（「購股權」）以認購本公司之股份以作為獎勵或回報。

根據計劃及本公司任何其他購股權計劃可予授出之所有購股權獲行使時可予發行之股份總數，不得超過於採納計劃當日本公司已發行股份之10%（「計劃授權限額」），除非本公司獲得股東於股東大會上批准更新計劃授權限額，惟據此更新之計劃授權限額不得超過股東批准更新當日本公司已發行股份之10%。儘管而言，根據計劃及本公司任何其他購股權計劃授出而尚未行使之所有購股權獲行使時可予發行本公司之最高股份數目，不得超過本公司不時已發行股份之30%。

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27. SHARE-BASED PAYMENT TRANSACTIONS

(CONTINUED)

The number of shares of the Company in respect of which Options may be granted under the Scheme and other share option scheme(s) of the Company to any Participant in aggregate in any 12-month period up to and including the date of such grant is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from shareholders in general meeting with such Participant and his/her associates (as defined in the Listing Rules) abstaining from voting.

The acceptance of an Option granted under the Scheme must be taken up within 21 days from the date of grant and to be accompanied by payment of the consideration of HK\$1.00. The Options may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may in its absolute discretion determine which shall not be more than 10 years from the date of grant and subject to the provisions of early termination thereof and the Board may provide restrictions on the exercise of an Option.

During the year ended 31 December 2017, 65,600,000 share options were granted and remained outstanding under the Scheme, representing 8.3% of the shares of the Company in issue at the date of grant. The above share options vested immediately at the date of grant.

27. 以股代款交易 (續)

除非建議授出已獲股東(會上參與者及其聯繫人(定義見上市規則)必須放棄投票)於股東大會上事先批准,根據計劃及本公司其他購股權計劃可授予任何參與者之本公司股份總數於截至有關授出當日(包括該日)止的任何十二個月期間內,不得超過授出當日本公司已發行股份之1%。

根據計劃授出之購股權須於由授出日期起計21日內接納,接納時須支付代價1.00港元。購股權可按照計劃之條款,由董事會可能全權酌情釐定之期間內隨時行使,惟有關期間不得超過由授出日期起計十年,並須受計劃之提早終止條文及董事會可能施加之行使購股權限制所規限。

於截至二零一七年十二月三十一日止年度,根據計劃授出但尚未行使之購股權為65,600,000份,佔本公司於授出日期之已發行股份8.3%。上述購股權於授出日期即時歸屬。

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27. SHARE-BASED PAYMENT TRANSACTIONS

27. 以股代款交易 (續)

(CONTINUED)

Details of specific categories of the options are as follows:

購股權之特定類別詳情如下：

Date of grant 授出日期	Vesting date 歸屬日期	Exercise period 行使期	Exercise price 行使價
24 April 2017 二零一七年 四月二十四日	24 April 2017 二零一七年 四月二十四日	24 April 2017 to 23 April 2022 二零一七年四月二十四日至 二零二二年四月二十三日	HK\$0.59 0.59港元

The following table discloses movements of the number of the Company's share options held by the eligible participants during the year:

下表披露合資格參與者於年內所持本公司購股權之數目變動：

Category of participants	參與者類別	Outstanding at 1 January 2017 於二零一七年一月一日尚未行使	Granted during the year 年內授出	Outstanding at 31 December 2017 於二零一七年十二月三十一日尚未行使
Directors	董事	–	19,100,000	19,100,000
Employees	僱員	–	46,500,000	46,500,000
		–	65,600,000	65,600,000
Exercisable at the end of the year	年末可行使			65,600,000
Weighted average exercise price (HK\$)	加權平均行使價(港元)	N/A 不適用	0.59	0.59

The estimated fair value of the Options granted on 24 April 2017 at the date of grant is HK\$13,715,000.

於二零一七年四月二十四日授出之購股權於授出日期之估計公平價值為13,715,000港元。

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27. SHARE-BASED PAYMENT TRANSACTIONS

(CONTINUED)

The fair value was calculated using the Binomial model. The inputs into the model were as follows:

Share price	HK\$0.59
Exercise price	HK\$0.59
Expected volatility	41.12%
Expected life	5 years
Risk-free rate	1.114%
Expected dividend yield	0%

Expected volatility was determined by using the historical volatility of the Company's share price movement over the previous one year. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of HK\$13,715,000 (2016: nil) for the year ended 31 December 2017 in relation to share options granted by the Company.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

27. 以股代款交易 (續)

公平價值乃採用二項式期權定價模式計算。該模式之輸入數據如下：

股價	0.59港元
行使價	0.59港元
預期波幅	41.12%
預期有效期	5年
無風險利率	1.114%
預期股息率	0%

預期波動乃採用本公司股價變動於上一年之歷史波幅而釐定。該模式使用之預期有效期已根據管理層之最佳估計，就不可轉讓性、行使限制及行為考慮因素之影響予以調整。

本集團於截至二零一七年十二月三十一日止年度確認與本公司所授出購股權有關之開支總額13,715,000港元(二零一六年：無)。

二項式期權定價模式已用作估計購股權之公平價值。用於計算購股權公平價值之變數及假設乃根據董事之最佳估計。購股權之價值視乎具有若干主觀假設之不同變數而改變。

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28. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Hotel properties	酒店物業		
Within one year	一年內	39,921	39,645
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	79,254	118,800
		119,175	158,445
Other land and buildings	其他土地及樓宇		
Within one year	一年內	531	1,405
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	-	1,957
		531	3,362

Operating lease payments for other land and buildings represent rentals payable by the Group for office use.

