



SHENYANG
PUBLIC UTILITY
HOLDINGS COMPANY LIMITED

瀋陽公用發展股份有限公司

Stock Code 股份代號 : 747

ANNUAL REPORT

2017
年度報告



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CORPORATE INFORMATION

公司資料

As of the date of this report
截至本報告日期

DIRECTORS

Executive Directors

Mr. Zhang Jing Ming, Chairman
Mr. Deng Xiao Gang, Chief Executive Officer
Mr. Huang Zhen Kun

Non-executive Directors

Ms. Li Yu Xiang
Mr. Yin Zong Chen

Independent Non-executive Directors

Mr. Chan Ming Sun Jonathan
Mr. He Qing Jia
Mr. Yu Guan Jian (retired on 11 February 2018)
Ms. Gao Hong Hong (appointed on 12 February 2018)

AUDIT COMMITTEE

Mr. Chan Ming Sun Jonathan (*Chairman*)
Mr. Yu Guan Jian (retired on 11 February 2018)
Mr. Yin Zong Chen
Ms. Gao Hong Hong (appointed on 12 February 2018)

REMUNERATION COMMITTEE

Mr. He Qing Jia (*Chairman*)
Mr. Chan Ming Sun Jonathan
Ms. Li Yu Xiang

NOMINATION COMMITTEE

Mr. Zhang Jing Ming (*Chairman*)
Mr. He Qing Jia
Mr. Yu Guan Jian (retired on 11 February 2018)
Ms. Gao Hong Kong (appointed on 12 February 2018)

SUPERVISORS

Mr. Wang Xing Ye (*Chairman*)
Mr. Chen Jun Feng
Mr. Zhang Yun Feng
Ms. Huang Yong Jing
Mr. Fang Wei Ran

REGISTERED OFFICE

No. 1-4, 20A, Central Street,
Shenyang Economic and Technological Development Zone,
People's Republic of China

董事

執行董事

張敬明先生，主席
鄧曉綱先生，行政總裁
黃鎮坤先生

非執行董事

李玉香女士
尹宗臣先生

獨立非執行董事

陳銘樂先生
何慶佳先生
余關鍵先生(於2018年2月11日退任)
高紅紅女士(於2018年2月12日獲委任)

審核委員會

陳銘樂先生(主席)
余關鍵先生(於2018年2月11日退任)
尹宗臣先生
高紅紅女士(於2018年2月12日獲委任)

薪酬委員會

何慶佳先生(主席)
陳銘樂先生
李玉香女士

提名委員會

張敬明先生(主席)
何慶佳先生
余關鍵先生(於2018年2月11日退任)
高紅紅女士(於2018年2月12日獲委任)

監事

王興業先生(主席)
陳俊峰先生
張運峰先生
黃永菁女士
方偉然先生

註冊辦事處

中華人民共和國
瀋陽經濟技術開發區
中央大街20甲1-4號

CORPORATE INFORMATION

公司資料

As of the date of this report
截至本報告日期

JOINT COMPANY SECRETARIES

Mr. Wu Tai Cheung
Ms. Qian Fang Fang

AUTHORISED REPRESENTATIVES

Mr. Zhang Jing Ming
Mr. Wu Tai Cheung

AUDITOR

Asian Alliance (HK) CPA Limited

H SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
Rooms 1712-16, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

China Minsheng Bank
CITIC Bank
Industrial and Commercial Bank of China
China Construction Bank

STOCK CODE

747

WEBSITE

www.747kingma.com

聯席公司秘書

胡大祥先生
錢芳芳女士

授權代表

張敬明先生
胡大祥先生

核數師

華融(香港)會計師事務所有限公司

H股份過戶登記處

香港證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-16室

主要往來銀行

民生銀行
中信銀行
工商銀行
建設銀行

股份代號

747

網址

www.747kingma.com

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board of directors of Shenyang Public Utility Holdings Company Limited, I am pleased to present the audited consolidated results of the Company and its subsidiaries for the year ended 31 December 2017.

In the past year, the global economy recovered waveringly with increasing uncertainties and unstable factors. China's domestic economy experienced prominent structural contradictions with its reform and development intensifying. The Group responded proactively to the national strategic policies of stable development to improve macroeconomic control, maintained its strategic strengths and strived to create more value for shareholders.

BUSINESS REVIEW

Currently, the progress of acceptance of completion and transfer of the Group's Zhongfang Chaozhou Jing Nan Industrial Park Project was unable to meet schedules due to local government policy, and hence an impairment of goodwill in relation to Zhongfang Chaozhou Jing Nan Industrial Park Project of RMB24,459,000 was recognised in 2017 Financial Year, which made a loss of RMB29,591,000 when compared with the profit of RMB6,151,000 for the 2016 Corresponding Period. Loss attributable to the owners of the Company for 2017 Financial Year was RMB32,832,000 when compared with the profit of RMB2,349,000 for the 2016 Corresponding Period.

Business Analysis

The infrastructure construction business is the principal business of the Group's long-term development. The Group has all along been committed to developing and striving to propel the progress of various projects. However, owing to local government policies impact and various factors, in 2017 Financial Year, no procedure for acceptance of completion and transfer of the newly added construction land was recorded for the Zhongfang Chaozhou Jing Nan Industrial Park Project. Although the Group keeps on communicating with Chaozhou Jinshan Investment and Development Company Limited* to actively propel the progress of acceptance of completion of the project and sought their own solutions, however, the results were not as good as expected and a loss of RMB29,591,000 was made.

尊敬的各位股東：

本人謹代表瀋陽公用發展股份有限公司董事會，欣然向全體股東報告本公司及其附屬公司截至2017年12月31日止年度的經審核綜合業績。

過去一年，在世界經濟曲折復蘇、不確定不穩定因素增多，國內經濟結構性矛盾突出、改革發展任務加大的形勢下，集團積極響應國家穩步發展的戰略政策，完善宏觀調控，保持戰略定力，努力為廣大股東創造更多價值。

業務回顧

目前由於地方政府政策關係，導致集團中房潮州徑南工業園項目驗收交付進度未能達到預期，就中房潮州徑南工業園項目於2017年財政年度確認商譽減值人民幣24,459,000元，因此，於2017年財政年度，本集團錄得虧損人民幣29,591,000元，2016年同期錄得溢利人民幣6,151,000元。於2017年財政年度，本公司擁有人虧損為人民幣32,832,000元，而2016年同期溢利為人民幣2,349,000元。

業務分析

基礎設施建設業務是本集團長期發展的主要業務，集團一直致力發展並努力推進各項目的進度，但由於地方政府政策以及各方面因素的影響，2017財政年度，中房潮州徑南工業園項目未能錄得新增建設用度驗收交付手續，儘管集團長期與潮州市金山投資開發有限公司溝通，積極推進項目驗收進度，尋求各自解決問題的途徑，但效果未能如預期理想，導致虧損人民幣為29,591,000元。

CHAIRMAN'S STATEMENT

主席報告

The financing and credit business is also our important business. However, Hong Kong Monetary Authority is currently tightening up its policy on credit business in Hong Kong to reduce capital and credit risks. In 2017 Financial Year, the share capital of Chung Hwa Finance (a subsidiary of the Company) was reduced from HK\$200,000,000 to HK\$50,000,000, which focused on rationalising its scope of business to further optimise its financing and credit business standard in Hong Kong and achieved a revenue of RMB15,499,000.

COMPREHENSIVE DEVELOPMENT

Facing the global unstable economic situation and the impact of various domestic policies, to safeguard the interests of shareholders, the Group has timely adjusted its investment strategies, improved its current businesses, and explored potential projects actively. During the year, it completed the acquisition of the 20% equity interests in Guangzhou Hai Yue, invest in acquiring the 20% equity interests in Zhong De Logistics. At the same time, according to market conditions and policy factors, it also entered into gold investment agreements with Independent Third Parties for transferring its equity interests in Shenzhen National Asia Fund Management Limited*. According to our overall strategic layout, no subscription of any new shares in Chaozhou Rural Credit Cooperative was made during the year. Thereafter, the Group will still actively explore business opportunities of its financial business in Mainland China.

RISK MANAGEMENT

During the year, the Group continued to engage AVISTA Risk Advisory Services Limited to review the procedures, systems and internal control of the respective operations of the Group on rotation basis. The Group will take appropriate actions pursuant to the Internal Control and Risk Management Review Report to rectify the weak areas in internal control and risk management, so as to further improve its internal risk management and replicate them to all departments and subsidiaries to improve the risk management awareness of each employee.

金融信貸業務也是本集團的重要業務，但目前香港金管局對香港信貸業務的政策收緊力度加強，為降低資金及信貸風險，於2017年財政年度，中華信貸(本公司附屬公司)股本由200,000,000港元消減至50,000,000港元，著重精簡業務範圍，進一步優化其在香港地區的金融信貸業務水平，實現收入人民幣15,499,000元。

綜合發展

面對全球不穩定的經濟形勢，及國內各方面的政策影響，為保障廣大股東利益，集團及時調整投資策略，完善目前公司各項業務，積極發掘有潛質的項目。於本年度，完成廣州海粵20%股權的收購事項，投資收購眾德物流20%股權；同時根據市場情況及政策因素，分別與獨立第三方訂立黃金投資協議，轉讓深圳市國民亞洲基金管理有限公司股權；而根據公司整體戰略佈局，本年度無新增認購潮州農信社的股份，後續集團仍會積極開拓內地金融業務商機。

風險管理

於本年度，集團繼續聘請艾華迪風險顧問有限公司按輪換基準對集團各項業務的程序、系統及監控進行審閱。集團將根據《內部監控及風險管理審閱報告》採取合適行動對內控及風險管理薄弱環節進行改進，進一步完善公司內部風險管理，並落實到各部門及子公司，提高每一位員工的風險管理意識。

FUTURE PROSPECTS

In 2018, on one hand, the Group will adhere to its existing development strategic objectives, continue to sustain the development of its core business, push ahead the acceptance and transfer procedures for Zhongfang Chaozhou Jing Nan Industrial Park Project, and will adjust the weighs of the Group's investment in industrial projects and financial business as a whole to fully optimise our resources allocation. On the other hand, the Board will continue to explore different investment opportunities to strengthen the development of our investment and asset management business, improve the Group's overall strengths, and create more benefits for shareholders to jointly enhance the value.

Finally, on behalf of the Board, I would like to express our appreciation to all the shareholders, business partners and all employees for their support. With their support and encouragement, I believe we will grow and move toward to success together!

Zhang Jing Ming

Chairman

29 March 2018

前景展望

2018年，本集團一方面將堅持既有的發展戰略目標，繼續保持核心業務發展，致力推動中房潮州徑南工業園項目的收尾及驗收工作，並將整體調整集團實業項目投資及金融業務投資的比例，充分優化集團資源配置；另一方面董事會仍將不斷開拓不同的投資機遇，以加強發展投資及資產管理業務，提高集團綜合實力，為股東創造更多利益，共同提升價值。

最後，本人謹代表董事會，向全體股東、合作夥伴及全體員工給予的支持表示衷心的感謝，有各方的支持與鼓勵，我相信我們未來將能攜手並進，邁向成功！

張敬明

董事長

2018年3月29日

FINANCIAL REVIEW

The revenue of the Group for the 2017 Financial Year amounted to RMB15,499,000 (2016 Corresponding Period: RMB108,370,000), representing a significant decrease of approximately 85.70% as compared with the 2016 Corresponding Period. The substantial decrease in revenue is primarily due to the no income was recorded for the construction of infrastructure and development of properties in the PRC and the decrease in the interest income from the provision of loan financing.

During the 2017 Financial Year, the Group has not completed any acceptance and transfer of (2016 Corresponding Period: 300-mu) construction land of the Zhongfang Chaozhou Jing Nan Industrial Park Project and no revenue was recognised for 2017 Financial Year (2016 Corresponding Period: RMB69,903,000). The acceptance and transfer of the remaining construction land of the Zhongfang Chaozhou Jing Nan Industrial Park Project will be completed in the coming years.

Credit business contributed the revenue for the 2017 Financial Year amounted to RMB15,499,000 (2016 Corresponding Period: RMB38,467,000). The revenue for credit business decreased by 59.71% as compared with that for the 2016 Corresponding Period following the capital reduction in Chung Hwa Finance.

Loss before tax for the 2017 Financial Year amounted to RMB27,714,000 comparing with profit of RMB12,032,000 for 2016 Corresponding Period.

After the disposal of securities investments, including convertible bonds in the 2016 Corresponding Period, the Group had not disposed any securities investment in 2017 Financial Year. A loss arising from the fair value changes on held for trading investment of RMB42,000 was recorded in the 2017 Financial Year (2016: Corresponding Period: RMB30,000). No loss on disposal of held-for-trading investments (2016 Corresponding Period: RMB993,000) and of sale of convertible bonds (2016 Corresponding Period: RMB1,141,000) was recorded in the 2017 Financial Year. The market value of held-for-trading investments as at 31 December 2017 was RMB115,000 (2016: RMB85,000).

In addition, the loss for the 2017 Financial Year is primarily attributable to (a) an exchange loss of approximately RMB9,861,000 (2016 Corresponding Period: gain of RMB16,898,000); (b) the impairment of goodwill of RMB24,459,000 (2016 Corresponding Period: RMB20,000,000) in relation to the Zhongfang Chaozhou Jing Nan Industrial Park Project; and (c) loss from disposal of subsidiaries RMB2,003,000 (2016 Corresponding Period: nil).

財務回顧

本集團於2017年財政年度的收入為人民幣15,499,000元(2016年同期:人民幣108,370,000元),較2016年同期大幅減少約85.70%。收入大幅下降主要是由於未錄得中國基礎設施建設及物業發展之收入及提供貸款融資之利息收入減少所致。

於2017年財政年度,本集團沒有完成中房潮州徑南工業園項目(2016年同期:300畝)建設用地的驗收交付手續,並無於2017年財政年度確認收入(2016年同期:人民幣69,903,000元)。中房潮州徑南工業園項目餘下建設用地的驗收交付手續將於未來數年完成。

於2017年財政年度,信貸業務收入為人民幣15,499,000元(2016年同期:人民幣38,467,000元)。繼向中華信貸減資後,信貸業務收入較2016年同期減少59.71%。

本集團於2017年財政年度的除稅前虧損為人民幣27,714,000元,而2016年同期溢利為人民幣12,032,000元。

於出售證券投資(包括於2016年同期之可換股債券)後,本集團於2017年財政年度並無出售任何證券投資。於2017年財政年度錄得就持作買賣投資公允價值變動產生之虧損人民幣42,000元(2016年同期:人民幣30,000元)。於2017年財政年度並無錄得出售持作買賣投資之虧損(2016年同期:人民幣993,000元),亦無出售可換股債券之虧損(2016年同期:人民幣1,141,000元)。於2017年12月31日,持作買賣投資之市值為人民幣115,000元(2016年:人民幣85,000元)。

此外,2017年財政年度的虧損主要是由於(a)匯兌虧損約人民幣9,861,000元(2016年同期:收益人民幣16,898,000元);(b)就中房潮州徑南工業園項目錄得商譽減值人民幣24,459,000元(2016年同期:人民幣20,000,000元);及(c)出售附屬公司虧損為人民幣2,003,000元(2016年同期:無)所致。

In view of no revenue was recognised from the acceptance and transfer of construction land in respect of Zhongfang Chaozhou in the 2017 Financial Year and the slow settlement of the trade receivable therefrom as well as the uncertainty in the phase II and phase III of the Zhongfang Chaozhou Jing Nan Industrial Park Project, the impairment of the balance of the goodwill in relation to Zhongfang Chaozhou in the sum of RMB24,459,000 (2016 Corresponding Period: 20,000,000) was recognised in the profit or loss for the 2017 Financial Year.

The losses incurred on the disposal of the subsidiaries namely, Cheng He Chuang Jian and National Asia amounted to RMB 2,003,000 and RMB nil respectively. Details of the disposal of subsidiaries were set out in the paragraph headed "Material Acquisition and Disposal of Subsidiaries and Associate Companies".

Income Tax Expenses

Income tax expenses of the Group for the 2017 Financial Year amounted to RMB1,877,000, representing a decrease of approximately 68.08% as compared with RMB5,881,000 for the 2016 Corresponding Period. The decrease in income tax expenses was mainly attributable to the combined tax effect on (i) expenses not deductible for tax purpose; (ii) loss not recognised for tax purpose; and (iii) income not taxable for tax purpose.

Donations

The Group has made a donations of RMB200,000 in total to support the reconstruction of poor households in town for the 2017 Financial Year (2016 Corresponding Period: nil).

Loss/earnings per share

Loss per share was approximately RMB2.23 cents comparing with the earnings per share for the 2016 Corresponding Period of RMB0.16 cents.

鑑於2017年財政年度並未就有關中房潮州之建設用地之驗收交付確認收益及有關應收賬款之結算緩慢以及中房潮州徑南工業園項目二期及三期存在不確定性，收購中房潮州產生之商譽結餘減值為數人民幣24,459,000元（2016年同期：人民幣20,000,000元）於2017年財政年度之損益內確認。

出售附屬公司城合創建及國民亞洲產生之虧損分別為人民幣2,003,000元及人民幣零元。有關出售附屬公司之詳情載於「重大收購及出售附屬及聯營公司」一段。

所得稅開支

本集團於2017年財政年度的所得稅開支為人民幣1,877,000元，較2016年同期人民幣5,881,000元減少約68.08%。所得稅開支減少主要是由於(i)不可扣稅開支；(ii)並無就稅項目的確認的虧損；及(iii)毋須課稅收入的合併影響所致。

捐款

於2017年財政年度，本集團作出捐款共人民幣200,000元以幫扶鄉鎮貧困戶民房改造（2016年同期：無）。

每股虧損／盈利

每股虧損約為人民幣2.23分，而2016年同期為每股盈利人民幣0.16分。

BUSINESS REVIEW

Infrastructure Construction Business

During the 2017 Financial Year, the Group has not completed any acceptance and transfer of construction land (2016 Corresponding Period: 300-mu) and accordingly no revenue was recorded (2016 Corresponding Period: RMB69,903,000). Zhongfang Chaozhou has completed the procedures for acceptance of completion and transfer of accumulated total 3,700-mu. The completion of the procedure of acceptance for the remaining land is still in progress.

The Group will continue to liaise with the relevant authorities to complete the procedures for acceptance of completion and transfer process of the remaining completed construction land. As explained in the Financial Review, an impairment the balance of goodwill in relation to Zhongfang Chaozhou in the sum of RMB24,459,000 (2016 Corresponding Period: RMB20,000,000) has been recognised in the 2017 Financial Year.