For hotel property in Hong Kong, leases are negotiated for six years.

28. 經營租約承擔

本集團作為承租人

於呈報期結束時，本集團根據各項不可撤銷經營租約之未來最低租金付款作出承擔。此等承擔之到期日如下：

	2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Hotel properties		
Within one year	39,921	39,645
In the second to fifth year inclusive	79,254	118,800
	119,175	158,445
Other land and buildings		
Within one year	531	1,405
In the second to fifth year inclusive	-	1,957
	531	3,362

其他土地及樓宇之經營租約付款指本集團就辦公室用途應付之租金。

香港酒店物業租約商定為期為六年。

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28. OPERATING LEASE COMMITMENTS

(CONTINUED)

The Group as lessor

Property rental income earned during the year was approximately HK\$47,707,000 (2016: HK\$44,774,000).

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments under non-cancellable operating leases for retail shops within the hotel properties for an average term of 2 to 10 years in the PRC:

28. 經營租約承擔(續)

本集團作為出租人

年內賺取之物業租金收入約為47,707,000港元(二零一六年: 44,774,000港元)。

於呈報期結束時，本集團與租戶訂立合約，內容有關根據不可撤銷之經營租約下列平均租期兩年至十年之中國酒店物業內之零售商店之未來最低租約付款：

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Within one year	一年內	4,739	4,195
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	7,114	6,688
More than five years	五年後	3,058	3,825
		14,911	14,708

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29. RETIREMENT BENEFIT SCHEMES

The Group has retirement schemes covering a substantial portion of its employees in Hong Kong. The principal schemes are defined contribution schemes. The assets of these schemes are held separately from those of the Group in funds under the control of independent trustees.

With effect from 1 December 2000, the Group joined a Mandatory Provident Fund Scheme (“MPF Scheme”) for all its new employees in Hong Kong employed therefrom or existing employees wishing to join the MPF Scheme. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are required to make contributions to the MPF Scheme at 5% of relevant payroll cost. Subject to a cap to monthly relevant income of HK\$30,000, which contribution is matched by employees. The only obligation of the Group in respect of MPF Scheme is to make the required contributions under the MPF Scheme.

The employees of the Group’s subsidiaries in the PRC are members of the state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute certain percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The amounts charged to profit or loss represent contributions paid or payable to the schemes by the Group of approximately HK\$6,080,000 (2016: HK\$10,482,000).

29. 退休福利計劃

本集團為大部分香港僱員設有退休金計劃。主要計劃為定額供款計劃。該等計劃之資產與本集團之資產分開，以基金方式持有，並由獨立信託人控制。

自二零零零年十二月一日起，本集團為所有由該日起新聘之香港僱員或有意參加強制性公積金計劃（「強積金計劃」）之現有僱員參加強積金計劃。強積金計劃根據強制性公積金計劃條例向強制性公積金計劃管理局註冊。強積金計劃之資產與本集團之資產分開，以基金方式持有，並由獨立信託人控制。根據強積金計劃之規則，僱主及其僱員須向強積金計劃作出有關薪酬5%之供款。每月相關收入上限為30,000港元，僱員亦須作出相應供款。本集團就強積金計劃唯一應盡之責任乃根據強積金計劃作出規定之供款。

本集團中國附屬公司之僱員均為中國政府管理之國營退休福利計劃成員，該等附屬公司須按僱員薪酬若干百分比向退休福利計劃供款，為福利提供資金。本集團就該退休福利計劃唯一應盡之責任乃作出規定之供款。

自損益扣除之款項，為本集團已付或應付予計劃之供款約6,080,000港元（二零一六年：10,482,000港元）。

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29. RETIREMENT BENEFIT SCHEMES (CONTINUED)

At the end of the reporting period, there were no forfeited contributions (2016: nil), which arose upon employees leaving the retirement benefit schemes and which are available to reduce the contributions payable in future year.

30. RELATED PARTY TRANSACTIONS

(a) Related party balance and transaction

There was no transaction with related party during the years ended 31 December 2017 and 2016 nor outstanding balance with related party as at 31 December 2017 and 2016.

(b) Compensation of key management personnel

The remuneration of key management members, which are directors of the Company, was set out in note 11.

31. LITIGATION

On 27 October 2016, the PRC Partner filed a civil lawsuit at the Intermediate Court, against Allied Glory in respect of a claim for profit sharing in Rosedale Guangzhou of approximately RMB9.6 million. Allied Glory submitted a statement of objection to the High People's Court of Guangdong Province (the "High Court") and received a conclusive judgement dated 2 August 2017 which was issued by the High Court with the legitimacy of the objection filed by Allied Glory and the civil lawsuit was dismissed.

29. 退休福利計劃(續)

於呈報期結束時，並無因僱員退出退休福利計劃而產生可供扣減未來年度應付供款之沒收供款(二零一六年：無)。

30. 關連人士交易

(a) 關連人士結餘及交易

於截至二零一七年及二零一六年十二月三十一日止年度並無關連人士交易，且於二零一七年及二零一六年十二月三十一日並無關連人士尚欠結餘。

(b) 主要管理人員之薪酬

主要管理人員(為本公司董事)薪酬載於附註11。

31. 訴訟

於二零一六年十月二十七日，中國夥伴向中級法院對合榮提起民事訴訟，申索廣州珀麗之利潤分成約人民幣9,600,000元。合榮已向廣東省高級人民法院(「高級法院」)呈交反對書及於二零一七年八月二日收到由高級法院發出的終審判決，裁定合榮提出的反對合法及駁回民事訴訟。