Credit Business

On 21 February 2017, Chung Hwa Finance has effectively reduced its share capital from HK\$200,000,000 to HK\$50,000,000 (the "Capital Reduction"). The reduced share capital has been returned to the existing shareholders. No share is cancelled upon completion of the share capital reduction.

Chung Hwa Finance is continued to be owned as to 55% by Kingma Overseas and 45% by Chung Hwa Finance Holdings Limited respectively. Details of which are set out in the announcement of the Company dated 23 January 2017.

Following the completion of Chung Hwa Finance's Capital Reduction during the 2017 Financial Year, the Group gradually rationalised the credit business in Hong Kong. Chung Hwa Finance, a licensed money lender in Hong Kong recognised revenue of approximately RMB15,499,000 (2016 Corresponding Period: RMB38,467,000).

業務回顧

基礎設施建設業務

於2017年財政年度，本集團沒有完成任何(2016年同期：300畝)建設用地的驗收交付手續，因此並無錄得收入(2016年同期：人民幣69,903,000元)。中房潮州已累計完成3,700畝建設用地的驗收交付工作。餘下建設用地的驗收工作仍在進行中。

本集團將繼續與有關當局聯絡以完成餘下已竣工建設用地的驗收交付手續。誠如財務回顧所說明，已就中房潮州於2017年財政年度確認商譽結餘減值人民幣24,459,000元(2016年同期：人民幣20,000,000元)。

信貸業務

於2017年2月21日，中華信貸已將其實際股本由港幣200,000,000元削減至港幣50,000,000元(「減股」)。所削減股本已退還予現有股東。概無股份於減股完成後被註銷。

中華信貸仍分別由金馬海外及中華信貸集團有限公司擁有55%及45%的權益。有關詳情載於本公司日期為2017年1月23日的公告。

繼2017年財政年度完成中華信貸的減股後，本集團逐漸精簡香港的信貸業務。香港持牌放債人中華信貸於本期確認收入約人民幣15,499,000元(2016年同期：人民幣38,467,000元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS PROSPECTS

The Group is seeking investments other than the existing infrastructure construction business in the PRC and the credit business in Hong Kong. The Group has identified certain projects with investment potential so as to diversify the business horizon in order to create value for shareholders.

The Group has entered into certain agreements and letter of interest, details of which are set out in the paragraphs headed "Major Acquisition and Disposal of Subsidiaries and Associated Companies" and "Events after the Reporting Period".

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent financial management policy to manage the working capital. As of 31 December 2017, the Group's total assets amounted to RMB1,142,839,000 (2016: RMB1,272,402,000), representing a decrease of 10.18%. Non-current assets and current assets as at 31 December 2017 were RMB617,871,000 (2016: RMB516,734,000) and RMB524,968,000 (2016: RMB755,668,000) respectively. The increase in non-current assets by RMB101,137,000, being 19.57%, is attributable to the deposit paid for the acquisition of properties in Beijing by Beijing Shen Shang and for capital contribution to Zhong De Logistics, details of which are set out in the paragraph headed "Major Acquisition and Disposal of Subsidiaries and Associate Companies". The assets were financed by current liabilities of RMB116,228,000 (2016: RMB151,734,000) and shareholders' equity of RMB1,001,116,000 (2016: RMB1,035,401,000).

As of 31 December 2017, the Group has no bank borrowings. The Group's current ratio (current assets/current liabilities) was 4.52 (2016: 4.98) and gearing ratio (total liabilities/total assets) was 0.10 times (2016: 0.12 times).

業務展望

本集團正尋求中國既有基礎設施基礎建設業務以及香港信貸業務以外的其他投資。本集團已物色若干具有投資潛力的項目以擴闊業務視野，藉以為股東創造價值。

本集團已訂立若干協議及意向書，有關詳情載於「重大收購及出售附屬及聯營公司」及「報告期後事件」等段。

流動資金與財務資源

本集團採納審慎的財務管理政策以管理營運資金。截至2017年12月31日，本集團的資產總值為人民幣1,142,839,000元（2016年：人民幣1,272,402,000元），減少10.18%。於2017年12月31日，非流動資產及流動資產分別為人民幣617,871,000元（2016年：人民幣516,734,000元）及人民幣524,968,000元（2016年：人民幣755,668,000元）。非流動資產增加人民幣101,137,000元，增幅19.57%，是由於北京瀋商收購北京物業支付的訂金及向眾德物流注資所致，有關詳情載於「重大收購及出售附屬及聯營公司」一段。資產以流動負債人民幣116,228,000元（2016年：人民幣151,734,000元）及股東資金人民幣1,001,116,000元（2016年：人民幣1,035,401,000元）撥付。

截至2017年12月31日，本集團並無銀行貸款。本集團的流動比率（流動資產／流動負債）及資產負債比率（總負債／總資產）分別為4.52（2016年：4.98）及0.10倍（2016年：0.12倍）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATE COMPANIES

Acquisition of 20% equity interest of Hai Yue Real Estate

The acquisition of 20% equity interest of Hai Yue Real Estate has been completed during the 2017 Financial Year.

Details of the acquisition have been set out in the announcements of the Company dated 27 July 2015, 19 July 2016, 26 October 2016, 20 December 2016 and 3 March 2017.

Pre-acquisition of property in Beijing PRC

On 15 November 2016, Beijing Shen Shang, being the subscriber entered into the pre-acquisition agreement (the "Pre-Acquisition Agreement") with Beijing Zhong Tou, pursuant to which Beijing Zhong Tou agreed to sell and Beijing Shen Shang agreed to acquire a property (the "Beijing Property") at a total consideration of RMB152,800,000. The Beijing Property is a commercial premise with the construction area of 2,800 square meters (with the right to use 5,000 square meters of car parks at the basement level two of the Convention Center), being part of Phase 3 of the ancillary facility project of Beijing International Zone Convention Center* 北京會展國際港展館 to be constructed in Beijing Shunyi District Tianzhu Airport Commercial Zone* 北京市順義區天竺空港商務區. Details of the Pre-Acquisition Agreement are set out in the announcement of the Company dated 15 November 2016.

As at the date of this report, the transaction was still in progress. As part of the consideration, deposit amounting to RMB140,000,000 is paid by instalments according to the terms of the Pre-Acquisition Agreement. Currently, the project has obtained the construction permit. The completion of construction of the Beijing Property is expected to be postponed to December 2019.

Termination of the acquisition of 28% equity interest of Shenzhen Hui Ye Micro Lending

In March 2016, the Company entered into an acquisition agreement with an Independent Third Party to acquire 28% equity interest in Shenzhen Hui Ye Micro Lending for a consideration of RMB42,000,000. On 10 March 2017, the Company entered into the termination agreement to terminate the acquisition with immediate effect and the consideration paid in the sum of RMB32,000,000 has been refunded to Shenzhen Shen He.

重大收購及出售附屬及聯營公司

收購海粵房地產20%股權

收購海粵房地產20%股權已於2017財政年度完成。

有關收購的詳情載於本公司日期分別為2015年7月27日、2016年7月19日、2016年10月26日、2016年12月20日及2017年3月3日的公告。

預購於中國北京的物業

於2016年11月15日，北京瀋商(即認購方)與北京中投訂立預購協議(「預購協議」)，據此，北京中投同意出售及北京瀋商同意收購物業(「北京物業」)，總代價為人民幣152,800,000元。北京物業為建築面積2,800平方米並有權使用會展中心地下負二層5,000平方米停車場之商用物業，即位於北京市順義區天竺空港商務區將興建的北京會展國際港展館配套設施項目3期的一部分。有關預購協議之詳情載於本公司日期為2016年11月15日的公告。

於本報告日期，該交易仍在進行當中，作為代價一部分，訂金人民幣140,000,000元按照預購協議之條款分期支付。目前該項目已取得施工許可證，北京物業之建設將預期延遲至2019年12月完成。

終止收購深圳匯業小額貸款28%股權

於2016年3月，本公司與獨立第三方訂立收購協議以收購深圳匯業小額貸款28%股權，代價為人民幣42,000,000元。於2017年3月10日，本公司訂立終止協議以即時終止收購，已付訂金人民幣32,000,000元已退還予深圳沈和。

Signing of the gold investment agreements

On 10 March 2017, Ju Sheng Chuang Jian entered into the gold investment agreements with Independent Third Parties. Pursuant to the gold investment agreements, Ju Sheng Chuang Jian agreed to invest in standard gold in Au99.99 fineness with the total investment amount of RMB54,620,000. The investment period is nine months and it is agreed that the return for such investment shall not be less than 3% of the total investment amount. On 31 December 2017, the Group has received a gold investment gain RMB1,419,000. As the respective percentage ratios for the transaction are less than 5%, the transaction is not subject to announcement requirement under the Listing Rules.

Investment in BGA China

On 14 March 2017 (after trading hours), Modern Key International Limited (“Modern Key”), the wholly-owned subsidiary of the Company and BGA China entered into a non-legally binding letter of intent (the “Letter of Intent”). Pursuant to the Letter of Intent, it is agreed that Modern Key shall conditionally acquire not less than 20% equity interest of BGA China (the “Possible Investment”) subject to certain conditions. BGA China is a limited company incorporated in the British Virgin Islands, engaging in the business development of organic fertilizers. As at the date of this report, both parties were unable to enter into the formal agreement within the period of independent negotiation, and accordingly terminated the cooperation according to the Letter of Intent. Details of the Letter of Intent are set out in the announcement of the Company dated 14 March 2017.

Increase in registered capital of Zhongfang Chaozhou

On 17 March 2017, the Board has passed a resolution to increase the registered capital of Zhongfang Chaozhou from RMB150,000,000 to RMB400,000,000. The purpose for the capital increase is to enhance the capital base of Zhongfang Chaozhou as well as strengthen its infrastructure and construction business in the PRC. As at the date of this report, the increase of registered capital of Zhongfang Chaozhou has been completed.

簽訂黃金投資協議

於2017年3月10日，聚晟創建與獨立第三方訂立黃金投資協議。根據黃金投資協議，聚晟創建同意以總投資額人民幣54,620,000元投資純度為99.99的標準黃金。投資期為9個月，根據協議，該投資回報應不少於總投資額3%。於2017年12月31日，本集團已收到黃金投資收益人民幣1,419,000元。由於交易的相關百分比率低於5%，交易毋須遵守上市規則的公告規定。

投資於神農中華

於2017年3月14日(交易時段結束後)，現基國際有限公司(「現基」，本公司全資附屬公司)與神農中華訂立不具法律約束力的意向書(「意向書」)。根據意向書，現基有條件地收購神農中華不少於20%股權(「潛在投資事項」)，惟須遵守若干條件。神農中華為於英屬處女群島註冊成立的有限公司，從事有機肥料的推廣業務。於本報告日期，雙方未能於獨立磋商期內簽訂正式協議，已根據意向書終止合作意向。有關意向書的詳情於本公司日期為2017年3月14日的公告中披露。

增加中房潮州註冊資本

於2017年3月17日，董事會通過決議案將中房潮州的註冊資本由人民幣150,000,000元增至人民幣400,000,000元。增資旨在擴大中房潮州的資本基礎及鞏固其於中國的基礎設施建設業務。於本報告日期，增加中房潮州註冊資本已完成。

Establishment of a wholly-owned subsidiary in China

On 10 April 2017, the Company established Shenhe Chuangli with a registered capital of RMB200,000,000. The valid scope of business includes operation and investment in enterprise (actual project details to be declared), commerce in the PRC (other than projects subject to approval prior to registration as provided by the laws, administrative regulations and decisions of the State Council). This company will be used for expansion and management of the Group's project in Shenzhen.

Capital contribution to Zhong De Logistics

On 11 May 2017, Shenzhen Shenxi entered into the capital contribution agreement with Independent Third Parties, pursuant to which Shenzhen Shenxi shall make capital contribution in the sum of RMB155,000,000 to Zhong De Logistics and account for 20% equity interest in Zhong De Logistics upon the completion of the capital contribution. Details are set out in the announcement of the Company dated 11 May 2017.

As at the date of this report, Shenzhen Shenxi has paid the capital contribution of RMB150,000,000. As additional time is required by Zhong De Logistics to release the equity interest pledged with the bank, according to the Supplementary Agreement to Capital Contribution Agreement of Zhong De Logistics entered into on 5 February 2018, the completion of registration procedures for industry and commerce is expected to be completed by 30 September 2018. The remaining capital contribution amounting to RMB5,000,000 will be paid upon completion of the registration procedures for industry and commerce.

Transfer the 100% Equity Share in National Asia

On 13 October 2017, Shenzhen Shen He transferred its 100% Equity Share in National Asia to an Independent Third Party at a consideration of RMB9,867,000. On 16 October 2017, the parties entered into a supplemental agreement, the Independent Third Party would assume Shenzhen Shen He's liability of RMB9,860,000 owed to National Asia in proportion to their holdings, the debt obligation is decided to be a part of transaction consideration, the remaining transaction consideration of RMB7,000 has been satisfied in cash by the Independent Third Party to Shenzhen Shen He. National Asia has completed the registration procedures for industry and commerce on 17 October 2017. As the relevant percentage ratio in respect of each transaction is less than 5%, the transaction is not subject to the announcement requirement under the Listing Rules.

於中國成立全資附屬公司

於2017年4月10日，本公司成立深合創立，註冊資本為人民幣200,000,000元。合法取得經營投資與辦實業（具體項目另行申報），國內貿易（法律、行政法規、國務院決定規定在登記前須經批准的項目除外）業務，該公司將用於本集團開拓及管理深圳項目。

注資眾德物流

於2017年5月11日，深圳沈璽與獨立第三方簽署注資協議，據此，深圳沈璽向眾德物流出資人民幣155,000,000元，佔眾德物流完成注資後20%的股份。有關詳情，請參閱本公司日期為2017年5月11日的公告。

於本報告日期，深圳沈璽已支付注資款項人民幣150,000,000元。由於眾德物流需要額外時間釋放質押於銀行的股權，根據2018年2月5日簽訂的《眾德物流增資擴股協議補充協議》，工商變更登記預計將於2018年9月30日前完成。剩餘注資款項人民幣5,000,000元將於工商變更登記完成後支付。

轉讓國民亞洲100%股權

於2017年10月13日，深圳沈和將其持有的國民亞洲100%股權，以代價人民幣9,867,000元轉讓給獨立第三方。於2017年10月16日，雙方簽訂《補充協議》，獨立第三方按照持股比例承擔深圳沈和對國民亞洲的債務人民幣9,860,000元，該債務的承擔作為交易對價的一部分，剩餘交易對價人民幣7,000元已由獨立第三方以現金方式支付給深圳沈和。國民亞洲於2017年10月17日完成工商變更。由於各項交易的相關百分比低於5%，交易無須遵守上市規則的公告規定。

Transfer of 40% equity interest of Shenzhen Xingma Hongyun

On 31 May 2017, Shenzhen Tonghe transferred its 40% equity interest in Shenzhen Xingma Hongyun to Shenzhen Galaxy Real Estate at a consideration of RMB1,000. As the registered capital of Shenzhen Xingma Hongyun is not yet paid by both parties and Shenzhen Xingma Hongyun has not yet commenced business, Shenzhen Tonghe transferred its equity interest in Shenzhen Xingma Hongyun to Shenzhen Galaxy Real Estate at a nominal consideration of RMB1,000. As the respective percentage ratios for each transaction are less than 5%, the transaction is not subject to announcement requirement under the Listing Rules.

Disposal of the entire issued share capital of Cheng He Chuang Jian

On 15 March 2016, Shenzhen Shen He entered into the disposal agreement with an Independent Third Party (the "Buyer"), whereby the Buyer has conditionally agreed to purchase and Shenzhen Shen He has conditionally agreed to sell the entire issued share capital of Cheng He Chuang Jian at the consideration of RMB44,000,000 (the "Disposal").

The principal activity of Cheng He Chuang Jian is investment holding. On 26 December 2016, both parties entered into an agreement to postpone the completion date to 30 June 2017. On 5 May 2017, Cheng He Chuang Jian completed the registration procedures for industry and commerce. Accordingly, the Disposal has been completed. On 28 June 2017, both parties entered into the extension agreement to extend the final payment term for the remaining amount of RMB17,000,000 to 31 December 2017.

As at 31 December 2017, the Group has received the balance of RMB 15,000,000. On 5 February 2018, Shenzhen Shen He entered into a supplemental agreement with the Buyer. Due to the poor operating conditions of the project invested by Cheng He Chuang Jian, the parties agreed that price for the transfer the equity and liabilities of Cheng He Chuang Jian be revised to RMB42,000,000 from original RMB44,000,000. The loss arising from disposal was approximately RMB2,003,000.

轉讓深圳星馬鴻運40%股權

於2017年5月31日，深圳同合將其持有的深圳星馬鴻運40%股權，以代價人民幣1,000元轉讓給星河地產。由於深圳星馬鴻運的註冊資本雙方尚未實繳及深圳星馬鴻運尚未開展實際業務，因此深圳同合以形式代價人民幣1,000元轉讓所持有的深圳星馬鴻運股權予星河地產。由於各項交易的相關百分比率低於5%，交易無須遵守上市規則的公告規定。

出售城合創建全部已發行股本

於2016年3月15日，深圳沈和與獨立第三方（「買方」）訂立出售協議，據此，買方有條件同意購買而深圳沈和有條件同意出售城合創建全部已發行股本，代價為人民幣44,000,000元（「出售事項」）。

城合創建的主要業務為投資控股。於2016年12月26日，雙方簽署協議同意將完成日押後至2017年6月30日。於2017年5月5日，城合創建完成工商變更登記。因此，出售事項已完成。於2017年6月28日，雙方就餘款人民幣17,000,000元簽署延期協議，將餘款最後支付期限延遲至2017年12月31日。

於2017年12月31日，本集團已收到餘款人民幣15,000,000元。於2018年2月5日，深圳沈和與買方簽訂補充協議，由於城合創建所投項目經營狀況不良，雙方協商同意，轉讓城合創建股權及債權的價格由原來的人民幣44,000,000元修訂為人民幣42,000,000元。出售事項產生的虧損約為人民幣2,003,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

NUMBER OF EMPLOYEES, EMOLUMENTS, TRAINING SCHEMES AND SHARE OPTION SCHEMES

As at 31 December 2017, the Group employed a total of 42 (2016: 47) employees (including directors of the Company). The Group has entered into employment contracts with all employees, and offered employment package according with their positions, qualifications, experience and ability. During the 2017 Financial Year, the aggregate salaries and emoluments amounted to RMB3,491,000 (2016 Corresponding Period: RMB3,627,000). The Group also provide benefits to employees, such as contributions to endowment insurance, basic medical insurance and housing reserve in accordance with the relevant laws of the PRC.

The Group has not adopted any share option scheme for any of its senior management or employees.