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32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

32. 本公司之財務狀況報表及儲備

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、機器及設備	409	483
Investments in subsidiaries	於附屬公司之投資	239,764	-
Amounts due from subsidiaries	應收附屬公司款項	1,216,201	653,365
		1,456,374	653,848
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	357,165	640,952
Other receivables and prepayments	其他應收賬款及預付款項	1,832	104,669
Investments held for trading	持作買賣之投資	5,593	6,580
Cash and cash equivalents	現金及現金等值項目	154,035	15,129
		518,625	767,330
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付賬款	8,578	934
Amounts due to subsidiaries	應付附屬公司款項	458,230	456,472
		466,808	457,406
Net current assets	流動資產淨值	51,817	309,924
Net assets	資產淨值	1,508,191	963,772
Capital and reserves	資本及儲備		
Share capital	股本	7,892	7,892
Reserves	儲備	1,500,299	955,880
		1,508,191	963,772

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

32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movement in reserves

		Share premium HK\$'000 股份溢價 千港元	Share options reserve HK\$'000 購股權儲備 千港元	Special reserve HK\$'000 特別儲備 千港元	Accumulated losses HK\$'000 累計虧損 千港元	Total HK\$'000 總額 千港元
At 1 January 2016	於二零一六年一月一日	1,360,752	-	658,303	(567,845)	1,451,210
Loss and total comprehensive expense for the year	本年度虧損及 全面開支總額	-	-	-	(495,330)	(495,330)
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	1,360,752	-	658,303	(1,063,175)	955,880
Recognition of equity-settled share-based payments	確認以股代款支付	-	13,715	-	-	13,715
Profit and total comprehensive income for the year	本年度溢利及 全面收益總額	-	-	-	530,704	530,704
At 31 December 2017	於二零一七年 十二月三十一日	1,360,752	13,715	658,303	(532,471)	1,500,299

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, share premium and reserves.

The directors of the Company review the capital structure on a semi-annually basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

32. 本公司之財務狀況報表及儲備(續)

儲備變動

33. 資本風險管理

本集團之資本管理旨在透過在債務與權益間作出最佳平衡，確保本集團之實體可持續經營之餘，亦為股東締造最大回報。本集團整體策略與上年度相同。

本集團之資本架構包括現金及現金等值項目以及本公司擁有人應佔權益(包括已發行股本、股份溢價及儲備)。

本公司董事每半年檢討資本架構。檢討其中一部分為董事考慮資本成本及各類資本所附帶之風險。根據董事之推薦建議，本集團會通過派發股息、發行新股份、購回股份、發行新債務或贖回現有債務等方式，對整體資本架構作出平衡。

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34. FINANCIAL INSTRUMENTS

34. 金融工具

34a. Categories of financial instruments

34a. 金融工具類別

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款(包括現金及現金等值項目)	1,861,437	1,841,465
FVTPL	透過損益按公平價值計量		
– Investments held for trading	– 持作買賣投資	22,343	60,000
		1,883,780	1,901,465
Financial liabilities	金融負債		
Amortised cost	攤銷成本	24,232	26,956

34b. Financial risk management objectives and policies

The Group's management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

34b. 財務風險管理目標及政策

本集團管理層藉內部風險報告(該報告分析所面臨風險之程度及大小)監察及管理與本集團經營業務相關之財務風險。該等風險包括市場風險(包括外幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。

本集團就金融工具承擔之風險類別或其管理與計量有關風險之方式並無改變。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (CONTINUED)

Market risk

(i) Foreign currency risk management

The Group does not have significant foreign currency sales and purchases, therefore exposure to foreign currency risk is minimal.

(ii) Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to other receivables which bearing fixed rate interest. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (note 23). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances.

The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management of the Group will consider hedging significant interest rate risk exposure if the need arises.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on bank balances. The analysis is prepared assuming the financial instruments outstanding at the end of reporting date were outstanding for the whole year.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

市場風險

(i) 外幣風險管理

本集團並無以外幣進行重大買賣，故承受之外幣風險極微。

(ii) 利率風險管理

本集團之公平價值利率風險與定息其他應收賬款有關。此外，本集團之現金流量利率風險與浮息銀行結餘(附註23)有關。本集團之現金流量利率風險主要集中於銀行結餘之利率之波動。

本集團目前並無使用任何衍生工具合約以對沖其利率風險。然而，本集團管理層將於需要時考慮對沖顯著之利率風險。

敏感度分析

以下敏感度分析乃根據銀行結餘之利率風險釐定。編製分析時，乃假設於呈報日結束時尚未行使之金融工具於整年均未行使。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (CONTINUED)

Market risk (CONTINUED)

(ii) Interest rate risk management (CONTINUED)

Sensitivity analysis (CONTINUED)

A 25 basis point (2016: 25 basis points) increase or decrease in variable-rate bank balances is used when reporting interest rate risk internally to key management personnel and represents the management's assessment of the reasonably possible change in interest rates. If interest rates had been 25 basis points higher and all other variables were held constant, the Group's loss for the year ended 31 December 2017 would decrease by approximately HK\$1,356,000 (2016: loss for the year decrease by approximately HK\$1,131,000). The management does not expect a significant decrease of interest rate.