ASSETS SECURED/PLEDGED

As at 31 December 2017, no assets of the Group was secured or pledged (2016: nil).

CURRENCY RISKS

Other than those subsidiaries established in Hong Kong, the revenue and expenses of the Group are mainly denominated in Renminbi. The Group is exposed to foreign currency risk on transactions denominated in currencies other than the functional and reporting currency of the Group which is Renminbi. The change in the exchange rate of Hong Kong Dollar against Renminbi will affect the result of the Group. In view of the depreciation of Hong Kong Dollar against Renminbi, the reporting currency, an exchange loss of RMB9,861,000 (2016 Corresponding Period: gain of RMB16,898,000) has been recorded in the results for the 2017 Financial Year. The Group currently does not have hedging policy against foreign exchange risk. The management will consider hedging significant currency exposure in future should the need arise.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group had no significant contingent liabilities (2016: nil).

CAPITAL COMMITMENTS

As of 31 December 2017, the total capital commitments of the Group amounted to RMB267,800,000 (2016: RMB96,800,000), details of which were set out in Note 37 to the this report.

僱員人數、薪酬、培訓計劃及購股權計劃

於2017年12月31日，本集團共聘用42名僱員(包括本公司董事在內)(2016年：47名)。本集團與全體僱員均已簽署聘用合同，根據僱員所在不同崗位、資歷、經驗及能力提供不同之薪酬待遇。於2017年財政年度，薪金及酬金總額為人民幣3,491,000元(2016年同期：人民幣3,627,000元)。同時，根據中國有關法律規定，本集團為僱員提供福利如交納養老保險金、基本醫療報銷金和住房公積金。

本集團尚未採納任何高級管理人員或員工購股權計劃。

資產抵押／質押

於2017年12月31日，本集團並無任何資產抵押及質押(2016年：無)。

外匯風險

除於香港成立的該等附屬公司外，本集團之收入及開支主要以人民幣計值。本集團承受以本集團功能及申報貨幣(人民幣)以外計值的交易的外匯風險。港元兌人民幣的匯率變動將影響本集團的業績。鑒於港元兌人民幣(申報貨幣)貶值，於2017年財政年度的業績中確認匯兌虧損人民幣9,861,000元(2016年同期：收益人民幣16,898,000元)。本集團目前並無外匯盈利風險的對沖政策。管理層將考慮日後於有需要時對沖重大貨幣風險。

或然負債

於2017年12月31日，本集團並無重大或然負債(2016年：無)。

資本承擔

於2017年12月31日，本集團的總資本承擔為人民幣267,800,000元(2016年：人民幣96,800,000元)，有關詳情載本報告附註37。

EVENTS AFTER THE REPORTING PERIOD

Supplemental agreement in relation to capital contribution to Zhong De Logistics

On 5 February 2018 (after trading hours), Shenzhen Shenxi, an direct wholly-owned subsidiary of the Company, Shenzhen He Hui Huang Development Company Limited, Shenzhen Newport Investment Group Limited and Zhong De Logistic entered into a supplemental agreement in relation to capital contribution to Zhong De Logistics, certain terms and conditions of the capital contribution agreement has been amended. Details of the Capital Contribution Agreement are set out in the announcement of the Company dated 5 February 2018.

Acquisition of properties in Hebei Province

On 9 February 2018 (after trading hours), Beijing Shen Shang, an wholly-owned subsidiary of the Company, and San He Jing Jiao Property Development Company Limited* (三河京郊房地產開發有限公司) entered into an agreement (the "Property Acquisition Agreement") pursuant to which the Vendor have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the properties at the cash consideration of RMB110,000,000. The properties, comprises 11 shop units (including Shop No. 5-1-101, 5-1-102, 5-1-103, 5-1-104, 5-5-111, 5-5-112, 5-5-222, 5-5-223, 5-5-324, 5-5-425, 5-5-426) with a total gross floor area of approximately 3,168 square meter together with 60 car parking spaces (No. 001-005, 008-010, 012-024, 027-029, 032-034, 036-055, 059-071) on basement level of Phase 5 of Tian Zi Zhuang Yuan (天子莊園), located at Yanjiao National HighTech Industrial Development Area, Sanhe City, Hebei Province. The vendor and the purchaser shall have completed and performed all of their respective obligations under the Property Acquisition Agreement no later than 9 August 2018, or such later date as the parties may agree in writing. As at the date of this report, the acquisition is still in progress. Details of the Property Acquisition Agreement are set out in the announcement of the Company dated 9 February 2018.

報告期後事件

有關向眾德物流注資的補充協議

於2018年2月5日(交易時段後)，深圳沈璽(本公司直接全資附屬公司)、深圳市合輝煌發展有限公司、深圳市新邦投資集團有限公司與眾德物流就有關向眾德物流注資訂立一份補充協議，以修訂注資協議的若干條款及條件。有關注資協議的詳情載於本公司日期為2018年2月5日之公告。

收購河北省物業

於2018年2月9日(交易時段後)，北京瀋商(為本公司之全資附屬公司)與三河京郊房地產開發有限公司訂立一份協議(「物業收購協議」)，據此，賣方有條件同意出售，而買方有條件同意收購該物業，現金代價為人民幣110,000,000元。該物業包括於河北省三河市燕郊國家高新技術產業開發區天子莊園五期11個商舖單位(包括第5-1-101、5-1-102、5-1-103、5-1-104、5-5-111、5-5-112、5-5-222、5-5-223、5-5-324、5-5-425、5-5-426號舖)，總建築面積約3,168平方米，連同地庫的60個停車位(第001-005、008-010、012-024、027-029、032-034、036-055、059-071號)。賣方與買方須於2018年8月9日前(或各訂約方可能以書面協定之其他較後日期)完成及履行彼等於物業收購協議項下全部的相關責任。於本報告日期，收購仍在進行中。有關物業收購的詳情載於本公司日期為2018年2月9日之公告。

Transfer of shares of Chaozhou Rural Credit Cooperative

On 20 March 2018, Zhongfang Chaozhou entered into the share transfer agreements with three Independent Third Parties of the Company respectively pursuant to which Zhongfang Chaozhou agreed to transfer a total number of 3,000,000 shares of Chaozhou Rural Credit Cooperative* 潮州市區農村信用合作聯社 to three Independent Third Parties of the Company at a price of RMB1.80 per share. As the relevant percentage ratio in respect of each transaction is less than 5%, the transaction is not subject to the announcement requirement under the Listing Rules.

Supplemental agreement in relation to the Pre-acquisition of property in Beijing

Pursuant to the Pre-Acquisition Agreement, in the event of Beijing Zhong Tou failing to obtain the Commodity House Pre-sale Permit in accordance with the stipulated time by the 31 December 2017, Beijing Zhong Tou shall pay Beijing Shen Shang a compensation amount of 0.03% of the amount paid under the Pre-Acquisition Agreement per day for each day of delay.

Due to the delay in construction of the Beijing Property arising from the relevant government policies, Beijing Shen Shang, a wholly-owned subsidiary of the Company and Beijing Zhong Tou entered into a supplemental agreement (the "Supplemental Agreement") in relation to the Pre-Acquisition Agreement on 26 March 2018 to postpone the date of completion and acceptance of the Beijing Property to 31 December 2019. Beijing Shen Shang also agreed to waive the compensation amount resulting from the delay in obtaining the permits. In the meanwhile, Beijing Zhong Tou shall return a prepaid amount of RMB30,000,000 to Beijing Shen Shang within 3 months upon signing of the Supplemental Agreement. Beijing Shen Shang will settle such amount upon the Commodity House Pre-sale Permit in relation to the Beijing Property is obtained.

SIGNIFICANT INVESTMENT HELD

Saved as disclosed herein this section, the Group had no significant investment held for the 2017 Financial Year.

轉讓潮州市區農村信用合作聯社股份

於2018年3月20日，中房潮州分別與本公司三名獨立第三方人士訂立股份轉讓協議，據此，中房潮州同意按每股人民幣1.80元轉讓潮州市區農村信用合作聯社合計3,000,000股股份予本公司三名獨立第三方人士。由於與各筆交易相關的相關百分比率低於5%，故交易毋須遵守上市規則的公告規定。

與預購北京物業相關之補充協議

根據預購協議，倘於2017年12月31日前北京中投未能按約定時間取得商品房預售許可證，則每延遲一日，北京中投須向北京瀋商支付金額為預購協議項下已支付款項每日0.03%之補償金。

由於相關政府政策導致北京物業建造延遲，於2018年3月26日，北京瀋商(本公司的全資附屬公司)與北京中投就預購協議訂立補充協議(「補充協議」)以推遲北京物業驗收交付日期至2019年12月31日。北京瀋商亦同意豁免延遲取得許可證導致的賠償金。與此同時，北京中投須自簽署補充協議後3個月內向北京瀋商退還預付款項人民幣30,000,000元。北京瀋商將於取得有關北京物業之商品房預售許可證後結清該筆款項。

所持重大投資

除本節所披露者外，本集團於2017年財政年度並無持有任何重大投資。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層介紹

EXECUTIVE DIRECTORS:

Mr. Zhang Jing Ming, aged 61, graduated from Shantou Business School. Since 1986, Mr. Zhang has successively worked as the deputy manager of Guangdong Haining Paper Packing Company Limited* (廣東海寧紙品包裝有限公司), the vice president of Hong Kong Hai Yuan Industry Group Limited and chairman of Beijing Zhongjin Chuangzhan Real Estate Development Company Limited* (北京中金創展房地產開發有限公司). Mr. Zhang has extensive experience in business management, corporate culture and project and operational planning.

Mr. Huang Zhen Kun, aged 59, is an executive director of the Company. Mr. Huang was re-designated from non-executive director to executive director of the Company with effect from 3 March 2014. He joined the Group since June 2013. Mr. Huang graduated from Shenzhen University (深圳大學) majoring in accounting. He is currently the general manager of Zhongfang Chaozhou Investment Development Company Limited (中房潮州投資開發有限公司), a wholly-owned subsidiary of the Company. Mr. Huang has extensive experience in corporate governance and management of real estate projects.

Mr. Deng Xiao Gang, aged 58, is an executive director of the Company. He joined the Group since June 2013. Mr. Deng graduated from the Urban Construction and Engineering Department of Chongqing Institute of Architectural and Engineering (重慶建築工程學院) in 1983 with a bachelor degree in engineering, majoring in water supply and drainage. Mr. Deng has extensive experience in corporate governance and management of real estate projects.

執行董事：

張敬明先生，61歲，畢業於汕頭商業學校。自1986年，張先生先後擔任廣東海寧紙品包裝有限公司副總經理、香港海源實業集團有限公司副總裁以及北京中金創展房地產開發有限公司董事長。張先生在業務管理、企業文化及項目及營運規劃方面擁有豐富經驗。

黃鎮坤先生，59歲，本公司執行董事。黃先生由本公司非執行董事調任為執行董事，自2014年3月3日起生效。彼自2013年6月加入本集團。黃先生畢業於深圳大學會計學專業。彼現任本公司全資附屬公司中房潮州投資開發有限公司總經理。黃先生於公司管治及地產專案開發方面擁有豐富經驗。

鄧曉綱先生，58歲，本公司執行董事，自2013年6月加入本集團。鄧先生於1983年畢業於重慶建築工程學院城市建設工程系給排水專業，獲頒工程學士學位。鄧先生於公司管治和地產項目開發方面擁有豐富經驗。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層介紹

NON-EXECUTIVE DIRECTORS:

Mr. Yin Zong Chen, aged 54, is a non-executive director of the Company. Mr. Yin graduated from Harbin Institute of Technology (哈爾濱工業大學) with a master degree in Architecture and Civil Engineering Professional. He is a member of the Shenzhen Luohu District Committee of the CPPCC for the fifth session. He successively served as the general manager, party branch deputy secretary and senior engineer of Shenzhen Shenan Enterprise Co., Ltd. from 1997 to 2003, and the director, general manager and senior engineer of Shenzhen Pan-China Engineering Group Co., Ltd. ("Pan-China Engineering Group") from 2003 to 2007. During his term in Pan- China Engineering Group, he obtained the qualifications of national first class registered constructor, registered supervision engineer and registered cost engineer. Mr. Yin served as the general manager of the contracting division and group vice president in Shenzhen Construction (Group) Company Limited (深圳市建設(集團)有限公司) from 2009 to 2012, currently served as an executive director of Guangdong 16 Construction Co. LTD.* (廣東十六建設有限公司). He has over 30 years' experience in architecture design, civil engineering and infrastructure construction.

Ms. Li Yu Xiang, aged 59, graduated from Henan Radio & Television University* (河南廣播電視大學法律專業) with a bachelor's degree in laws in 1988. Since 1981, Ms. Li has served as the section officer of Bureau of Justice in Kaifeng City, Henan Province, and the chief lawyer of Henan Rnn He law firm* (河南潤合律師事務所). Ms. Li is currently the partner of Guangdong Shen Hua law firm* (廣東深樺律師事務所). Ms. Li has extensive experience in finance and capital markets, debts and liabilities, intellectual property rights.

非執行董事：

尹宗臣先生，54歲，本公司非執行董事，尹先生畢業於哈爾濱工業大學，獲頒授建築與土木工程專業碩士學位，深圳市羅湖區第五屆政協委員。於1997年至2003年，先後擔任深圳市深安企業有限公司之總經理、黨總支副書記及高級工程師。於2003年至2007年，先後擔任深圳市泛華工程集團有限公司(「泛華工程集團」)之董事、總經理及高級工程師。於泛華工程集團期內，獲取國家註冊一級建造師及註冊監理工程師、註冊造價工程師資格。於2009年至2012年，尹先生先後擔任深圳市建設(集團)有限公司總承包事業部總經理、集團總裁，現擔任廣東十六建設有限公司執行董事。尹先生於建築工程設計、土木及工程及基建建造方面擁有逾三十年經驗。

李玉香女士，59歲，於1988年畢業於河南廣播電視大學法律專業。自1981年起，李女士先後擔任河南省開封市司法局科員及河南潤合律師事務所之主任律師。李女士現任廣東深樺律師事務所合夥人。李女士在金融及資本市場、債權及債務、知識產權方面擁有豐富經驗。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層介紹

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Chan Ming Sun Jonathan, aged 46. Mr. Chan graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree in Accounting and Computer Information Systems. He is a fellow of the Hong Kong Institute of Certified Public Accountants and a member of Certified Public Accountants, Australia and a fellow of the Hong Kong Institute of directors. Mr. Chan has over 15 years of experience in auditing, accounting, investment and financial management. Between September 2001 and December 2015, Mr Chan was an associate director of Go-To-Asia Investment Limited. Between July 2000 and August 2001, Mr. Chan was an investment manager with Softbank China Venture Investments Limited. Between April 1995 and June 2000, he worked at Ernst & Young in Hong Kong and his last position was a senior associate with the audit and corporate finance department.

Mr. Chan is currently (i) an investment manager of Sprint Asset Management Limited; (ii) an independent non-executive director of China Dredging Environment Protection Holdings Limited (formerly known as Xiangyu Dredging Holdings Limited) (Stock code: 871); Far East Holdings International Limited (Stock code: 36) and Hao Tian Development Group Limited (Stock code: 474), whose respective securities are listed on the main board of the Stock Exchange; and (iii) an independent non-executive director of Changhong Jiahua Holdings Limited (Stock code: 8016), whose securities are listed on the growth enterprise market of the Stock Exchange.

Mr. Chan was the independent non-executive director of the Company since 12 February 2009 and has resigned on 21 June 2013. Furthermore, Mr. Chan was (i) an independent non-executive director of Beautiful China Holdings Company Limited (Stock code: 706) between March 2013 and February 2014 whose respective securities are listed on the main board of the Stock Exchange, and (ii) an independent non-executive director of Focus Media Network Limited (Stock code: 8112) between April to November 2015 and L&A International Holdings Limited (Stock code: 8195) between 25 September 2014 to 3 March 2017, whose respective securities are listed on the growth enterprise market of the Stock Exchange.

獨立非執行董事：

陳銘樂先生，46歲。陳先生畢業於澳洲新南威爾斯大學，持有會計及電腦資訊系統學系商學士學位。陳先生為香港會計師公會之資深會員及澳洲會計師公會之會員及香港董事學會之資深會員。陳先生於審計、會計、投資及財務管理方面擁有逾15年經驗。於2001年9月至2015年12月期間，陳先生為啟程東方投資管理有限公司的聯席董事。於2000年7月至2001年8月期間曾任軟庫中華基金管理有限公司的投資經理。於1995年4月至2000年6月期間，彼曾任職於香港安永會計師事務所，其最後任職於審核及企業融資部高級顧問。

陳先生現時為(i)新銳資產管理有限公司之投資經理；(ii)中國疏浚環保控股有限公司(前稱翔宇疏浚控股有限公司)(股份代號：871)；遠東控股國際有限公司(股份代號：36)；及昊天發展集團有限公司(股份代號：474)之獨立非執行董事，該等公司各自之證券於聯交所主板上市；及(iii)長虹佳華控股有限公司(股份代號：8016)之獨立非執行董事，該公司證券於聯交所GEM上市。

陳先生自2009年2月12日起擔任本公司之獨立非執行董事，並於2013年6月21日辭任。陳先生(i)於2013年3月至2014年2月期間擔任美麗中國控股有限公司(其證券於聯交所主板上市)(股份代號：706)獨立非執行董事；及(ii)於2015年4月至11月期間擔任Focus Media Network Limited(股份代號：8112)之獨立非執行董事及於2014年9月25日至2017年3月3日期間擔任樂亞國際控股有限公司(股份代號：8195)之獨立非執行董事，兩間公司的證券均於聯交所GEM上市。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層介紹

Mr. Yu Guan Jian, aged 63, has been an independent non-executive director of the Company since 2013. Mr. Yu graduated from Southwestern University of Finance and Economics (西南財經大學) with a master degree in economics in 1988. Mr. Yu worked at Shenzhen Branch of Bank of China and Guangzhou office of China Orient Asset Management Corporation (中國東方資產管理公司深圳和廣州辦事處). Mr. Yu has extensive experience in corporate risk management and asset management.

Mr. Yu ceased to be the member of the audit committee and nomination committee effective from 11 February 2018 as Mr. Yu did not seek for the re-election of the independent non-executive director in the EGM held on 7 February 2018.

Mr. He Qing Jia, aged 35. Mr. He was graduated from the University of Electronic Science and Technology with a master degree in Measurement Technology and Instruments. Since 2011, Mr. He has worked as the business development manager of Huawei Technologies Company Limited (華為技術有限公司) and the assistant to the general manager of Shenzhen Tong Heng Micro Technology Company Limited (深圳市同亨微科技有限公司). Mr. He has extensive experience in corporate management and managing external relations.