In the management's opinion, the sensitivity analysis is unrepresentative of inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

34. 金融工具 (續)

34b. 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險管理 (續)

敏感度分析 (續)

於內部向主要管理人員報告利率風險時所用浮息銀行結餘之25個基點(二零一六年: 25個基點)之增加或減少, 乃管理層對利率可能出現之合理變動作出之評估。倘利率上調25個基點, 而所有其他變數維持不變, 則本集團截至二零一七年十二月三十一日止年度之虧損將會減少約1,356,000港元(二零一六年: 本年度虧損減少約1,131,000港元)。管理層預期利率不會顯著下調。

管理層認為, 由於年結時所面對之風險不能反映年內所面對之風險, 因此敏感度分析未能代表內在利率風險。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (CONTINUED)

Market risk (CONTINUED)

(iii) Other price risk management

The Group is exposed to equity price risks through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risks are mainly concentrated on listed equity securities quoted in the Stock Exchange.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

If equity prices had been 10% higher/lower, loss for the year ended 31 December 2017 would decrease/increase by HK\$1,865,000 (2016: HK\$5,010,000) as a result of the changes in fair value of investments held for trading.

34. 金融工具 (續)

34b. 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 其他價格風險管理

本集團於上市股本證券之投資須承受股本價格風險。管理層藉維持一個集合不同風險之投資組合管理此類風險。本集團之股本價格風險主要集中於在聯交所報價之上市股本證券。

敏感度分析

以下敏感度分析乃根據於呈報日期所面對之股本價格風險而釐定。

倘股本價格上升/下跌10%，則截至二零一七年十二月三十一日止年度之虧損將會因為持作買賣投資之公平價值變動而減少/增加1,865,000港元(二零一六年：5,010,000港元)。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (CONTINUED)

Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to discharge an obligation by the counterparties in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and debt investment at the end of the reporting period end to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group does not have concentration of credit risk as at 31 December 2017 in the opinion of the directors of the Company.

As at 31 December 2016, the Group had concentration of credit risk on aggregate advances to third parties amounting to HK\$75,000,000. The Group's advances to third parties mentioned above have good credit. An internal credit assessment process was conducted to assess the potential borrower's credit quality and define credit limits by borrower.

34. 金融工具 (續)

34b. 財務風險管理目標及政策 (續)

信貸風險

於二零一七年十二月三十一日，本集團因對方履行有關各類已確認金融資產之責任而使本集團蒙受財務虧損而產生之最大信貸風險，為綜合財務狀況報表所列該等資產之賬面值。

為盡量減低信貸風險，本集團管理層已委派一小組，負責釐定信貸限額、信貸批核及進行其他監察程序，以確保已採取跟進措施，收回逾期債項。此外，本集團亦審閱各個別貿易債項及債務投資於呈報期結束時之可收回金額，以確保已就不能收回金額提撥充足減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅減低。

董事認為，於二零一七年十二月三十一日，本集團並無集中信貸風險。

於二零一六年十二月三十一日，本集團之信貸風險集中於授予第三方之墊款總額75,000,000港元。上述本集團授予第三方之墊款具備良好信貸，而內部信貸評估程序可用以評估潛在借款人之信貸質素及界定借款人之信貸限額。

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綜合財務報表附註

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

34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (CONTINUED)

Credit risk (CONTINUED)

Also, the Group was exposed to credit risk in respect of certain loan receivables included in other receivables amounting to HK\$73,158,000 as at 31 December 2016. The Group had concentration of credit risk as approximately 77% of the total loans as at 31 December 2016 was due from four borrowers. The aggregate balance due from these four borrowers was HK\$57,000,000 as at 31 December 2016, which was neither past due nor impaired, of which the whole amount was considered recoverable given the management considered the financial background and financial condition of these borrowers. The Group seeks to maintain strict control over its outstanding loan receivables to minimise credit risk. The management has a credit policy in place and the exposures to the credit risk are monitored on an ongoing basis. Impairment allowances on outstanding loan receivables are determined by an evaluation of financial background, as well as financial condition of and the anticipated receipts for that individual account, at the end of the reporting period.

The credit risk on liquid funds is limited because the counterparties are banks and securities broker with good reputation.

Other than above, the Group does not have any other significant concentration of credit risk at the end of the reporting period.

34. 金融工具 (續)

34b. 財務風險管理目標及政策 (續)

信貸風險 (續)

此外，於二零一六年十二月三十一日，本集團面對有關計入其他應收賬款中之若干應收貸款73,158,000港元之信貸風險。由於在二零一六年十二月三十一日約77%之總貸款是應收四名借款人，本集團面對信貸風險集中之情況。於二零一六年十二月三十一日，應收此四名借款人之結餘合計為57,000,000港元，為並未逾期且未有減值，而經管理層考慮此等借款人之財務背景及財務狀況後，有關款項被視為可以全數收回。本集團致力嚴控未償還應收貸款以盡量減低信貸風險。管理層已制訂信貸政策並且持續監控所面對之信貸風險。未償還應收貸款之減值撥備於呈報期結束時根據對該個別賬戶之財務背景以及財務狀況及預期收款之評估而釐定。

由於對方為聲譽良好之銀行及證券經紀，因此流動資金之信貸風險有限。

除上述者外，於呈報期結束時，本集團並無任何其他重大集中之信貸風險。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (CONTINUED)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group does not have unutilised banking facilities in both years.