Ms. Gao Hong Hong, aged 47. She graduated from the department of monetary banking under the faculty of finance of Southwestern University of Finance and Economics with a master's degree in economics in 1998. Since 1998, she has worked in the business division and dealt with credit business in the international finance division of Bank of China Shenzhen Branch. She successively served as chairman of Bank of China Shenzhen Meili Sub-branch, Bank of China Shenzhen Meilin Sub-branch and Bank of China Shenzhen Shahe Sub-branch. She is currently the assistant to general manager of the asset management centre of Shenzhen Galaxy Financial Holdings Group* (深圳星河金融控股集團). Ms. Gao has extensive experience in investment, financing and asset management.

Ms. Gao is appointed as an independent non-executive director, a member of audit committee and nomination committee effective from 12 February 2018 which are approved in the election in the EGM held on 7 February 2018.

余關健先生，63歲，自2013年起出任本公司獨立非執行董事。余關健先生於1988年畢業於西南財經大學經濟學專業，獲頒經濟學碩士學位。曾在中國銀行深圳市分行和中國東方資產管理公司深圳辦事處工作，於企業風險管理及資產管理方面擁有豐富經驗。

由於余先生並無於2018年2月7日舉行之股東特別大會上尋求重選獨立非執行董事，故余先生不再為審核委員會及薪酬委員會成員，自2018年2月11日起生效。

何慶佳先生，35歲，畢業於電子科技大學，獲頒授測試計量技術及儀器碩士學位。自2011年至今，何先生歷任華為技術有限公司業務發展經理及深圳市同亨微科技有限公司總經理助理。何先生於公司管理及對外事務的連洽方面具有十分豐富的經驗。

高紅紅女士(「高女士」)，47歲，1998年畢業於西南財大金融系貨幣銀行學專業，獲經濟學碩士學位。自1998年起，在中國銀行深圳市分行公司業務部、國際融資部從事信貸工作。彼歷任中國銀行深圳梅麗支行、中國銀行深圳梅林支行、中國銀行深圳沙河支行行長。彼現任深圳星河金融控股集團資產管理中心總經理助理。高女士在投融資和資產管理方面擁有豐富經驗。

高女士獲委任為獨立非執行董事、審核委員會及薪酬委員會成員，自2018年2月12日起生效，於2018年2月7日舉行之股東特別大會已批准有關選舉。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層介紹

SUPERVISORS:

Mr. Wang Xing Ye, aged 42, holds a master postgraduate degree. Mr. Wang is currently the managing director of Beijing Jade Bird Hengsheng Investment Management Co., Ltd., director of Hebei Beida Jade Bird Universal Fire Alarm Device Co., Ltd., director of Enraytek Optoelectronics Technology (Shanghai) Co., Ltd., director of Ningbo Jade Bird Zhengyuan Equity Interest Investment Management Co., Ltd. (寧波青島正元股權投資管理有限公司), director of Ningbo Jade Bird Venture Capital Investment Co., Ltd., executive director/general manager of Ningbo Liyuantai Venture Capital Investment Management Co., Ltd., secretary to the board of director/chairman of union of Beijing Beida Jade Bird Universal Sci-Tech Company Limited and the chairman of the Board of Supervisors of the Company. He has profound experience in investment and financing, asset and business reorganization.

Mr. Chen Jun Feng, aged 35, graduated from Southwest University of Political Science & Law (西南政法大學) with Bachelor of Laws. Mr. Chen served as the assistant to the president of Guangdong Xu Mastery Auction Company Limited (廣東旭通達拍賣有限公司) from November 2008 to January 2010, assistant to the president and legal manager of Guangzhou Sheng Tong property Company Limited (廣州市盛塘置業有限公司) from February 2010 to February 2012, the director and deputy general manager of Guangdong Gung Ho Equity Fund Limited (廣東工合股權基金有限公司) from March 2013 to October 2015, and the director of Zhuhai Xinguang Group Co., Ltd. (珠海鑫光集團股份有限公司). He is currently the supervisor of Shenyang Public Utility Holdings Company Limited since 2016. Mr. Chen has extensive experience in investment and financing, asset and business reorganization.

Ms. Huang Yong Jing, aged 40. Ms. Huang was graduated from Zhangzhou University with a bachelor degree in food engineering. Since 2002, Ms. Huang has successively worked as the food inspector in Xiamen Entry-Exit Inspection and Quarantine Bureau (廈門市出入境檢驗檢疫局), executive manager and deputy general assistant of Shenzhen Pico Investment and Development Company Limited (深圳市筆克投資發展有限公司) and the executive assistant of Shenzhen Anye Property Holdings Limited (深圳市安業地產控股有限公司). Ms. Huang is currently worked in the integrated management department of the Company. Ms. Huang is experienced in business administration and managing external relations and affairs.

監事：

王興業先生，42歲，碩士研究生。王先生現擔任北京青島恒盛投資管理有限公司董事總經理、北大青島環宇消防設備股份有限公司董事、映瑞光電科技(上海)有限公司董事、寧波青島正元股權投資管理有限公司董事、寧波青島創業投資有限公司董事、寧波利元泰創業投資管理有限公司執行董事／總經理、北京北大青島環宇科技股份有限公司董事會秘書／工會主席，及本公司監事會主席。彼在投融資、資產及業務重組方面有豐富經驗。

陳俊峰先生，35歲，畢業於西南政法大學，獲頒授法律學士學位。2008年11月到2010年1月，在廣東旭通達拍賣有限公司擔任總裁助理，2010年2月到2012年2月，在廣州市盛塘置業有限公司擔任總經理助理兼法務經理，2013年3月到2015年10月，在廣東工合股權基金有限公司擔任董事，副總經理，在珠海鑫光集團股份有限公司擔任董事，2016年至今在瀋陽公用發展股份有限公司擔任監事，陳先生在投融資、資產及業務重組方面有豐富的經驗。

黃永菁女士，40歲，畢業於漳州大學，獲頒授食品工程學學士學位。自2002年至今，黃女士歷任廈門市出入境檢驗檢疫局食化科檢驗員、深圳市筆克投資發展有限公司行政經理及副總助理以及深圳市安業地產控股有限公司行政助理。黃女士現任職於本公司綜合管理部門。黃女士於行政管理、公司對外關係及事務的連洽及管理方面具有十分豐富的經驗。

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層介紹

Mr. Zhang Yun Feng, aged 55. Mr. Zhang was graduated from Anhui University of Finance and Economics (安徽財經大學) majoring in commodity science. Mr. Zhang has worked as deputy general manager of the marketing department in the headquarters of the Kunlun Securities Company Limited (昆侖證券有限公司), marketing director of Shenzhen sale branch of the Hong Yuan Securities Company Limited (宏源證券股份有限公司) and the general manager of Anhui Xin Tai Yuan Technology Company Limited (安徽鑫泰元科技有限公司). He is currently the president of Shenzhen Qian Yuan Kun Li Investment Technology Co., Ltd. (深圳市乾元坤利投資科技有限公司). Mr. Zhang has extensive experience in capital management.

Mr. Fang Wei Ran, aged 33, graduated from Guangdong Ocean University with Bachelor of Science in Financial Management. He previously worked in Huizhou LCY Rubber Company. Mr. Fang is currently the internal accountant of Zhongfang Chaozhou Investment Development Company Limited, a wholly-owned subsidiary of the Company. Mr. Fang has extensive experience in accounting practices and cost management.

JOINT COMPANY SECRETARIES:

Mr. Wu Tai Cheung, aged 61, is the Joint Company Secretary of the Company. Mr. Wu is a director of a professional firm processing corporate secretarial and advisory services. Mr. Wu is a member of the Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Chartered Secretaries. Mr. Wu was appointed as the Company Secretary in May 2013.

Ms. Qian Fang Fang, aged 34, is a medium-level accountant and the Joint Company Secretary of the Company. Ms. Qian graduated from the Northwest University of professional accounting with a bachelor's degree in management in 2006, and was conferred a master's degree in management in 2008. Ms. Qian was appointed as the supervisor of the Company for the period from 12 February 2012 to 3 March 2014. Ms. Qian was appointed as Joint Company Secretary on 6 March 2014.

張運峰先生，55歲，畢業於安徽財經大學商學專業。張先生歷任昆侖證券有限公司總部市場部副總經理、宏源證券股份有限公司深圳營業部市場總監及安徽鑫泰元科技有限公司總經理。現任深圳市乾元坤利投資科技有限公司總裁。張先生於資本運作方面有豐富經驗。

方偉然先生，33歲，畢業於廣東海洋大學財務管理專業，獲頒管理學學士學位。曾任職於惠州李長榮橡膠有限公司。現任本公司全資附屬公司中房潮州投資開發有限公司會計。方先生於會計實務、成本管理方面具有一定的經驗。

公司聯席秘書：

胡大祥先生，61歲，本公司的聯席公司秘書。胡先生為從事公司秘書及顧問服務的專業機構董事。胡先生為香港會計師公會及香港特許秘書公會會員。胡先生於2013年5月獲委任為公司秘書。

錢芳芳女士，34歲，中級會計師，本公司的聯席公司秘書。錢女士於2006年畢業於西北大學會計學專業，獲頒管理學學士學位，並於2008年獲授管理學碩士學位。錢女士於2012年2月12日至2014年3月3日期間獲委任為本公司監事。錢女士於2014年3月6日獲委任為聯席公司秘書。

To the Shareholders,

During the year ended 31 December 2017, the supervisory committee of Shenyang Public Utility Holdings Company Limited (the "Supervisory Committee"), exercised conscientiously its authority, safeguarded the interests of the Shareholders and the Company, followed the principle of trustworthiness, honestly carried out the duties of supervisors and worked cautiously and diligently, in accordance with the Company Law of the PRC, requirements of the relevant laws and regulations of Hong Kong and the Articles of the Company for their accountability to the Shareholders.

During the year, the major work performed by the Supervisory Committee included the attendance of the Board meetings; reviewing the report of the directors and reserve appropriation proposed by the Board, if any, for the shareholders' approval at the forthcoming annual general meeting ("AGM"); strictly and effectively monitoring whether the policies and decisions made by the management of the Company had conformed with the state laws and regulations and the Articles of the Company or safeguarded the interests of the Shareholders. The supervisory committee has also reviewed the performance of the directors, general manager and senior management in the daily operation by various means, and seriously examined the Company's financial affairs and its connected transactions. After the examination, the Supervisory Committee concluded that:

1. the report of the directors and the reserve appropriation proposed by the Board for the shareholders' approval at the forthcoming AGM are in accordance with the relevant laws and regulations and the Articles of the Company;
2. the directors, general manager and other senior management of the Company have strictly followed the principles of trustworthiness, worked diligently and responsibly, and discharged their duties for the best interest of the Company. The Supervisory Committee has not discovered that any directors, general manager and other senior management of the Company had abused their powers, damaged the interest of the Company or the benefits of the shareholders and employees or contravened any laws and regulations or the Articles of the Company;

各位股東：

截至2017年12月31日止年度，瀋陽公用發展股份有限公司監事會（「監事會」）遵照中華人民共和國公司法、香港有關法律法規及本公司的公司章程的規定，本着對全體股東負責的精神，認真履行職責，維護股東權益，維護本公司利益，遵守誠信原則，忠實履行監督之職責和義務，勤勉主動地開展工作。

在本年度內監事會主要工作包括列席董事會會議；審閱董事會於應屆股東週年大會（「股東週年大會」）上提呈股東批准的董事會報告及利潤分配方案（如有）；對本公司管理層決策及決定是否符合國家法律法規以及本公司的公司章程，是否維護股東利益等，進行了嚴格有效的監督，並通過各種方式，了解本公司董事、總經理及高級管理人員在經營管理、日常事務中的行為；認真審查本公司的財務狀況和關連交易情況。經審查，監事會認為：

1. 董事會於應屆股東週年大會上提呈股東批准的董事會報告及利潤分配方案，符合有關法律法規和本公司的公司章程的規定；
2. 本公司董事、總經理及其他高級管理人員，嚴格遵守誠信原則，工作克勤盡職、真誠地以本公司最大利益為出發點行使職權。未發現任何董事、總經理及高級管理人員濫用職權，損害本公司利益及侵犯本公司股東和本公司員工權益之行為，亦未違反法律法規或本公司的公司章程；

REPORT OF THE SUPERVISORY COMMITTEE

監事會報告

- the consolidated financial statements of the Company for the year ended 31 December 2017, which were audited by Asian Alliance (HK) CPA Company Limited, have truly and fairly reflected the operating results and financial position of the Group. The related parties transactions were fair and reasonable and had not infringed upon the interests of the Company and the Shareholders.

The supervisory committee takes this opportunity to thank the shareholders, directors and all the employees of the Company for their supports in the past year.

By order of the Supervisory Committee

Mr. Wang Xing Ye

Chairman of the Supervisory Committee

Shenyang, 29 March 2018

- 經華融(香港)會計師事務所有限公司審核的本公司截至2017年12月31日止年度的綜合財務報表，真實和公允地反映了本集團的經營業績及財務情況。與關連方交易為公平合理，沒有損害本公司及股東利益的行為。

在過去的一年中，監事會的工作得到了本公司各位股東、董事及全體員工的大力支持，謹此表示衷心地感謝！

承監事會命

王興業先生

監事會主席

瀋陽，2018年3月29日

REPORT OF THE DIRECTORS

董事會報告

The directors present their report together with the audited financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its subsidiaries are set out in Note 39 to the consolidated financial statements.

SEGMENT INFORMATION

Details of segment information are set out in Note 8 to the consolidated financial statements.

FINANCIAL STATEMENTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 54 and 55.

The state of the Group's affairs as at 31 December 2017 is set out in the consolidated statement of financial position on pages 56 and 57.

The Board does not recommend the payment of any dividend for the year ended 31 December 2017.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group are set out in Note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in Note 31 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Company and the Group during the year are set out in Note 40 to the consolidated financial statements and consolidated statement of changes in equity on pages 58 and 59, respectively.

董事會謹向各位股東欣然提呈截至2017年12月31日止年度的報告及經審核財務報表。

主要業務

本公司為投資控股公司，其附屬公司主要業務載於綜合財務報表附註39。

分部資料

分部資料的詳情載於綜合財務報表附註8。

財務報表及股息

本集團截至2017年12月31日止年度的業績載於第54頁至第55頁的綜合損益及其他全面收益表。

本集團於2017年12月31日的財務狀況載於第56頁至第57頁的綜合財務狀況表。

董事會不建議派發截至2017年12月31日止年度任何股息。

物業、廠房及設備

本集團的物業、廠房及設備變動詳情載於綜合財務報表附註16內。

股本

本公司的股本變動詳情載於綜合財務報表附註31。

儲備

本公司及本集團本年度內的儲備變動分別載於綜合財務報表附註40及第58頁至第59頁的綜合權益變動表。

REPORT OF THE DIRECTORS

董事會報告

DISTRIBUTABLE RESERVES

There is no distributable reserves of the Company as at 31 December 2017, calculated under the Company Law of the PRC, being the jurisdiction in which the Company was established, (2016: nil).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of the Company and under the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUMMARY OF FINANCIAL INFORMATION

The summary of the financial information of the Group for the last five financial years is set out on pages 171 and 172.

SHARE OPTIONS

As at the date of this report, no option has been granted or agreed to be granted by the Company to any of its directors, Supervisors or employees.

DIRECTORS

The directors who held office during the year and up to the date of this report are:

Executive Directors

Mr. Zhang Jing Ming
Mr. Deng Xiao Gang
Mr. Huang Zhen Kun

Non-executive Directors

Mr. Yin Zong Chen
Ms. Li Yu Xiang

可供分配儲備

本公司並無於2017年12月31日按照中國(本公司成立的司法權區)公司法計算的可供分配儲備(2016年：無)。

優先購買權

本公司的公司章程中並無優先購買權的規定，而根據中國法例，本公司須按比例向現有股東提呈發售新股份。

財務資料概要

本集團過去五個財政年度的財務資料概要載於第171頁至第172頁。

購股權

於本報告日期，本公司概無向其任何董事、監事或僱員授予或同意授予任何購股權。

董事

於本年度及截至本報告日期任職的董事如下：

執行董事

張敬明先生
鄧曉綱先生
黃鎮坤先生

非執行董事

尹宗臣先生
李玉香女士

REPORT OF THE DIRECTORS

董事會報告

Independent Non-executive Directors

Mr. Yu Guan Jian (retired on 11 February 2018)
Mr. Chan Ming Sun Jonathan
Mr. He Qing Jia
Ms. Gao Hong Hong (appointed on 12 February 2018)

The Company has received from each of the independent non-executive directors the annual confirmation of independence pursuant to the Listing Rules and considers that all independent non-executive directors are independent to the Group in accordance with the terms of the guidelines as set out in the Listing Rules.

In accordance with Article 100 of the Company's Articles, all the directors shall be appointed at the general meeting for a term of three years. A director may serve consecutive terms if re-elected upon the expiration of the terms.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Brief biographical details of directors, supervisors and senior management are set out on pages from 18 to 23.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the directors and supervisors has entered into a service contract with the Company for a term of three years from his/her date of appointment as a director or supervisor (or until the expiration of the term of the current session of the Board or supervisory committee) and thereafter subject to termination by either party giving not less than one month's written notice to the other party.

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the directors' service contracts disclosed above, no contracts of significance in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

獨立非執行董事

余關鍵先生(於2018年2月11日退任)
陳銘樂先生
何慶佳先生
高紅紅女士(於2018年2月12日獲委任)

本公司已收到各獨立非執行董事根據上市規則發出的年度獨立性確認書，並認為按照上市規則所載的條款及指引，全體獨立非執行董事對本集團來說均具獨立性。

根據本公司的公司章程第100條，所有於股東大會上獲委任的董事任期應為三年。倘任期屆滿後獲重選，則董事可連任。

董事、監事及高級管理層的履歷詳情

有關董事、監事及高級管理層的履歷詳情簡介載於第18頁至第23頁。

董事及監事的服務合約

各董事及監事已與本公司訂立服務合約，自其獲委任為董事或監事之日起為期三年(或直至本屆董事會或監事會屆滿為止)，其後可由任何一方向另一方發出不少於一個月書面通知予以終止。

董事於合約的權益

除上文所披露的董事服務合約外，於年末或本年度內任何時候，概無訂立與本集團業務有關而本集團為其中一方及本公司董事於當中擁有重大權益(不論直接或間接)的任何重大合約。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN THE SHARES OF THE COMPANY

As at 31 December 2017, none of the directors, chief executives and supervisors of the Company had interests or short positions in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the required standard of dealings by directors and Supervisors as referred to in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

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

As of 31 December 2017, save as the Company's directors, supervisors and chief executives, the following corporations and individuals had interests and/or short positions in the Company's shares, underlying shares, securities, equity derivatives and/or debentures, which are required to be recorded in the register of members maintained by the Company pursuant to section 336 of the SFO:

董事、最高行政人員及監事於本公司股份的權益及淡倉

於2017年12月31日，概無本公司董事、最高行政人員及監事於本公司或其任何相關法團（定義見證券及期貨條例第XV部）的任何證券中，擁有(a)須根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的該等條文，彼等被當作或視為擁有的權益或淡倉）；或(b)須根據證券及期貨條例第352條須記入該條例所述的登記冊的權益或淡倉；或(c)根據上市規則附錄10所載董事及監事進行交易的規定準則，須知會本公司及聯交所的權益或淡倉。

主要股東於股份及相關股份的權益及其他人士於當中的權益及淡倉

截至2017年12月31日，除本公司董事、監事及最高行政人員以外，以下公司及人士於本公司的股份、相關股份、證券、股本衍生工具及／或債權證中擁有權益及／或淡倉，且該等權益及／或淡倉須根據證券及期貨條例第336條須於本公司備存的登記冊所記錄：

	Interest owners	Shares	Percentage of total issued share capital 佔已發行股本總數 百分比
	權益持有人	股份	
1	Shenzhen Jinma Asset Management Company Limited ("Jinma Asset") 深圳市金馬資產管理有限公司(「金馬資產」)	600,000,000 Domestic Shares 600,000,000股內資股	40.83%
2	Ma Zhong Hong (Note 1) 馬鐘鴻(附註1)	600,000,000 Domestic Shares 600,000,000股內資股	40.83%
3	Lin Wei Cheng (Note 2) 林偉成(附註2)	600,000,000 Domestic Shares 600,000,000股內資股	40.83%
4	HKSCC Nominees Limited (Note 3) 香港中央結算(代理人)有限公司(附註3)	603,945,690 H-Shares (listed shares) 603,945,690股H股(上市股份)	41.10%

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. Ma Zhong Hong is a PRC natural person who holds 90% equity interests in Jinma Asset. Pursuant to Section 316 of the SFO, Ma Zhong Hong is also deemed to be interested in the underlying shares of the Company held by Jinma Asset.
2. Lin Wei Cheng is a PRC natural person who holds 10% equity interests in Jinma Asset. Pursuant to Section 316 of the SFO, Lin Wei Cheng is also deemed to be interested in the underlying shares of the Company held by Jinma Asset.
3. As notified by HKSCC Nominees Limited, as of 31 December 2017, the following participants of CCASS had interests amounting to 5.00% or more of the total issued H-Shares of the Company as shown in the securities accounts in CCASS:
 - (1) The Hongkong and Shanghai Banking Corporation Limited as nominee holds 90,284,740 H-Shares, representing 14.91% of the issued H-Shares of the Company.
 - (2) Ever-long Securities Company Limited as nominee holds 77,056,000 H-Shares, representing 12.72% of the issued H-Shares of the Company.
 - (3) Bank of China (Hong Kong) Limited as nominee holds 68,644,000 H-Shares, representing 11.33% of the issued H-Shares of the Company.

Save as disclosed above, as at 31 December 2017, the Company has not been notified of any interests and/or short positions in shares, underlying shares, securities, equity derivatives and/or debentures of the Company which are required to be recorded in the register maintained in accordance with section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for the 2017 Financial Year attributable to the Group's major customers and suppliers are as follows:

Sales

– the largest customer	9.93%
– five largest customers combined	43.19%

Purchases

– the largest supplier	100%
– five largest suppliers combined	100%

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

附註：

1. 馬鐘鴻是中國自然人，於金馬資產持有90%權益。根據證券及期貨條例第316條，馬鐘鴻亦被視為在金馬資產持有的本公司相關股份中擁有權益。
2. 林偉成是中國自然人，於金馬資產持有10%權益。根據證券及期貨條例第316條，林偉成亦被視為在金馬資產持有的本公司相關股份中擁有權益。
3. 根據香港中央結算(代理人)有限公司的通知，截至2017年12月31日，下列中央結算系統參與者在中央結算系統股票戶口內持有本公司已發行H股股份總數的5.00%或以上：
 - (1) 香港上海滙豐銀行有限公司代理持有90,284,740股H股，佔本公司已發行H股14.91%。
 - (2) 長雄證券有限公司代理持有77,056,000股H股，佔本公司已發行H股12.72%。
 - (3) 中國銀行(香港)有限公司代理持有68,644,000股H股，佔本公司已發行H股11.33%。

除上述披露外，本公司於2017年12月31日並未接獲有任何須按證券及期貨條例第336條須於備存的登記冊所記錄的本公司股份、相關股份、證券、股本衍生工具及／或債權證中的權益及／或淡倉。

主要客戶及供應商

於2017年財政年度本集團主要客戶及供應商應佔銷售及採購百分比如下：

銷售

– 最大客戶	9.93%
– 五大客戶合計	43.19%

採購

– 最大供應商	100%
– 五大供應商合計	100%

概無董事，彼等的聯繫人或任何股東(據董事所知擁有本公司5%以上已發行股本的股東)於上文所披露的五大客戶及供應商中擁有任何權益。

REPORT OF THE DIRECTORS

董事會報告

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. Following a specific enquiry, all the directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2017.

DIRECTORS' AND SUPERVISORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

None of the directors and supervisors or their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right during the year ended 31 December 2017.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed shares during the year.

CONNECTED TRANSACTIONS

Details of the significant related party transactions entered into by the Group under the applicable accounting standards during the 2017 Financial Year are set out in Note 38 to the consolidated financial statements.

None of the related party transactions disclosed in the Note 38 to the consolidated financial statements constituted connected transactions or continuing connected transactions as defined in the Listing Rules which are subject to the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

BUSINESS REVIEW

A review of the business of the Group for the 2017 Financial Year and a discussion of the Group's future prospects are set in the "Management Discussion and Analysis" section on pages 7 to 17 and the Chairman's Statement on pages 4 and 6 of this annual report respectively.

進行證券交易之標準守則

本公司已採納載於上市規則附錄10之標準守則。經作出具體查詢後，全體董事確認，彼等於截至2017年12月31日止年度已遵守標準守則。

董事及監事收購股份或債權證的權利

截至2017年12月31日止年度，概無董事及監事或彼等各自的聯繫人獲本公司或其附屬公司授予任何權益以收購本公司或任何其他法團的股份或債權證，且亦無行使有關權利。

購買、銷售或贖回上市證券

於本年度內，本公司概無贖回其任何股份。於本年度內，本公司或其任何附屬公司概無購買或銷售本公司任何上市股份。

關連交易

有關本集團於2017年財政年度根據適用會計準則訂立重大關連方交易的詳情，載於綜合財務報表附註38。

概無綜合財務報表附註38所披露的關連方交易構成上市規則所界定的關連交易或持續關連交易而須遵守上市規則的申報、公告或獨立股東批准規定。

業務審視

對本集團於2017年財政年度業務的審視及本集團未來前景的討論分別載於本年報第7至第17頁的「管理層討論與分析」及第4頁至第6頁的主席報告內。

Risks and uncertainties

The principal risks and uncertainties facing the Group has been addressed in the Chairman's Statement on pages 4 and 6 and the "Management Discussion and Analysis" section on pages 7 to 17 of this annual report respectively.

In addition, various financial risks have been disclosed in the notes to the consolidated financial statements of this annual report.

Likely development in the Group's business

The likely development of the Group is shown in the business prospect section in the "Management Discussion and Analysis" and Chairman's Statement in this annual report.

An analysis using financial key performance indicators

The relevant financial key performance indicators relating to the business of the Group are set out in the "Financial Review" section in the "Management Discussion and Analysis" and the consolidated financial statements in this annual report.

Environmental policies and performance

Environment protection is critical to the long term development of the Group. The Group places importance in the management practice so as to minimize waste, maximize efficiencies and reduce negative impact to the environment.

Relationships with employees, customers, suppliers and others

The Group ensures all staff are reasonable remunerated and regularly reviews the employment polices on remuneration and other benefits.

The Group maintains a good relationship with its customers and suppliers. The Group maintains close contacts with the customers and has regular review of requirements of customers and complaints. The Group will conduct appraisal of the performance of suppliers on regular basis.

Compliance with Laws and Regulations

The Group recognizes the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has on-going review the new enacted laws and regulations affecting the operations of the Group. The Group is not aware of any material non-compliance with the laws and regulations that have significant impact on the business of the Group.

風險及不確定性

本集團所面臨的主要風險及不確定性已分別於本年報第4至第6頁的主席報告及本年報第7至第17頁的「管理層討論與分析」中提述。

此外，各種財務風險已於本年報綜合財務報表附註中披露。

本集團業務的潛在發展

本集團業務的潛在發展載於本年報「管理層討論與分析」一節的業務展望及主席報告內。

利用財務主要表現指標的分析

與本集團業務有關的相關財務主要表現指標載於本年報「管理層討論與分析」一節的「財務回顧」及綜合財務報表內。

環保政策及表現

環保對本集團長遠發展至關重要。本集團十分重視管理層對減廢增效及降低對環境造成負面影響所採取的措施。

與僱員、客戶、供應商及其他各方的關係

本集團確保全體員工獲發合理薪酬，並定期檢討有關薪酬及其他福利的僱傭政策。

本集團與其客戶及供應商維持良好關係。本集團與客戶保持緊密聯繫，並定期檢討客戶需求及投訴。本集團將定期對供應商的表現進行評估。

遵從法律法規

本集團重視遵從監管規定及因違反有關規定帶來的風險。本集團持續檢討影響本集團業務的新頒佈法律法規。本集團不知悉有任何重大的法律法規違規情況而對本集團業務造成重大影響。

REPORT OF THE DIRECTORS

董事會報告

COMPETING INTERESTS

None of the directors or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, nor has any other conflict of interest with the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on 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 latest practicable date prior to the issue of this report.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events after the reporting period and up to the date of this report are set out in Note 41 to the consolidated financial statement.

AUDITOR OF THE COMPANY

Asian Alliance (HK) CPA Company Limited retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Zhang Jing Ming

Chairman

Shenyang, The PRC, 29 March 2018

競爭權益

董事或彼等各自的任何聯繫人概無從事任何與本集團業務構成競爭或可能構成競爭的業務，亦無與本集團有任何其他利益衝突。

足夠的公眾持股量

根據本公司公開可得的資料及據董事所知，本公司於本報告刊發前的最後實際可行日期已根據上市規則維持指定的公眾持股量。

報告期後事件

有關報告期後及截至本報告日期發生的重大事件詳情載於綜合財務報表附註41。

本公司核數師

華融(香港)會計師事務所有限公司任滿告退，惟符合資格並願意膺選連任。

代表董事會

張敬明

董事長

中國 • 瀋陽，2018年3月29日

The Board is committed to maintain high standard of corporate governance practices and business ethics which are essential for maintaining and promoting investors' confidence and maximising shareholders' returns. The Board reviews its corporate governance practices from time to time to comply with the regulatory requirements, and to improve the in corporate governance practice.

CODE OF CORPORATE GOVERNANCE

The Company has complied with the applicable code of provisions of the Corporate Governance Code set out in Appendix 14 of the Listing Rules throughout for the 2017 Financial Year, except the following:

Code provision A.1.8 of the CG Code requires that the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Company did not arrange such insurance cover during the 2017 Financial Year as directors considered that the risk of material legal claims against directors is minimal. Nevertheless, the Board will review this arrangement from time to time in light of the prevailing circumstances and arrange for appropriate insurance coverage when necessary.

BOARD OF DIRECTORS AND BOARD MEETING

The Board of directors, which currently comprises 8 directors, is responsible for the formulation of corporate strategy, and risk management to protect shareholders interest. Daily operation and administration delegated by the Board of directors to the executive directors and the management.

The brief biographical details of each Director are set out in the section headed "Profiles of Directors and Senior Management" of this report. All directors have given sufficient time and attention to the affairs of the Group. The composition of the Board is well balanced as all directors have experience in their field of expertise with a balance of skills, knowledge and experience relevant to the operation of the Group.

The Board has three independent non-executive directors who have appropriate and sufficient experience and qualifications. In addition, two non-executive directors are appointed to provide guidance to the Board.

The Company has received an annual written confirmation from each of the independent non-executive directors of their independence pursuant to the Listing Rules and considers them to be independence of the management.

The terms of appointment for all the executive directors, non-executive directors and independent non-executive directors are 3 years. All directors shall be elected and removed by the shareholders in general meeting according to the Articles of the Company.

董事會致力於維持高水準的企業管治常規及商業道德，其乃維持及提升投資者信心以及為股東帶來最高回報的根本。董事會不時檢討其企業管治常規，以遵守監管要求，以及改善企業管治實務。

企業管治守則

於2017年財政年度，本公司一直遵守載於上市規則附錄14之企業管治守則之適用守則條文，惟以下除外：

企管守則之守則條文A.1.8規定，本公司應就對其董事之法律行動投購合適之保險覆蓋。由於董事認為對董事提出重大法律索償之風險不大，故2017年財政年度本公司並無投購有關保險覆蓋。然而，董事會將視乎當前狀況不時檢討此安排，並於有需要時投購合適之保險覆蓋。

董事會及董事會會議

董事會現由8名董事組成，負責制定公司策略及風險管理以保障股東權益。董事會指派執行董事及管理層負責日常營運及行政。

各董事簡歷詳情載於本報告「董事及高級管理層介紹」一節。全體董事已就本集團事務付出充足時間及心力。董事會之組成保持適當平衡，各董事在本身之專業範圍均為資深人士，擁有與本集團業務相關的適當技能、知識及經驗。

董事會擁有三名具有適當及豐富相關經驗及資格的獨立非執行董事。此外，兩名非執行董事已獲委任，以向董事會提供指引。

本公司已接獲各獨立非執行董事根據上市規則有關其獨立性的年度確認書，並認為彼等獨立於管理層。

所有執行董事、非執行董事和獨立非執行董事的任期均為三年。按照本公司的公司章程，所有董事都必須在股東大會上由股東選舉和罷免。

The policy relating to the Board diversity of the Group sets up the approach to achieve diversity on the Board in order to ensure the Board has the required skills, experience, knowledge, expertise and other qualities of the members of the Board. The composition of the Board and its committee is regularly reviewed by considering the benefits of all aspects of diversity. The Board Diversity Policy shall be reviewed by the Nomination Committee, as appropriate, to ensure its effectiveness.

TRAININGS OF DIRECTORS

All newly appointed directors be provided with necessary induction and information to ensure that they have a proper understanding of the Group's businesses and their statutory supervision responsibilities as directors of listed companies. The Company will update directors on the latest development regarding the Group's businesses as well as the Listing Rules and other applicable regulatory requirements, where appropriate. In addition, all directors are encouraged to participate in training programmes held by qualified professional people in relation to the revised code and amendments to the relevant listing rules, so as to develop and update their knowledge and skills.

During the 2017 Financial Year, all the directors have participated in proper continuous professional development trainings to update their knowledge and skills by attending briefings, conferences, programmes, workshops and seminars as well as by way of further education and self-study, so as to understand their roles, functions and responsibilities.

Attendance of individual director at Board meetings for 2017 Financial Year are as follows:

Number of meeting	會議次數	12
<i>Executive Directors:</i>		
Mr. Zhang Jing Ming	執行董事： 張敬明先生	11
Mr. Deng Xiao Gang	鄧曉綱先生	12
Mr. Huang Zhen Kun	黃鎮坤先生	11
<i>Non-executive Directors:</i>		
Mr. Yin Zong Chen	非執行董事： 尹宗臣先生	12
Ms. Li Yu Xiang	李玉香女士	9
<i>Independent Non-executive Directors:</i>		
Mr. Yu Guan Jian	獨立非執行董事： 余關健先生	12
Mr. Chan Ming Sun Jonathan	陳銘樂先生	11
Mr. He Qing Jia	何慶佳先生	8

與本集團董事會多元化相關的政策載列如何達成董事會多元化的方法，以確保董事會成員具備所需技能、經驗、知識、專長及其他元素。董事會及其委員會的組成會定期進行檢討，以評估多元化於各範疇的好處。董事會多元化政策應由提名委員會(如適用)審閱以確保其成效。

董事培訓

各新委任的董事將獲得所需的入職培訓及資訊，以確保他們對本集團業務及上市公司董事的法定監管責任有適當的理解。另外，本公司除了向董事提供有關本集團業務及上市規則和其他適用監管規定(如適用)之最新發展概況外，亦鼓勵全體董事參加由合資格專業人士所舉辦，有關經修訂守則及相關上市規則之修訂之培訓課程，以發展及更新董事的知識和技能。

於2017年財政年度內，所有董事均以出席簡報會、會議、課程、工作坊和研討會、教學、自讀等方式完成適當的持續專業發展培訓，以更新自己的知識和技能，確保充分瞭解其角色、職能及責任。

2017年財政年度每位董事出席董事會的考勤紀錄如下：

All directors have access to the advice and assistance of the Joint Company Secretaries in relation to the Board procedures and corporate governance matters.

The minutes of the Board meetings recorded all the matters discussed by the Board and the matters resolved. Minutes of Board meetings are kept by the Joint Company Secretaries and are available for inspection by any director or committee members.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The role of the chairman and the chief executive officer of the Company are segregated and not exercised by the same individual. The chairman is Mr. Zhang Jing Ming and the chief executive office is Mr. Deng Xiao Gang.

With the support of the joint company secretaries, the chairman ensures all the directors are provided adequate information on matters discussed in the Board Meeting in a timely manner.

REMUNERATION OF COMMITTEE

The remuneration committee was established on 12 February 2012 with written terms of reference in compliance with the CG Code. The majority of committee members are independent non-executive directors and the committee chairman is Mr. He Qing Jia. Other committee members are Mr. Chan Ming Sun Jonathan and Ms. Li Yu Xiang.

The roles of the remuneration committee include the determination of the specific remuneration packages of all executive directors, including benefits in kind, pension benefits and compensation payments (including any compensation payable for loss of office or engagement), and make recommendations to the Board about the remuneration of the non-executive directors.

Details of the attendance of the remuneration committee meetings are as follows:

Number of meetings	會議次數	1
Mr. He Qing Jia	何慶佳先生	1
Mr. Chan Ming Sun Jonathan	陳銘樂先生	1
Ms. Li Yu Xiang	李玉香女士	1

The remuneration committee of the Company has considered and reviewed the existing terms of employment contracts of the executive directors and the non-executive directors.