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

34. 金融工具 (續)

34b. 財務風險管理目標及政策 (續)

流動資金風險管理

董事會負有流動資金風險管理之最終責任，並已建立合適之流動資金風險管理制度，以符合管理本集團短期、中期及長期資金以及流動資金管理之規定。本集團藉維持充足之儲備、銀行融資及儲備借貸融資，以及持續監察預測及實際現金流量，配合金融資產及負債之到期情況，以管理流動資金風險。

本集團於兩個年度均並無未動用之銀行融資。

流動資金表

下表詳列本集團非衍生金融負債餘下合約到期情況。下表乃按照金融負債未貼現現金流量編製。

下表包括利息及本金現金流量。倘利息流量為浮息，未貼現金額按呈報期結束時之利率曲綫得出。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (CONTINUED)

Liquidity risk management (CONTINUED)

Liquidity tables (CONTINUED)

34. 金融工具 (續)

34b. 財務風險管理目標及政策 (續)

流動資金風險管理(續)

流動資金表(續)

		Weighted average interest rate %	On demand or less than 1 year HK\$' 000 按要求或一年內 千港元	Total undiscounted cash flows HK\$' 000 未折現現金流量總額 千港元	Carrying amount 31 December HK\$' 000 十二月三十一日之賬面值 千港元
2017	二零一七年				
Non-derivative financial liabilities	非衍生金融負債				
Trade and other payables	貿易及其他應付賬款	–	24,232	24,232	24,232
		Weighted average interest rate %	On demand or less than 1 year HK\$' 000 按要求或一年內 千港元	Total undiscounted cash flows HK\$' 000 未折現現金流量總額 千港元	Carrying amount 31 December HK\$' 000 十二月三十一日之賬面值 千港元
2016	2016				
Non-derivative financial liabilities	非衍生金融負債				
Trade and other payables	貿易及其他應付賬款	–	26,956	26,956	26,956

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34c. Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key inputs	Significant Unobservable input(s)	Relationship of unobservable inputs to fair value
	31 December 2017	31 December 2016				
金融資產	二零一七年十二月三十一日	二零一六年十二月三十一日	公平價值層級	估值方法及主要輸入數據	重大無法觀察輸入數據	無法觀察輸入數據與公平價值之關係
Investments held for trading	Listed equity securities in Hong Kong – HK\$8,668,000	Listed equity securities in Hong Kong – HK\$10,179,000	Level 1	Quoted bid prices in an active market	N/A	N/A
持作買賣投資	Listed equity securities in overseas – HK\$13,675,000	Listed equity securities in overseas – HK\$49,821,000	第一級	活躍市場買入報價	不適用	不適用
	香港上市股本證券 – 8,668,000港元	香港上市股本證券 – 10,179,000港元				
	海外上市股本證券 – 13,675,000港元	海外上市股本證券 – 49,821,000港元				

There were no transfer in the fair value hierarchy during the year.

34. 金融工具 (續)

34c. 金融工具之公平價值計量

本附註提供有關本集團如何釐定不同金融資產及金融負債之公平價值之資料。

以循環基準按公平價值計量之本集團金融資產及金融負債公平價值

於各呈報期結束時，本集團部分金融資產按公平價值計量。下表提供該等金融資產公平價值之釐定方法(尤其是所採用之估值方法及輸入數據)。

年內公平價值層級之間並無轉移。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34c. Fair value measurements of financial instruments (CONTINUED)

Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate to their fair values.

34. 金融工具(續)

34c. 金融工具之公平價值計量(續)

並非以經常基準按公平價值計量之金融資產及金融負債之公平價值

其他金融資產及金融負債之公平價值根據普遍接納之定價模式及按照貼現現金流量分析釐定。

本公司董事認為，於綜合財務報表中按攤銷成本計量之金融資產及金融負債之賬面值與公平價值相若。

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

35. 與融資活動產生之負債對賬

下表詳列自融資活動產生之本集團負債變動，包括現金及非現金變動。自融資活動產生之負債乃其現金流量已經或未來現金流量將會於本集團之綜合現金流量表分類為融資活動現金流量之負債。

		Other borrowings HK\$'000 其他借貸 千港元
At 1 January 2017	於二零一七年一月一日	–
Financing cash flows	融資現金流量	(1,066)
Interest expense	利息開支	1,066
		<hr/>
At 31 December 2017	於二零一七年十二月三十一日	–

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綜合財務報表附註

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

36. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2017 and 2016 are as follows:

36. 主要附屬公司

以下為於二零一七年及二零一六年十二月三十一日本公司之主要附屬公司詳情：

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/登記地點	Issued and paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Effective interest in issued share capital/ registered capital held by the Group 本集團持有已發行股本/ 註冊資本之實際權益		Principal activities and place of operation 主要業務及營業地點
			2017 % 二零一七年 %	2016 % 二零一六年 %	
Allied Glory Investment Limited ("Allied Glory") 合榮投資有限公司(「合榮」)	Hong Kong 香港	HK\$2 2港元	73.5 73.5	73.5 73.5	Investment holding in the PRC 於中國投資控股
Apex Quality Group Limited ("Apex") Apex Quality Group Limited (「Apex」)	The BVI 英屬維爾京群島	US\$5,548,172 5,548,172美元	89.4 89.4	89.4 89.4	Investment holding 投資控股
Asia Times Limited Asia Times Limited	The BVI 英屬維爾京群島	US\$100 100美元	100 100	100 100	Investment holding 投資控股
Benchmark Pacific Limited Benchmark Pacific Limited	The BVI 英屬維爾京群島	US\$1 1美元	100 100	100 100	Investment holding 投資控股
E-Concept Ltd. E-Concept Ltd.	The BVI 英屬維爾京群島	US\$1 1美元	100 100	100 100	Trading of securities in overseas 於海外買賣證券
HMH China Investments Limited HMH China Investments Limited	Bermuda 百慕達	CAD\$1,152,913 1,152,913加幣	73.5 73.5	73.5 73.5	Investment holding 投資控股
I-Global Ltd. I-Global Ltd.	The BVI 英屬維爾京群島	US\$1 1美元	100 100	100 100	Trading of securities in overseas 於海外買賣證券
Lucky Million Investments Limited Lucky Million Investments Limited	The BVI 英屬維爾京群島	US\$1 1美元	89.4 89.4	89.4 89.4	Investment holding 投資控股