全體董事可就董事會程序及企業管治事宜尋求聯席公司秘書的意見及協助。

董事會會議記錄載列董事會討論之所有事務及議決事宜，乃由聯席公司秘書備存，以供任何董事或委員會成員查閱。

主席及行政總裁

本公司主席及行政總裁之職務分開，並非由同一人擔任。主席為張敬明先生，行政總裁為鄧曉綱先生。

在聯席公司秘書的協助下，主席確保全體董事可及時獲得董事會會議所討論事宜之充分資料。

薪酬委員會

本公司於2012年2月12日成立薪酬委員會，並按照企業管治守則制定書面職權範圍。大部份委員會成員為獨立非執行董事，且委員會主席為何慶佳先生，其他委員會員為陳銘樂先生及李玉香女士。

薪酬委員會的職務包括釐定全體執行董事的特定薪酬組合，包括實物利益、退休福利及補償金，包括離職或入職補償，以及就非執行董事的薪酬向董事會提供建議。

薪酬委員會會議的考勤紀錄詳情如下：

本公司的薪酬委員會已經考慮和檢討了執行董事和非執行董事目前的僱用合約條款。

CORPORATE GOVERNANCE REPORT

企業管治報告

The remuneration of the senior management by band for the year ended 31 December 2017 are set out in Note 13 to the consolidated financial statements.

NOMINATION COMMITTEE

The Company established the nomination committee on 12 February 2012 with written terms of reference in compliance with the CG Code. The majority of committee members are independent non-executive directors and the committee chairman is Mr. Zhang Jing Ming, the other members include Mr. He Qing Jia and Mr. Yu Guan Jian.

The primary duties of the nomination committee are to review the structure, size and composition of the Board on a regular basis and make recommendations on any proposed change to the Board to complement the Company's corporate strategies. Furthermore, the committee will make recommendations to the Board on matters relating to the appointment or re-appointment of directors and succession planning for directors, subject to the final approval in the general meeting.

Details of the attendance of the nomination committee meetings are as follow:

Number of meetings	會議次數	1
Mr. He Qing Jia	何慶佳先生	1
Mr. Yu Guan Jian	余關健先生	1
Mr. Zhang Jing Ming	張敬明先生	1

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the CG Code. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls system of the Group. The audit committee comprises two independent non-executive directors and one non-executive director. The chairman of the audit committee is Mr. Chan Ming Sun Jonathan. The audit committee held four meetings during the 2017 Financial Year.

截至2017年12月31日止年度高級管理層的薪酬範圍載於綜合財務報表附註13。

提名委員會

本公司於2012年2月12日成立提名委員會，並按照企業管治守則制定書面職權範圍。大部份委員會成員為獨立非執行董事，且委員會主席為張敬明先生，其他委員會成員為何慶佳先生及余關健先生。

提名委員會的職務主要是定期檢討董事會架構、人數及組成，並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議。此外，委員會亦就董事委任或重新委任以及董事繼任計劃向董事會提出建議，並最終由股東大會批准。

提名委員會會議的考勤記錄詳情如下：

審核委員會

本公司成立審核委員會，並按照企業管治守則制定書面職權範圍。審核委員會的主要職責為審查及監控本集團的財務報告程序及內部監控制度。審核委員會由兩名獨立非執行董事及一名非執行董事組成。審核委員會主席為陳銘樂先生。本公司在2017年財政年度內共召開四次審核委員會會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

Details of the attendance of the audit committee meetings are as follow:

審核委員會會議的考勤紀錄詳情如下：

Number of meetings	會議次數	4
Mr. Yin Zong Chen	尹宗臣先生	4
Mr. Yu Guan Jian	余關健先生	4
Mr. Chan Ming San Jonathan	陳銘樂先生	4

The Group's unaudited interim results for the six months ended 30 June 2017 and audited annual results for the year ended 31 December 2017 have been reviewed by the audit committee, in relation to the compliance with the applicable accounting standards and requirements and that adequate disclosures have been made.

本集團於截至2017年6月30日止六個月的未經審核中期業績以及截至2017年12月31日止年度的經審核全年業績已由審核委員會按照適用會計準則及規定審閱，並已作出充分披露。

The audit committee has met the external auditors without the presence of executive directors.

審核委員會已在沒有執行董事的情況下會見外聘核數師。

AUDITOR'S REMUNERATION

The audit committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor. During the 2017 Financial Year, the Company paid an aggregate of approximately RMB949,000 to the external auditor of which auditing services of RMB942,000 and non-audit services of RMB7,000 respectively.

核數師酬金

本公司的審核委員會負責考慮外聘核數師的委任及審查外聘核數師進行的任何非核數工作。於2017年財政年度，本公司已向外聘核數師支付合共約人民幣949,000元，作為其所提供核數服務(人民幣942,000元)及非核數服務(人民幣7,000元)的酬金。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. Following a specific enquiry, all the directors confirmed that they have complied with the Model Code for the 2017 Financial Year.

證券交易標準守則

本公司已採納上市規則附錄10所載的標準守則。經具體查詢後，全體董事確認彼等於2017年財政年度均遵守標準守則。

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR ACCOUNTS

The Board acknowledges its responsibility for preparing the Company's financial statement showing a true and fair view of the financial position of the Group and in accordance with the statutory requirements and applicable accounting standards. The statement of auditor of the Company regarding their reporting responsibility to the shareholders on the consolidated financial statement of the Group is set out in the Independent Auditor's Report.

董事及核數師對賬目之責任

董事會確認其有責任根據法定規定及適用會計準則來編製本公司的財務報表，以真實及公平地反映本集團的財務狀況。本公司核數師就本集團綜合財務報表對股東作出的申報責任聲明，載於獨立核數師報告。

FINANCIAL REPORTING AND INTERNAL CONTROL

FINANCIAL REPORTING

The Board is responsible for preparing the financial statements of the Company and the Group with the supports of finance department of the Group. In preparing the financial statements, the Board has applied the Hong Kong Financial Reporting Standards and consistently followed the appropriate accounting policies and provisions of laws.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective risk management and internal control system within the Group. The Group's system of internal control and risk management includes a defined management structure with limits of authority, and is designed to help the Group achieve its business objectives, safeguard its assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

The Board is also responsible for reviewing from time to time the effectiveness of the Group's risk management and internal control system, including the adequacy of resources, staff qualifications and experience of the Group's accounting, internal audit and financial reporting functions.

The Group has engaged AVISTA Risk Advisory Services Limited to provide internal audit functions to review the control environment, risk assessment, control activities, information system and monitoring progress of the Group during the 2017 Financial Year and reported its findings to the audit committee.

The Board has reviewed the Group's risk management and internal control system during the 2017 Financial Year, including the report of AVISTA Risk Advisory Services Limited and the explanations by the management. Issue raised for improvement had been identified and appropriate actions were recommended.

An inside information handling policy is in place to enable the Group to handle inside information. The Board as whole is responsible for identifying and considering the disclosure requirements and guidelines regarding inside information.

財務報告及內部監控

財務報告

董事會負責在本集團財務部的協助下編製本公司及本集團的財務報表。於編製財務報表過程中，董事會已採納香港財務報告準則並貫徹遵守適當會計政策及法律規定。

風險管理及內部控制

董事會全權負責維持本集團健全和有效之風險管理及內部控制系統。本集團內部控制及風險管理系統，包括界定管理架構及其相關之權限，以協助本集團達致其業務目標、保管資產以防未經授權之使用或處理、確定適當之會計紀錄得以保存並可提供可靠之財務資料供內部使用或對外發放，並確保符合相關法例與規則。該系統旨在就不會出現嚴重誤報或損失的情況提供合理（而非絕對）保證，並管理（而非消除）本集團經營系統失誤及未能達到業務目標的風險。

董事會亦負責不時審閱本集團風險管理及內部監控系統的有效性，包括資源、員工資歷及本集團會計、內部審計及財務報告職能的經驗是否足夠。

本集團已於2017年財政年度委聘艾華迪風險顧問有限公司提供內部審計工作，以審閱本集團的監控環境、風險評估、監控活動、訊息系統及監察程序，並向審核委員會匯報其審閱結果。

董事會已於2017年財政年度審閱本集團之風險管理及內部監控系統，包括艾華迪風險顧問有限公司之報告及管理層之解釋。已識別一些需要改進之事宜並建議適當之行動。

本公司亦已制定內幕消息處理政策，使本集團能夠處理內幕消息。董事會上下負責識別及考慮有關內幕消息的披露規定及指引。

MANAGEMENT FUNCTIONS

The Board is responsible for overall corporate strategy and monitoring and control of the performance of the Group whereas the management is responsible for the daily hands on operation.

When the Board delegates its management and administrative functions to the management, it has given clear directions as to the powers of the management and the circumstances where, the management on behalf of the Company shall obtain prior approval from the Board before making decisions or entering into any commitments.

JOINT COMPANY SECRETARIES

Mr. Wu Tai Cheung, engaged from external service provider, was appointed as the Company Secretary of the Company in May 2013. Following the appointment of Ms. Qian Fang Fang as the Joint Company Secretaries in March 2014, Mr. Wu and Ms. Qian are the Joint Company Secretaries of the Company. Mr. Zhang Jing Ming, the Chairman, is the primary contact for external company secretary. Each of Mr. Wu and Ms. Qian undertook not less than 15 hours of relevant professional training during the 2017 Financial Year.

COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and for investors to understand the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company maintains a website at www.747kingma.com, to provide up-to-date information on the Company's business operations and developments, financial information, and corporate governance practices.

The Company endeavours to maintain an on-going dialogue with its shareholders, in particular, through AGMs or other general meetings to communicate with the shareholders and encourage their participation. The Chairman of the Board as well as the Chairmen of the audit committee, nomination committee and remuneration committee will make themselves available at the AGM to meet with the shareholders.

The Chairman of the Board, the chairman or the representatives of each committee together with the external auditor have attended the AGM to answer any questions raised by the shareholders.

管理功能

董事會負責制訂整體企業策略、監察及控制本集團的表現，而日常管理集團業務營運則是管理層的責任。

當董事會將其管理及行政功能方面的權力轉授予管理層時，已同時就管理層的權力給予清晰的指引，特別是管理層在代表本公司作出任何決定或訂立任何承諾前應取得董事會批准等事宜方面。

聯席公司秘書

胡大祥先生於2013年5月透過外聘服務供應商獲委任為本公司的公司秘書。繼錢芳芳女士於2014年3月獲委任為聯席公司秘書後，胡先生及錢女士為本公司的聯席公司秘書。主席張敬明先生為外聘公司秘書的主要聯絡人。於2017年財政年度，胡先生及錢女士各自自己接受不少於15小時的相關專業培訓。

與股東的溝通

本公司認為，與股東之有效溝通對加強投資者關係及投資者對本集團業務表現及策略之理解非常重要。本公司亦確認透明度及適時披露公司資料之重要性，其使股東及投資者可作出最佳投資決定。

本公司設有網站www.747kingma.com，以提供本公司業務經營及發展、財務資料及企業管治常規之最新資料。

本公司努力維持與其股東的持續交流，特別是透過股東週年大會或其他股東會議與股東進行溝通並鼓勵其參加。董事會主席、審核委員會主席、提名委員會主席及薪酬委員會主席將出席股東週年大會與股東會面。

董事會主席、各委員會主席或代表連同外聘核數師已出席股東週年大會，以回應股東提出的任何提問。

CORPORATE GOVERNANCE REPORT

企業管治報告

The forthcoming AGM of the Company will be held in June 2018. The notice of AGM will be sent to shareholders in due course.

The Company will continue to maintain an open and effective investor communication policy and to update investors on relevant information on the Group's business in a timely manner, subject to relevant regulatory requirement.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual director.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Two or more shareholders holding in aggregate 10 per cent or more of the shares carrying the right to vote at the meeting may, in accordance with the requirements set out in the Articles of the Company, make a requisition to the Board to convene an extraordinary general meeting of the Company stating the objective of the meeting. The Board shall as soon as possible proceed to convene the extraordinary general meeting of shareholders or a class meeting after receiving the requisition.

SHAREHOLDERS ENQUIRIES

Any enquiries regarding the shareholding of H-Shares, including the transfer of shares, change of address, loss of certificate etc, should be sent to the Company's H-Share Registrar and Transfer Office, Hong Kong Registrar Limited at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Any enquires relating to the Company should be sent to the Company's registered office for the attention of the Chairman of the Board.

CONSTITUTION DOCUMENTS

The Articles of the Company is published on the website of the Company and the Stock Exchange.

本公司即將於2018年6月召開應屆股東週年大會。股東週年大會通告將於稍後寄發予股東。

本公司將繼續維持開放、有效的投資者溝通政策，並及時向投資者提供有關本集團業務的最新資料，惟須遵守相關監管規定。

股東權利

為保障股東的利益及權利，本公司會於股東大會上就每項獨立事項，包括選舉個別董事，提出獨立決議案。

於股東大會上提呈之所有決議案將根據上市規則按股數投票表決，投票結果將於每屆股東大會結束後於本公司及聯交所網站刊登。

根據本公司的公司章程規定，兩名或以上持有附有權利於會上投票的股份合共10%或以上的股東，可向董事會提出請求召開本公司股東特別大會，並列明會議目的。董事會於收到請求後應在可行情況下儘快落實召開股東特別大會或類別大會。

股東查詢

有關H股股權的任何查詢(包括股份過戶、更改地址、遺失股票等)應提交本公司的H股份過戶登記處香港證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-16室。

有關本公司的任何查詢應提交本公司註冊辦事處致董事會主席。

憲法文件

本公司公司章程刊登於本公司及聯交所的網站內。



TO THE MEMBERS OF
SHENYANG PUBLIC UTILITY HOLDINGS COMPANY LIMITED
瀋陽公用發展股份有限公司
(incorporated in People's Republic of China with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of Shenyang Public Utility Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 54 to 170, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, the consolidated statement of 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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 QUALIFIED OPINION

As at 31 December 2017, trade receivables of approximately RMB128,701,000 was an amount due from a debtor (the "Debtor") which is a sole customer located in the People's Republic of China, in which approximately RMB72,000,000 and RMB56,701,000 were aged for more than one and two years respectively, and properties under development of approximately RMB198,796,000 represented the completed construction land, which was subject to the acceptance of completion by the Debtor. Details of the trade receivables and properties under development are disclosed in Notes 27 and 24 to the consolidated financial statements, respectively.

致 瀋陽公用發展股份有限公司股東

(於中華人民共和國註冊成立的有限公司)

保留意見

本核數師(以下簡稱「我們」)已審計瀋陽公用發展股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)刊於第54頁至170頁的綜合財務報表,包括於2017年12月31日的綜合財務狀況表以及截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及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,除我們的報告中保留意見之基準章節所述之事宜之潛在影響外,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)而真實及公允地反映了貴集團於2017年12月31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規定妥為編製。

保留意見之基準

於2017年12月31日,應收賬款約人民幣128,701,000元為應收一名債務人(「該債務人」)款項,該債務人為位於中華人民共和國之唯一客戶,其中約人民幣72,000,000元及人民幣56,701,000元之賬齡分別超過一年及兩年,而發展中物業約人民幣198,796,000元指已竣工建設用地,惟須待該債務人進行竣工驗收。應收賬款及發展中物業之詳情分別披露於綜合財務報表附註27及24。

BASIS FOR QUALIFIED OPINION (Continued)

During the year ended 31 December 2017, only settlement of RMB17,000,000 was received from the Debtor and no acceptance of completion for the properties under development was performed by the Debtor. Up to the date of this report, the acceptance of completion for the remaining land is still in negotiation with the Debtor.

We were unable to obtain sufficient appropriate audit evidence we consider as necessary in order to assess the recoverability of the trade receivables and net realisable value of properties under development or to determine the amount of impairment loss, if any. Accordingly, we were unable to satisfy ourselves as to whether any impairment loss should be recognised during the year ended 31 December 2017 and the balance of the trade receivables and properties under development as at 31 December 2017 were fairly stated, which would have consequential effect on the net current assets and net assets of the Group as at 31 December 2017 and the loss for the year then ended.

Any adjustment to the amount of the above trade receivables and properties under development found to be necessary would affect the Group's net current assets and net assets as at 31 December 2017 and the Group's loss for the year then ended and related disclosures to the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

保留意見之基準(續)

於截至2017年12月31日止年度內，僅自該債務人收到結算款人民幣17,000,000元，且該債務人並無對發展中物業進行竣工驗收。截至本報告日期，餘下土地之竣工驗收仍在與該債務人磋商中。

我們未能獲得我們認為必要之充足適當審核憑證以評估應收賬款或發展中物業之可變現淨值之可收回性，或釐定減值金額(如有)。因此，我們未能信納截至2017年12月31日止年度是否有任何減值虧損應予確認及於2017年12月31日之應收賬款及發展中物業之結餘已公平呈列，其因而會對 貴集團於2017年12月31日之流動資產淨值及資產淨值以及截至該日止年度之虧損帶來影響。

對上述應收賬款及發展中物業之金額之任何調整將會影響 貴集團於2017年12月31日之流動資產淨值及流動資產以及 貴集團截至該日止年度之虧損及綜合財務報表之相關披露。

我們按照香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審計。我們根據該等準則的責任詳載於我們的報告內核數師就審計綜合財務報表承擔的責任一節。根據香港會計師公會頒佈的專業會計師操守守則(「守則」)，我們獨立於 貴集團，且我們已履行根據守則的其他操守責任。我們相信，我們所獲取的審計憑證能充足及適當地為我們的保留意見提供基礎。

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 materiality 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 the fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the carrying amount of trade receivables and properties under development as at 31 December 2017 and impairment loss for the year. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to 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. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

其他資料

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

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等其他資料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料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯報的情況。

基於我們已執行的工作，如果我們認為其他資料存在重大錯報，我們需要報告該事實。如上文「保留意見之基準」部分所述，我們無法對於2017年12月31日的應收賬款及發展中物業的賬面值及年內減值虧損獲取充足和適當的憑證。因此，我們無法就與此事項有關的其他信息是否存在重大錯誤陳述作出結論。

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。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下來進行處理的，我們不對這些事項提供單獨的意見。除保留意見之基準一節所述事項外，我們確定下列事項是需要我們在我們報告中溝通的關鍵審計事項。

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 該關鍵審計事項在審計中是如何應對的
Recoverability of a deposit paid for acquisition of properties	就收購物業所支付訂金的可收回性
<p>As disclosed in Note 22 to the consolidated financial statements, on 15 November 2016, a wholly-owned subsidiary of the Company entered into an agreement with Beijing Zhong Tou Chuang Zhan Property Limited ("Beijing Zhong Tou"), represented by the directors of the Company as independent third party, pursuant to which Beijing Zhong Tou agreed to sell and the subsidiary agreed to acquire certain properties located in Beijing ("Properties") for a cash consideration of RMB152,800,000.</p>	<ul style="list-style-type: none"> – We obtained the agreements to understand the terms of the transaction. – We performed an independent check on the ownership of the land which the Properties located. – We performed site visit to the location of the Properties and the pledged assets.
<p>At 31 December 2017, a deposit of RMB140,000,000 was paid to Beijing Zhong Tou, and the remaining consideration will be payable upon certain conditions are met (see Note 22 to the consolidated financial statements).</p>	<ul style="list-style-type: none"> – We obtained the valuation report related to the pledged assets and assessed the reasonableness of the methodologies and assumption used. – We assessed the market value of the pledged assets performed by an independent professional valuer.
<p>The Properties was a site under construction and Beijing Zhong Tou pledged certain properties to secure the deposit paid.</p>	<ul style="list-style-type: none"> – We evaluated the independent valuers' competence, capabilities and objectivity.
<p>The Group has appointed an independent valuer to perform a valuation on the pledged assets as at 31 December 2017 to assess their market value.</p>	<ul style="list-style-type: none"> – We discussed the status of the construction process with Beijing Zhong Tou and the management of the Company and confirmed the year end balance of deposit paid to Beijing Zhong Tou by the Group as at 31 December 2017.
<p>Given the amount of the deposit paid was significant, we have identified the recoverability of the deposit paid as a key audit matter.</p>	
<p>誠如綜合財務報表附註22所披露，據 貴公司董事作為獨立第三方表示，於2016年11月15日， 貴公司全資附屬公司與北京中投創展置業有限公司(「北京中投」)訂立協議，據此，北京中投同意出售及附屬公司同意收購若干位於北京的物業(「物業」)，現金代價為人民幣152,800,000元。</p>	<ul style="list-style-type: none"> – 我們已獲得協議以瞭解交易的條款。 – 我們已對物業所在的土地擁有權進行獨立調查。 – 我們已實地視察物業及已抵押資產的地點。
<p>於2017年12月31日，訂金人民幣140,000,000元已付予北京中投，而其餘代價將於若干條件獲達成後支付(見綜合財務報表附註22)。</p>	<ul style="list-style-type: none"> – 我們已獲得與抵押資產物業相關的估值報告，並評估所用方法及假設是否合理。 – 我們已評估獨立物業估值師對已抵押資產所進行的市值。
<p>物業乃處於建設階段而北京中投已抵押若干物業以為已付訂金作擔保。</p>	<ul style="list-style-type: none"> – 我們已評估獨立外聘估值師的勝任能力及客觀性。
<p>貴集團已委任獨立估值師對已抵押資產於2017年12月31日進行估值以評估其市場價值。</p>	<ul style="list-style-type: none"> – 我們已與北京中投及 貴公司管理層討論工程進度，並確認於2017年12月31日 貴公司向北京中投所支付訂金的年末結餘。
<p>鑒於所支付的訂金金額龐大，我們將所支付訂金的可收回性視為關鍵審計事項。</p>	

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 該關鍵審計事項在審計中是如何應對的
<p>Recoverability of a deposit paid for capital contribution</p>	<p>就資本注資所支付訂金的可收回性</p>
<p>As disclosed in Note 21 to the consolidated financial statements, on 11 May 2017, Shenzhen Shenxi Investment & Development Company Limited ("Shenzhen Shenxi"), a wholly-owned subsidiary of the Company, entered into the capital contribution agreement with the existing shareholders of Shenzhen Zhong De Logistics Company Limited ("Zhong De Logistics"), represented by the directors of the Company as independent third parties, pursuant to which Shenzhen Shenxi agreed to make capital contribution in the total sum of RMB155,000,000 to Zhong De Logistics.</p>	<ul style="list-style-type: none"> – We obtained and read the related agreement and the supplementary agreement in relation to the capital contribution in Zhong De Logistics. – We performed background search of the existing shareholders and Zhong De Logistics to ascertain they are independent to the Group. – We discussed with the management of the Company to understand the facts and circumstances that led to the postponement of the completion of the change in industry and commercial registration procedures. Further, we discussed with the management of the Company regarding whether there were any obstacles to the completion of the above mentioned procedures and if so the possibility and procedures as to how the Group plans to deal with the obstacles.
<p>During the year ended 31 December 2017, the Group had paid deposit for capital contribution of RMB150,000,000 to Zhong De Logistics. As at 31 December 2017, the capital contribution has not been completed due to the fact that the existing shareholders of Zhong De Logistics have pledged their equity interest to banks and not yet released.</p>	
<p>誠如綜合財務報表附註21所披露，據 貴公司董事作為獨立第三方表示，於2017年5月11日，深圳市沈璽投資發展有限公司(「深圳沈璽」)(本公司全資附屬公司)與深圳市眾德物流有限公司(「眾德物流」)的現有股東訂立注資協議，據此，深圳沈璽同意向眾德物流注資總額人民幣155,000,000元。</p>	<ul style="list-style-type: none"> – 我們已獲得並閱覽與於眾德物流的注資相關協議及補充協議。 – 我們已對現有股東及眾德物流進行背景搜查以尋求彼等是否獨立於 貴集團。
<p>截至2017年12月31日止年度， 貴集團已就注資向眾德物流支付訂金人民幣150,000,000元。於2017年12月31日，由於眾德物流的現有股東將彼等的股權已抵押予銀行且尚未獲解除之事實，注資尚未完成。</p>	<ul style="list-style-type: none"> – 我們已與 貴公司管理層討論導致工商變更登記手續押後完成的事實及情況。此外，我們已與 貴公司管理層討論是否有影響上述手續完成的任何障礙，如有任何障礙， 貴集團計劃應付有關障礙的可能性及程序。

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 該關鍵審計事項在審計中是如何應對的
<p>Recoverability of a deposit paid for capital contribution (Continued)</p>	<p>就資本注資所支付訂金的可收回性(續)</p>
<p>Given the deposit paid was significant and the fact and circumstances disclosed above, we have identified the recoverability of the deposit paid as a key audit matter.</p>	<ul style="list-style-type: none"> – We discussed the status of the change in industry and commercial registration process with the management of Zhong De Logistics and the management of the Company and confirmed the year end balance of deposit paid to Zhong De Logistics by the Group as at 31 December 2017. – We reviewed the latest financial position of Zhong De Logistics. – The Company had engaged an independent valuer to estimate fair value of the equity interest of Zhong De Logistics as at 31 December 2017. We discussed with the valuer (which we had evaluated the competence, capabilities and objectivity) the reasonableness on the methodologies and assumptions used in determining the fair value of the equity interest.
<p>鑒於所支付的訂金金額龐大及上文所披露之事實及情況，我們將所支付訂金的可收回性視為關鍵審計事項。</p>	<ul style="list-style-type: none"> – 我們已與眾德物流的管理層及 貴公司管理層討論工商變更登記手續的情況並確認 貴集團於2017年12月31日向眾德物流支付訂金的年末結餘。 – 我們已審閱眾德物流最新期的財務狀況。 – 貴公司已委聘獨立估值師對眾德物流於2017年12月31日股權的公允價值進行估計。我們已與估值師討論(據此我們已評估其勝任能力及客觀性)於釐定股權之公允價值時所用方法及假設是否合理。

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 該關鍵審計事項在審計中是如何應對的
<p>Recoverability of loan and interests receivables</p>	<p>應收貸款及利息的可收回性</p>
<p>As disclosed in Note 25 to the consolidated financial statements, the Group had loan and interest receivables of RMB176,994,000 and RMB2,363,000 respectively as at 31 December 2017.</p>	<p>– We obtained a list of loan and interest receivables that were outstanding as at 31 December 2017. We had obtained certain related loan agreements shown on the list provided by the management of the Company to identify the key terms of the loans.</p>
<p>Management of the Company concluded that no impairment was necessary to be made on the loan and interest receivables in which the impairment assessment required significant judgment to be made by the management of the Company and accordingly was considered as one of the key audit matters.</p>	<p>– We checked the subsequent settlement of these loans that became due.</p> <p>– We discussed with the management of the Company's credit policy and impairment policy (i.e. when and how impairment was determined). Specifically, with regards to loan and interest receivable that had been past due, we discussed with the management of the Company why they believed no impairment was considered necessary and assessed the recoverable amount based on the specific facts and circumstances.</p>
<p>誠如綜合財務報表附註25所披露，於2017年12月31日，貴集團有應收貸款及利息分別人民幣176,994,000元及人民幣2,363,000元。</p>	<p>– 我們已獲得於2017年12月31日尚未償還的應收貸款及利息清單。我們已獲取貴公司管理層所提供清單所示的所有相關貸款協議以識別貸款的主要條款。</p>
<p>貴公司管理層確定，毋須就應收貸款及利息作出減值，當中的減值評估需要貴公司管理層行使重大判斷，故被視為關鍵審計事項之一。</p>	<p>– 我們已檢查該等到期貸款的後續結算。</p> <p>– 我們已與貴公司管理層討論信貸政策及減值政策(即何時及如何釐定減值)。特別是，對於已逾期的應收貸款及利息而言，我們已與貴公司管理層討論為何彼等認為毋須作出減值，並根據具體事實及情況評估可收回金額。</p>

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 該關鍵審計事項在審計中是如何應對的
Recoverability of an available-for-sale investment	可供出售投資之可收回性
<p>As disclosed in Note 19 to the consolidated financial statements, the Group had available-for-sale investments with the carrying amount of RMB178,390,000 as at 31 December 2017 that represented (i) 10.36% of the issued share capital of a Chaozhou Rural Credit Cooperative incorporated under the laws of the PRC which is engaged in banking business; and (ii) 20% of the issued share capital of Hai Yue Real Estate Development Company Limited (“Hai Yue Real Estate”).</p>	<ul style="list-style-type: none"> – We reviewed the latest financial position of the investees. We performed certain analytical procedures on the financial position of the investees to assess the reasonableness of the view of the management of the Company that there was no impairment indicator on the investments. – The Company had engaged an independent valuer to estimate fair value of the equity interest of Hai Yue Real Estate as at 31 December 2017. We discussed with the valuer (which we had evaluated the competence, capabilities and objectivity) the reasonableness on the methodologies and assumptions used in determining the fair value of the investments.
<p>As disclosed in Note 19 to the consolidated financial statements, investments were carried at cost less accumulated impairment at the end of each reporting period. The assessment as to whether there was any impairment indicator and if so the impairment loss (if any) was complex and involved a significant degree of management judgment and hence was considered as one of the key audit matters.</p>	<ul style="list-style-type: none"> – 我們已審閱被投資方最近期的財務狀況。我們已對被投資方的財務狀況進行若干分析性程序以評估 貴公司管理層認為投資沒有減值跡象的意見是否合理。 – 貴公司已委聘獨立估值師以對海粵房地產於2017年12月31日股權的公允價值進行估計。我們已與估值師討論(據此我們已評估其勝任能力及客觀性)於釐定股權之公允價值所用方法及假設的合理性。
<p>誠如綜合財務報表附註19所披露，於2017年12月31日， 貴集團的可供出售投資賬面值為人民幣178,390,000元，相當於(i)根據中國法例註冊成立從事銀行業務的潮州市區農村信用合作聯社已發行股本10.36%；及(ii)廣州海粵房地產發展有限公司(「海粵房地產」)已發行股本20%。</p>	<ul style="list-style-type: none"> – 貴公司已委聘獨立估值師以對海粵房地產於2017年12月31日股權的公允價值進行估計。我們已與估值師討論(據此我們已評估其勝任能力及客觀性)於釐定股權之公允價值所用方法及假設的合理性。
<p>誠如綜合財務報表附註19所披露，投資按成本減去於各報告期末的累計減值列賬。評估是否有任何減值跡象及(如有減值跡象)減值虧損(如有)複雜，並涉及管理層重大判斷，故被視為關鍵審計事項之一。</p>	<ul style="list-style-type: none"> – 貴公司已委聘獨立估值師以對海粵房地產於2017年12月31日股權的公允價值進行估計。我們已與估值師討論(據此我們已評估其勝任能力及客觀性)於釐定股權之公允價值所用方法及假設的合理性。

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 該關鍵審計事項在審計中是如何應對的
<p>Goodwill impairment assessment</p> <p>As disclosed in Note 17 to the consolidated financial statements, during the year ended 31 December 2017, the Group impaired the goodwill of RMB24,459,000 relating to the acquisition of entire equity interest of Zhongfang Chaozhou Investment Development Company Limited (“Zhongfang Chaozhou”) in 2012.</p> <p>As disclosed in Note 17 to the consolidated financial statements, the assessment as to whether there was any impairment indicator and the amount of impairment loss recognised was complex and involved a significant degree of management judgment and hence was considered as one of the key audit areas.</p> <p>誠如綜合財務報表附註17所披露，截至2017年12月31日止年度，貴集團就於2012年收購中房潮州投資開發有限公司(「中房潮州」)全部股權錄得已減值商譽人民幣24,459,000元。</p> <p>誠如綜合財務報表附註17所披露，評估是否有任何減值跡象及已確認減值虧損金額複雜，並涉及管理層重大判斷，故被視為關鍵審計事項之一。</p>	<p>商譽減值評估</p> <p>— We discussed with the management of the Company to understand the business plan and development in relation to Zhongfang Chaozhou, including the progress of apply for the construction of phase II and phase III of the land development project in Chaozhou. We obtained the profit and cash flow forecast of Zhongfang Chaozhou approved by the management of the Company. We discussed with the management of the Company the key assumptions used in the preparation of the forecasts.</p> <p>— 我們已與 貴公司管理層討論以瞭解有關中房潮州的業務計劃及發展(包括申請於潮州之土地開發項目建設二期及三期的工程進度)。我們已獲得經 貴公司管理層批准的中房潮州溢利及現金流預測。我們已與 貴公司管理層討論於編製預測時所用的主要假設。</p>

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及負責管治的人士就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定擬備真實而公允的綜合財務報表，並對其認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報所需的內部控制負責。

在編製綜合財務報表時，貴公司之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。

負責管治的人士負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

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報取得合理保證，並出具包括我們意見的核數師報告。根據我們的協定委聘條款，我們僅對全體股東作出報告，除此以外，本報告並無其他用途。合理保證是高水平的保證，但不能保證按照香港核數準則進行的審計，在某一重大錯報存在時總能發現。錯報可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯報可被視作重大。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

As part of an audit in accordance with HKSAAs, 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.
- 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.

核數師就審計綜合財務報表承擔的責任 (續)

在根據香港核數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報的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯報的風險高於未能發現因錯誤而導致的重大錯報的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的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呈報方式、結構和內容，包括披露，以及綜合財務報表是否公允反映相關交易和事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

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

Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Chan Chi Kei Ronald
Practising Certificate Number: P04255

Suites 313–316, 3/F., Shui On Centre
6–8 Harbour Road
Wanchai
Hong Kong

29 March 2018

核數師就審計綜合財務報表承擔的責任 (續)

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

除其他事項外，我們與負責管治的人士溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們亦向負責管治的人士提交聲明，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。

從與負責管治的人士溝通的事項中，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。

華融(香港)會計師事務所有限公司
執業會計師
陳智機
執業證書編號：P04255

香港
灣仔
港灣道6–8號
瑞安中心3樓313–316室

2018年3月29日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2017
截至2017年12月31日止年度

		Notes 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Revenue	收益	7	15,499	108,370
Sales taxes on revenue	收益銷售稅		-	(468)
Cost of sales	營業成本		(2,066)	(78,707)
Gross profit	毛利		13,433	29,195
Other income	其他收入	9	3,013	538
Impairment loss recognised in respect of goodwill	就商譽確認 減值虧損	17	(24,459)	(20,000)
Impairment loss recognised in respect of interest in an associate	就於一間聯營公司的 權益確認減值虧損		-	(3,561)
Fair value change on held-for-trading investments	持作買賣投資公允價值 變動		(42)	(30)
Loss on disposal of held-for-trading investments	出售持作買賣投資 虧損		-	(993)
Loss on disposal of convertible instruments designated as financial asset at fair value through profit or loss	出售指定為按公允價值 計入損益的財務資產 的可換股工具的虧損	20	-	(1,141)
Loss on disposal of subsidiaries	出售附屬公司虧損	32	(2,003)	-
Exchange (loss) gain, net	匯兌(虧損)收益淨額		(9,861)	16,898
Depreciation	折舊		(147)	(145)
Staff costs	員工成本		(3,491)	(3,627)
Other operating expenses	其他經營開支		(4,895)	(5,092)
Share of profit of an associate	分佔一間聯營公司溢利	18	738	41
Finance cost	財務成本	10	-	(51)
(Loss) profit before tax	除稅前(虧損)溢利		(27,714)	12,032
Income tax expense	所得稅開支	11	(1,877)	(5,881)
(Loss) profit for the year	年內(虧損)溢利	12	(29,591)	6,151
(Loss) profit attributable to:	(虧損)溢利歸屬於:			
- owners of the Company	- 本公司擁有人		(32,832)	2,349
- non-controlling interests	- 非控股權益		3,241	3,802
			(29,591)	6,151
(Loss) earnings per share	每股(虧損)盈利	14		
- Basic (RMB cents)	- 基本(人民幣分)		(2.23)	0.16
- Diluted (RMB cents)	- 攤薄(人民幣分)		N/A不適用	N/A不適用
Dividends	股息	15	-	-

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2017年12月31日止年度

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
(Loss) profit for the year	年內(虧損)溢利	(29,591)	6,151
Other comprehensive (expense) income, net of income tax	其他全面(開支)收入，扣除所得稅		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>		
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	(4,748)	1,859
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	(34,339)	8,010
Total comprehensive (expense) income attributable to:	全面(開支)收入總額歸屬於：		
– owners of the Company	– 本公司擁有人	(34,285)	3,733
– non-controlling interests	– 非控股權益	(54)	4,277
		(34,339)	8,010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2017
於2017年12月31日

		Notes 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Plant and equipment	廠房及設備	16	943	1,085
Goodwill	商譽	17	1,320	25,779
Interest in an associate	於一間聯營公司的權益	18	147,218	146,480
Available-for-sale investments	可供出售投資	19	178,390	48,390
Deposit paid for capital contribution	資本注資所支付的訂金	21	150,000	–
Deposit paid for acquisition of properties	收購物業所支付的訂金	22	140,000	110,000
Deposit paid for acquisition of investments	收購一筆投資所支付的訂金	23	–	185,000
			617,871	516,734
CURRENT ASSETS	流動資產			
Properties under development	發展中物業	24	198,796	174,150
Held-for-trading investments	持作買賣投資	26	115	85
Loan and interest receivables	應收貸款及利息	25	179,357	304,636
Trade receivables	應收賬款	27	128,701	145,701
Deposits and other receivables	按金及其他應收款		2,436	241
Amount due from an associate	應收一間聯營公司款項	38	4,365	375
Amount due from a non-controlling interest	應收一名非控股股東款項	38	–	49,295
Bank balances and cash	銀行結餘及現金	28	11,198	30,307
			524,968	704,790
Assets classified as held for sale	分類為持作銷售的資產	29	–	50,878
			524,968	755,668