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36. PRINCIPAL SUBSIDIARIES (CONTINUED)

36. 主要附屬公司 (續)

Name of company	Place of incorporation/ registration	Issued and paid up share capital/ registered capital	Effective interest in issued share capital/ registered capital held by the Group		Principal activities and place of operation
			2017 %	2016 %	
公司名稱	註冊成立/登記地點	已發行及繳足 股本/註冊資本	本集團持有已發行股本/ 註冊資本之實際權益 二零一七年	二零一六年	主要業務及營業地點
			%	%	
Luoyang Golden Gulf Hotel Company Limited*	The PRC	RMB145,000,000	60	60	Hotel ownership and operation in the PRC
洛陽金水灣大酒店有限公司*	中國	人民幣145,000,000元	60	60	於中國擁有及經營酒店
Rosedale Hotel Group Limited	The BVI	US\$1	89.4	89.4	Investment holding in Hong Kong
珀麗酒店集團有限公司	英屬維爾京群島	1美元	89.4	89.4	於香港投資控股
Rosedale Hotel Guangzhou Co., Ltd. ("Rosedale Guangzhou")**	The PRC	US\$11,500,000	72.7	72.7	Hotel ownership and operation in the PRC
廣州珀麗酒店有限公司(「廣州珀麗」)**	中國	11,500,000美元	72.7	72.7	於中國擁有及經營酒店
Rosedale Hotel International Limited ^o	The BVI	US\$1	100	100	Investment holding
Rosedale Hotel International Limited ^o	英屬維爾京群島	1美元	100	100	投資控股
Rosedale Hotel Management Limited	Hong Kong	HK\$2	89.4	89.4	Hotel management in Hong Kong
珀麗酒店管理有限公司	香港	2港元	89.4	89.4	於香港酒店管理
Rosedale Park Limited	Hong Kong	HK\$2	89.4	89.4	Hotel operation in Hong Kong
Rosedale Park Limited	香港	2港元	89.4	89.4	於香港經營酒店
The Rosedale Luxury Hotel & Suites Ltd.***	The PRC	US\$20,000,000	100	100	Property investment in the PRC
珀麗置業(上海)有限公司***	中國	20,000,000美元	100	100	於中國物業投資
Shenyang Hotel Holdings Limited	The BVI	US\$100	84.9	84.9	Investment holding
沈陽酒店股份有限公司	英屬維爾京群島	100美元	84.9	84.9	投資控股

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36. PRINCIPAL SUBSIDIARIES (CONTINUED)

36. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/登記地點	Issued and paid up share capital/ registered capital 已發行及繳足股本/註冊資本	Effective interest in issued share capital/ registered capital held by the Group 本集團持有已發行股本/註冊資本之實際權益		Principal activities and place of operation 主要業務及營業地點
			2017 二零一七年 %	2016 二零一六年 %	
Shengyang Limited Shengyang Limited	The BVI 英屬維爾京群島	US\$1 1美元	89.4 89.4	89.4 89.4	Investment holding 投資控股
Shropshire Property Limited 索普物業有限公司	The BVI 英屬維爾京群島	Ordinary – US\$10 Preference – US\$1,000 普通股 – 10美元 優先股 – 1,000美元	100 100	100 100	Investment holding in the PRC 於中國投資控股
Success Billion Limited Success Billion Limited	The BVI 英屬維爾京群島	US\$1 1美元	100 100	100 100	Trading of securities in Hong Kong 於香港買賣證券
Rosedale Hotel Shenyang Company Limited ^{***} 瀋陽珀麗酒店有限公司 ^{***}	The PRC 中國	RMB168,000,000 人民幣168,000,000元	84.9 84.9	84.9 84.9	Hotel ownership and operation in the PRC 於中國擁有及經營酒店
WHS Marine Services Limited 永興盛遊艇有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	100 100	100 100	Holding of leisure boat in Hong Kong 於香港持有遊艇

[®] This subsidiary is directly held by the Company. All other subsidiaries are indirectly held by the Company.

[®] 該附屬公司由本公司直接持有。所有其他附屬公司由本公司間接持有。

[#] The subsidiary is a Sino-foreign equity joint venture.

[#] 該附屬公司為中外股本合營公司。

^{**} This subsidiary is a Sino-foreign co-operative joint venture. Allied Glory is entitled to recoup its total investment (including capital and interest) from the after-tax earnings of Rosedale Guangzhou before any amounts are distributed. Thereafter, the after-tax earnings of Rosedale Guangzhou are to be distributed at 80% and 20% to Allied Glory and other joint venture partner respectively.

^{**} 該附屬公司為一家中外合作合營公司。廣州珀麗之除稅後盈利用作分派任何款項前，合榮有權從中收回其全部投資(包括資本及利息)。之後，廣州珀麗之除稅後盈利須以80%及20%之比例分別分派予合榮及其他合營夥伴。

^{***} The subsidiaries are wholly foreign owned entities.

^{***} 該附屬公司為外商獨資企業。

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36. PRINCIPAL SUBSIDIARIES (CONTINUED)

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

No debt securities have been issued by any of the subsidiaries during the year.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in the BVI. The principal activities of these subsidiaries are summarised as follows:

Principal activities of business 主要業務活動	Principal place of incorporation 主要註冊成立地點	Number of subsidiaries	
		2017 附屬公司數目 二零一七年	2016 二零一六年
Investment holding 投資控股	The BVI 英屬維爾京群島	11	10
	Hong Kong 香港	1	–
Inactive 不活躍	The BVI 英屬維爾京群島	6	9
	Hong Kong 香港	4	4
	Others 其他	1	1
Others 其他	The BVI 英屬維爾京群島	3	3
	Hong Kong 香港	5	5
	The PRC 中國	2	2
		33	34

36. 主要附屬公司 (續)

董事認為上表所列本集團之附屬公司對本集團之業績或資產及負債有重大影響。董事認為細列其他附屬公司之詳情會令篇幅過於冗長。

年內，概無任何附屬公司發行債務證券。

於呈報期結束時，本公司有其他對於本集團並非重要之附屬公司。此等附屬公司主要在英屬維爾京群島營運。此等附屬公司之主要業務概述如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. PRINCIPAL SUBSIDIARIES (CONTINUED)

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

36. 主要附屬公司(續)

下表載列擁有重大非控股權益之本集團非全資附屬公司之詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊成立地點	Principal place of business 主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有之擁有權權益及投票權比率		Loss allocated to non-controlling interests 分配至非控股權益之虧損		Accumulated non-controlling interests 累計非控股權益	
			31.12.2017 二零一七年 十二月三十一日	31.12.2016 二零一六年 十二月三十一日	31.12.2017 HK\$'000 二零一七年 十二月三十一日 千港元	31.12.2016 HK\$'000 二零一六年 十二月三十一日 千港元	31.12.2017 HK\$'000 二零一七年 十二月三十一日 千港元	31.12.2016 HK\$'000 二零一六年 十二月三十一日 千港元
Apex and its subsidiaries Apex及其附屬公司	The BVI 英屬維爾京群島	Hong Kong and The PRC 香港及中國	10.6%	10.6%	1,592	(4,568)	154,503	152,911
Other individually immaterial subsidiaries with non-controlling interests 擁有非控股權益之其他個別非重大附屬公司							37,153	39,607
							191,656	192,518

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. PRINCIPAL SUBSIDIARIES (CONTINUED)

Summarised financial information in respect of Apex and its subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Apex and its subsidiaries

Current assets	流動資產	1,321,638	1,284,424
Non-current assets	非流動資產	353,128	369,438
Current liabilities	流動負債	(126,126)	(113,983)
Non-current liabilities	非流動負債	(41,105)	(45,287)
Equity attributable to owners of Apex	Apex擁有人應佔權益	1,303,072	1,289,603
Non-controlling interests of Apex	Apex非控股權益	154,503	152,911
Non-controlling interests of Apex's subsidiaries	Apex附屬公司之非控股權益	49,960	52,078

36. 主要附屬公司 (續)

擁有重大非控股權益之Apex及其附屬公司之財務資料概述如下。以下財務資料概要為集團內部抵銷前數額。

Apex及其附屬公司

31.12.2017 HK\$'000 二零一七年 十二月三十一日 千港元	31.12.2016 HK\$'000 二零一六年 十二月三十一日 千港元
---	---

1,321,638	1,284,424
353,128	369,438
(126,126)	(113,983)
(41,105)	(45,287)
1,303,072	1,289,603
154,503	152,911
49,960	52,078

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. PRINCIPAL SUBSIDIARIES (CONTINUED)

Apex and its subsidiaries (CONTINUED)

Major items included in the above:

36. 主要附屬公司(續)

Apex及其附屬公司(續)

上文包括之主要項目：

		31.12.2017 HK\$'000 二零一七年 十二月三十一日 千港元	31.12.2016 HK\$'000 二零一六年 十二月三十一日 千港元
Current assets	流動資產		
– Loans to fellow subsidiaries	– 貸款予同系附屬公司	744,748	724,250
– Amount due from ultimate holding company	– 應收最終控股公司款項	458,004	458,007
– Bank balances and cash	– 銀行結餘及現金	99,278	82,588
Non-current assets	非流動資產		
– Property, plant and equipment	– 物業、機器及設備	333,328	349,638
		Year ended 31.12.2017 HK\$'000 截至二零一七年 十二月三十一日 止年度 千港元	Year ended 31.12.2016 HK\$'000 截至二零一六年 十二月三十一日 止年度 千港元
Revenue	收入	222,558	217,771
Interest income and other income	利息收入及其他收入	22,134	21,998
Expenses	開支	(258,671)	(259,727)
Loss for the year	本年度虧損	(13,979)	(19,958)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(7,787)	(16,143)
Loss attributable to non-controlling interests of Apex	Apex非控股權益應佔虧損	(923)	(1,914)
Loss attributable to non-controlling interests of Apex's subsidiaries	Apex附屬公司之非控股權益應佔虧損	(5,269)	(1,901)
Loss for the year	本年度虧損	(13,979)	(19,958)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. PRINCIPAL SUBSIDIARIES (CONTINUED)

Apex and its subsidiaries (CONTINUED)

36. 主要附屬公司(續)

Apex及其附屬公司(續)

		Year ended 31.12.2017 HK\$'000 截至二零一七年 十二月三十一日 止年度 千港元	Year ended 31.12.2016 HK\$'000 截至二零一六年 十二月三十一日 止年度 千港元
Major items included in the above:	上文包括之主要項目：		
Other comprehensive income (expense) attributable to owners of the Company	本公司擁有人應佔其他全面收益(開支)	21,251	(22,388)
Other comprehensive income attributable to non-controlling interests of Apex	Apex非控股權益應佔其他全面收益	2,520	(2,654)
Other comprehensive income attributable to non-controlling interests of Apex's subsidiaries	Apex附屬公司之非控股權益應佔其他全面收益	3,151	2,752
Other comprehensive income (expense) for the year	本年度其他全面收益(開支)	26,922	(22,290)
Total comprehensive income (expense) attributable to owners of the Company	本公司擁有人應佔全面收益(開支)總額	13,465	(38,531)
Total comprehensive income (expense) attributable to non-controlling interests of Apex	Apex非控股權益應佔全面收益(開支)總額	1,596	(4,568)
Total comprehensive (expense) income attributable to non-controlling interests of Apex's subsidiaries	Apex附屬公司之非控股權益應佔全面(開支)收益總額	(2,118)	851
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	12,943	(42,248)
Dividends paid to non-controlling interests	向非控股權益所付股息	-	-
Net cash inflow from operating activities	經營業務之現金流入淨額	16,108	624
Net cash outflow from investing activities	投資活動之現金流出淨額	(3,616)	(15,094)
Net cash outflow from financing activities	融資活動之現金流出淨額	-	-
Net cash inflow (outflow)	現金流入(流出)淨額	12,492	(14,470)

Financial Summary

財務概要

RESULTS

業績

		Year ended 31 December				
		2017	2016	2015	2014	2013
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		截至十二月三十一日止年度				
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		千港元	千港元	千港元	千港元	千港元
Revenue	收入	252,311	242,296	235,412	406,647	447,220
(Loss) profit before taxation	除稅前(虧損)溢利	(127,806)	(92,529)	(119,811)	375,531	502,184
Income tax credit (expense)	所得稅抵免(開支)	2,558	(665)	(1,568)	(2,600)	(59,086)
(Loss) profit for the year	本年度(虧損)溢利	(125,248)	(93,194)	(121,379)	372,931	443,098
(Loss) profit for the year attributable to:	本年度(虧損)溢利由下列人士應佔:					
Owners of the Company	本公司擁有人	(116,128)	(86,438)	(105,098)	380,755	381,966
Non-controlling interests	非控股權益	(9,120)	(6,756)	(16,281)	(7,824)	61,132
		(125,248)	(93,194)	(121,379)	372,931	443,098

ASSETS AND LIABILITIES

資產及負債

		As at 31 December				
		2017	2016	2015	2014	2013
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		於十二月三十一日				
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		千港元	千港元	千港元	千港元	千港元
Total assets	資產總值	2,474,092	2,535,010	2,678,164	2,972,714	3,567,266
Total liabilities	負債總額	226,217	228,487	230,521	482,643	1,348,673
		2,247,875	2,306,523	2,447,643	2,490,071	2,218,593
Equity attributable to owners of the Company	本公司擁有人應佔權益	2,056,219	2,114,005	2,246,592	2,268,536	1,976,154
Non-controlling interests	非控股權益	191,656	192,518	201,051	221,535	242,439
		2,247,875	2,306,523	2,447,643	2,490,071	2,218,593

Particulars of Properties

物業詳情

HOTEL PROPERTIES

酒店物業

Company 公司	Address 地址	Existing Use 現時用途	Site Area 地盤面積	Gross Area 總面積	% Interest 權益百分比
Rosedale Hotel Guangzhou Co., Ltd.	Rosedale Hotel & Suites, Guangzhou No. 348 Jiang Nan Da Road Central, Haizhu District, Guangzhou, the PRC	Hotel operation	10,838.88 sq.m.	46,865.83 sq.m.	72.7%
廣州珀麗酒店有限公司	廣州珀麗酒店 中國廣州市 海珠區 江南大道中348號	經營酒店業務	10,838.88 平方米	46,865.83 平方米	72.7%
Luoyang Golden Gulf Hotel Company Limited	Luoyang Golden Gulf Hotel No. 319 Zhongzhou Zhong Road, Xigong District, Luoyang City, Henan Province, the PRC	Hotel operation	9,025.51 sq.m.	21,269.18 sq.m.	60.0%
洛陽金水灣大酒店有限公司	洛陽金水灣大酒店 中國河南省 洛陽市 西工區 中州中路319號	經營酒店業務	9,025.51 平方米	21,269.18 平方米	60.0%

Particulars of Properties

物業詳情

Company 公司	Address 地址	Existing Use 現時用途	Site Area 地盤面積	Gross Area 總面積	% Interest 權益百分比
Rosedale Hotel Shenyang Company Limited	Rosedale Hotel Shenyang No. 99 North Station Road, Shenhe District, Shenyang City, Liaoning Province, the PRC	Hotel operation	5,335.00 sq.m.	43,000.34 sq.m.	84.9%
瀋陽珀麗酒店有限公司	瀋陽珀麗酒店 中國 遼寧省 瀋陽市 瀋河區 北站路99號	經營酒店業務	5,335.00 平方米	43,000.34 平方米	84.9%

Particulars of Properties

物業詳情

INVESTMENT PROPERTIES

投資物業

Company 公司	Address 地址	Existing Use 現時用途	Lease Term 租期
The Rosedale Luxury Hotel & Suites Ltd.	No. 1900 Tianshan Road, Changning District, Shanghai, the PRC	Vacant	Leasehold with a term expiring on 15 October 2023
珀麗置業(上海)有限公司	中國上海市 長寧區 天山路1900號	空置	租賃持有，租期於二零二三年十月 十五日屆滿



Rosedale Hotel Holdings Limited

Room 3401, 34th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong

珀麗酒店控股有限公司

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