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2017
於2017年12月31日

		Notes 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
CURRENT LIABILITIES	流動負債			
Trade payables	應付賬款	30	110,825	107,118
Other payables and accruals	其他應付款及應計費用		1,989	9,627
Amount due to a non-controlling interest	應付一名非控股股東款項	38	1,952	–
Deposit received	已收訂金	29	–	24,000
Tax liabilities	稅項負債		1,462	4,119
			116,228	144,864
Liabilities associated with assets classified as held for sale	與分類為持作銷售的資產相關的負債	29	–	6,870
			116,228	151,734
NET CURRENT ASSETS	流動資產淨值		408,740	603,934
NET ASSETS	淨資產		1,026,611	1,120,668
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	31	1,469,376	1,469,376
Reserves	儲備		(468,260)	(433,975)
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,001,116	1,035,401
Non-controlling interests	非控股權益	33	25,495	85,267
TOTAL EQUITY	總權益		1,026,611	1,120,668

The consolidated financial statements on pages 54 to 170 were approved and authorised for issue by the board of directors on 29 March 2018 and are signed on its behalf by:

第54頁至170頁所列的綜合財務報表，經董事會於2018年3月29日核准及授權發出，並由下列董事代表簽署：

Zhang Jing Ming
張敬明
Director
董事

Deng Xiao Gang
鄧曉綱
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017
截至2017年12月31日止年度

		Share capital	Share premium	Statutory surplus reserve	Exchange reserve	Accumulated losses	Total	Non-controlling interest	Total
		股本	股份溢價	法定盈餘公積金	匯兌儲備	累計虧損	總計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 31)	(Note a)	(Note b)					
		(附註31)	(附註a)	(附註b)					
At 1 January 2016	於2016年1月1日	1,224,480	322,426	104,840	444	(863,468)	788,722	-	788,722
Profit for the year	年內溢利	-	-	-	-	2,349	2,349	3,802	6,151
Other comprehensive income, net of income tax	其他全面收入，扣除所得稅								
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：								
Exchange difference arising on translation of foreign operations	因換算海外業務產生之匯兌差額	-	-	-	1,384	-	1,384	475	1,859
Total comprehensive income for the year	年內全面收入總額	-	-	-	1,384	2,349	3,733	4,277	8,010
Domestic shares issued	已發行內資股	144,000	-	-	-	-	144,000	-	144,000
H-shares issued	已發行H股	100,896	-	-	-	-	100,896	-	100,896
Transaction costs attributable to issuance of H-shares	發行H股相關交易成本	-	(1,950)	-	-	-	(1,950)	-	(1,950)
Capital contribution from non-controlling interest (Note 33)	非控股股東注資 (附註33)	-	-	-	-	-	-	80,990	80,990
Transfer	轉撥	-	-	188	-	(188)	-	-	-
At 31 December 2016	於2016年12月31日	1,469,376	320,476	105,028	1,828	(861,307)	1,035,401	85,267	1,120,668
(Loss) profit for the year	年內(虧損)溢利	-	-	-	-	(32,832)	(32,832)	3,241	(29,591)
Other comprehensive expense, net of income tax	其他全面開支，扣除所得稅								
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：								
Exchange difference arising on translation of foreign operations	因換算海外業務產生之匯兌差額	-	-	-	(1,453)	-	(1,453)	(3,295)	(4,748)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	(1,453)	(32,832)	(34,285)	(54)	(34,339)
Reduction of capital contribution from non-controlling interest (Note 33)	非控股股東減資 (附註33)	-	-	-	-	-	-	(59,718)	(59,718)
At 31 December 2017	於2017年12月31日	1,469,376	320,476	105,028	375	(894,139)	1,001,116	25,495	1,026,611

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017
截至2017年12月31日止年度

Notes:

(a) Share premium

Share premium comprises surplus between the value of net assets acquired and the nominal value of state shares issued as a result of the incorporation of the Company as a joint stock limited company and the share premium from the issuance of H-shares.

(b) Statutory surplus reserve

The Group is required to set aside 10% of its profit after taxation prepared in accordance with the PRC accounting standards and regulations to the statutory surplus reserve until the balance reaches 50% of their respective paid up capital or registered capital, where further appropriation will be made at the directors' recommendation. Such reserve can be used to reduce any losses incurred or increased the capital.

(c) Distributable reserve

Pursuant to the relevant PRC regulations, distributable reserve shall be the lower of the accumulated distributable profits determined in accordance with PRC accounting standards and regulations as stated in the PRC statutory audited financial statements and the accumulated distributable profits determined in accordance with accounting principles generally accepted in Hong Kong. Excluded Zhongfang Chaozhou Investment Development Limited ("Zhongfang Chaozhou"), a wholly-owned subsidiary of the Company, the Group did not have any reserve available for distribution as at 31 December 2017 and 2016.

附註：

(a) 股本溢價

股本溢價包括收購的淨資產價值和本公司作為股份制有限公司成立而發行的國有股面值之間的盈餘，以及發行H股所產生的股本溢價。

(b) 法定盈餘公積金

根據中國會計準則及法規，本集團需要從稅後溢利中撥出10%作為法定盈餘公積金，直到該公積金達到彼等各自己繳足股本或註冊資本的50%，進一步的撥備將由董事建議。該公積金可以用作減少已發生的任何虧損或增加股本。

(c) 可供分配之儲備

根據中國有關之規例，可供分配之儲備為根據中國會計準則及規例釐定之載列於中國法定經審核財務報表之累計可供分派溢利與根據香港公認會計原則釐定之累計可供分派溢利兩者之較低者。除本公司全資附屬公司中房潮州投資開發有限公司（「中房潮州」）外，本集團於2017年及2016年12月31日並無可供分配之儲備。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017
截至2017年12月31日止年度

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營業務		
(Loss) profit before tax	除稅前(虧損)溢利	(27,714)	12,032
Adjustments for:	調整：		
Finance cost	財務成本	-	51
Bank interest income	銀行利息收入	(46)	(116)
Dividend income	股息收入	(1,528)	(393)
Depreciation of plant and equipment	廠房及設備折舊	147	145
Share of profit of an associate	分佔一間聯營公司溢利	(738)	(41)
Impairment loss recognised in respect of goodwill	就商譽確認減值虧損	24,459	20,000
Impairment loss recognised in respect of interest in an associate	就於一間聯營公司的權益 確認減值虧損	-	3,561
Fair value change on held-for-trading investments	持作買賣投資公允價值 變動	42	30
Loss on disposal of subsidiaries	出售附屬公司虧損	2,003	-
Loss on disposal of held-for-trading investments	出售持作買賣投資虧損	-	993
Loss on disposal of convertible instruments designed as financial asset at fair value through profit or loss	出售指定為按公允價值 計入損益的財務資產 的可換股工具的虧損	-	1,141
Operating cash flows before movements in working capital	營運資金變動前的經營 現金流量	(3,375)	37,403
(Increase) decrease in properties under development	發展中物業(增加)減少	(24,640)	25,254
(Increase) decrease in held-for-trading investment	持作買賣投資(增加)減少	(83)	13,682
Decrease (increase) in loan and interest receivables	應收貸款及利息減少(增加)	125,291	(130,067)
Decrease in trade receivables	應收賬款減少	17,000	41,000
(Increase) decrease in deposits and other receivables	按金及其他應收款(增加) 減少	(1,398)	659
Increase (decrease) in trade payables	應付賬款增加(減少)	3,707	(650)
Increase in amount due to non-controlling interest	應付非控股股東款項增加	1,952	-
(Decrease) increase in other payables and accruals	其他應付款與應計費用 (減少)增加	(7,638)	4,917
Increase in assets associate with held for sale	與持作銷售相關的資產增加	-	(878)
Increase in liabilities associated with assets classified as held for sale	與分類為持作銷售的 資產相關的負債增加	-	6,870
Cash generated from (used in) operations	來自(支付)經營業務的現金	110,816	(1,810)
Income tax paid	繳付所得稅款	(5,333)	(7,433)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	來自(支付)經營業務的 現金淨額	105,483	(9,243)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017
截至2017年12月31日止年度

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Bank interest received	已收銀行利息	46	116
Dividend income received	已收股息收入	1,528	393
Deposit paid for acquisition of investment	收購投資所支付的訂金	-	(32,000)
Deposit paid for acquisition of properties	收購物業所支付的訂金	(30,000)	(110,000)
Deposit paid for capital contribution	注資所支付的訂金	(150,000)	-
Proceed from disposal of a subsidiary	出售一間附屬公司的所得款項	18,000	-
Refund for deposit paid for acquisition of investment	退還收購投資所支付的訂金	55,000	22,000
Deposit received for disposal of a subsidiary	已收取出售一間附屬公司的訂金	-	24,000
Acquisition of investment in an associate	收購於一間聯營公司的投資	-	(150,000)
Purchase of plant and equipment	購買廠房及設備	(12)	(2)
Purchase of available-for-sale investments	購買持作買賣投資	-	(35,640)
Purchase of convertible instruments designated as financial assets at fair value through profit or loss	購買指定為按公允價值計入損益的財務資產的可換股工具	-	48,241
Increase in amount due from an associate	應收一間聯營公司款項增加	(3,990)	(375)
Increase in amount due from a non-controlling interest	應收一名非控股股東款項增加	-	(49,295)
NET CASH USED IN INVESTING ACTIVITIES	支付投資活動的現金淨額	(109,428)	(282,562)
FINANCING ACTIVITIES	融資活動		
Interest expense	利息開支	-	(51)
Repayment of capital contribution	償還注資	(11,063)	-
Decrease in other borrowings	其他借貸減少	-	(15,333)
Proceeds from capital contribution of non-controlling interest	非控股股東注資所得款項	-	80,990
Proceeds from issue of domestic shares	發行內資股所得款項	-	144,000
Proceeds from issue of H-shares	發行H股所得款項	-	100,896
Transaction costs attributable to issuance of H-shares	發行H股相關交易成本	-	(1,950)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	來自(支付)融資活動的現金淨額	(11,063)	308,552
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目(減少)增加淨額	(15,008)	16,747
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於1月1日的現金及現金等值項目	30,307	12,156
Effect of foreign exchange rate changes, net	匯率變動影響，淨額	(4,101)	1,404
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, REPRESENTED BY BANK BALANCES AND CASH	於12月31日的現金及現金等值項目，以銀行結餘及現金代表	11,198	30,307

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
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1. GENERAL INFORMATION

Shenyang Public Utility Holdings Company Limited (the “Company”) is a joint stock limited company incorporated in the People’s Republic of China (the “PRC”). The Company’s ultimate holding company is Shenzhen Jinma Asset Management Company Limited (“Jinma Asset”), a private limited liability company incorporated in the PRC. Its ultimate controlling party is Mr. Ma Zhong Hong.

The addresses of the principal place of business and registered office of the Company in PRC are 14/F., Jinmao International Apartment, No. 1 Xiao Dong Road, Da Dong District, Shenyang, the PRC and No. 1–4, 20A, Central Street, Shenyang Economic and Technological Development Zone, the PRC, respectively.

The address of the principal place of business in Hong Kong is Unit C, 21/F, Eton Building, 288 Des Voeux Road Central, Sheung Wan, Hong Kong.

The Company is an investment holding company and the principal activities of its subsidiaries are set out in Note 39 to the consolidated financial statements.

The consolidated financial statements are presented in Renminbi (“RMB”). Other than those subsidiaries established in Hong Kong whose functional currencies are Hong Kong Dollars (“HK\$”), the functional currency of the Company and its subsidiaries (collectively known as the “Group”) are RMB.

The Company’s H-shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

1. 一般資料

瀋陽公用發展股份有限公司(「本公司」)是一家在中華人民共和國(「中國」)註冊成立的股份有限公司。本公司的最終控股公司為深圳市金馬資產管理有限公司(「金馬資產」)，該公司為於中國註冊成立的私人有限責任公司。其最終控制方為馬鐘鴻先生。

本公司於中國的主要營業地點及註冊辦事處之地址分別為中國瀋陽市大東區小東路1號金茂國際公寓14樓及中國瀋陽經濟技術開發區中央大街20甲1–4號。

本公司於香港主要營業地點位於香港上環德輔道中288易通商業大廈21樓C室。

本公司為投資控股公司，其附屬公司主要業務載於綜合財務報表附註39。

綜合財務報表以人民幣(「人民幣」)列示。除於香港成立的該等附屬公司以港元(「港元」)為功能貨幣外，人民幣是本公司及其附屬公司(統稱「本集團」)的功能貨幣。

本公司的H股在香港聯合交易所有限公司(「聯交所」)上市。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
截至2017年12月31日止年度

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

2.1 Amendments to HKFRSs that are mandatorily effective for the current year

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

Amendments to Hong Kong Accounting Standard (“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

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.

2. 採用新頒佈及經修訂的香港財務報告準則(「香港財務報告準則」)

2.1 於本年度強制生效的香港財務報告準則修訂

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」)頒佈的香港財務報告準則：

香港會計準則(「香港會計準則」)第7號(修訂本)	披露計劃
香港會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號(修訂本)	作為香港財務報告準則2014年至2016年週期的年度改進一部分

於本年度應用香港財務報告準則(修訂本)對本集團於本年度及過往年度的財務表現及狀況及/或該等綜合財務報表的披露並無任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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)

2.2 New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK (IFRIC) – Interpretation (“Int”) 22	Foreign Currency Transactions and Advance Consideration ¹
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatment 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 40	Transfers of Investment Property ¹
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle ¹
Amendments to HKAS 28	Long-term Interest In Associates and Joint Ventures ²
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 (the “Directors”) 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. 採用新頒佈及經修訂的香港財務報告準則(「香港財報告準則」)(續)

2.2 已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則：

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	客戶合約收益及相關修訂 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)–詮釋第22號	外幣交易及預付代價 ¹
香港(國際財務報告詮釋委員會)–詮釋第23號	所得稅處理的不確定性 ²
香港財務報告準則第2號(修訂本)	以股份為基礎支付的交易的分類及計量 ¹
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約 ¹
香港財務報告準則第9號(修訂本)	具有負補償的提前付款特性 ²
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港會計準則第40號(修訂本)	投資物業之轉讓 ¹
香港會計準則第28號(修訂本)	作為香港財務報告準則2014年至2016年週期的年度改進一部分 ¹
香港會計準則第28號(修訂本)	於聯營及合營企業的長期權益 ²
香港財務報告準則(修訂本)	香港財務報告準則2015年至2017年週期之年度改進 ²

- ¹ 於2018年1月1日或之後開始的年度期間生效。
- ² 於2019年1月1日或之後開始的年度期間生效。
- ³ 於有待釐定日期或之後開始的年度期間生效。
- ⁴ 於2021年1月1日或之後開始的年度期間生效。

除綜合財務報表所述之新訂及經修訂香港財務報告準則及詮釋外，本公司董事(「董事」)預期應用所有其他新訂及經修訂香港財務報告準則及詮釋將不會對於可見將來的綜合財務報表產生重大影響。

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綜合財務報表附註

For the year ended 31 December 2017
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New and revised HKFRSs in issue but not yet effective (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. 採用新頒佈及經修訂的香港財務報告準則(「香港財報告準則」)(續)

2.2 已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則(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號引入了有關財務資產及財務負債的分類及計量、一般對沖會計法的新規定以及財務資產的減值規定。

與本集團有關之香港財務報告準則第9號之主要規定如下：

- 香港財務報告準則第9號範圍內的所有已確認財務資產隨後須按攤銷成本或公允價值計量。具體而言，目標為收取合約現金流量的業務模式中所持有及合約現金流量均純粹為支付本金及尚未償還本金的利息的債務投資，一般於後續會計期末按攤銷成本計量。目標為同時收取合約現金流及出售財務資產的業務模式中持有及以及合約條款令於特定日期產生的現金流量純粹為支付本金及尚未償還本金利息的債務投資，一般均按透過其他全面收入按公允價值列賬(「透過其他全面收入按公允價值列賬」)的方式計量。所有其他金融工具於其後會計期末按公允價值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇於其他全面收入呈列股本投資(並非持作買賣)的其後公允價值變動，而一般僅於損益內確認股息收入。

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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)

2.2 New and revised HKFRSs in issue but not yet effective (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. 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 anticipate the following potential impact on initial application of HKFRS 9:

Classification and measurement:

- Debt instruments classified as loan and interest receivables carried at amortised cost: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9;

2. 採用新頒佈及經修訂的香港財務報告準則(「香港財報告準則」)(續)

2.2 已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

- 就財務資產之減值而言，與香港會計準則第39號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報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

根據本集團於2017年12月31日的金融工具及風險管理政策，董事預期初步應用香港財務報告準則第9號可能會產生以下潛在影響：

分類及計量：

- 分類為貸款及應收利息之債務工具乃按攤銷成本列賬：該等乃以收取合約現金流量作為目的業務模式下持有，以及附有純粹作本金及尚未償還本金利息付款的合約現金流量。因此，於採用香港財務報告準則第9號時，該等財務資產將繼續按攤銷成本計量；

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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)

2.2 New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

- Equity securities classified as available-for-sale investments carried at cost less impairment: these securities 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; and
- All other financial assets and financial liabilities will continue to be measured on the same bases as currently measured under HKAS 39.

2. 採用新頒佈及經修訂的香港財務報告準則(「香港財報告準則」)(續)

2.2 已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

- 分類為可供出售投資之股本證券乃按成本減減值列賬，根據香港財務報告準則9號，該等證券合資格指定為透過其他全面收入按公允價值列賬方式計量，且本集團將於其後報告期間結束時按公允價值計量該等證券，公允價值收益或虧損確認為其他全面收益並於投資重估儲備內累計；及
- 所有其他財務資產及財務負債將繼續按與目前根據香港會計準則第39號進行計量之相同基準進行計量。

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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)

2.2 New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

Impairment

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

2. 採用新頒佈及經修訂的香港財務報告準則(「香港財報告準則」)(續)

2.2 已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

減值

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

根據董事的評估，倘本集團將應用預期信貸虧損模式，本集團於2018年1月1日將確認的減值虧損累計金額將較根據香港會計準則第39號確認的累計金額增加，主要歸因於就應收賬款以及應收貸款及利息作出預期信貸虧損撥備。根據預期信貸虧損模式確認的有關進一步減值將削減於2018年1月1日的期初保留溢利。

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綜合財務報表附註

For the year ended 31 December 2017
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New and revised HKFRSs in issue but not yet effective (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

2. 採用新頒佈及經修訂的香港財務報告準則(「香港財報告準則」)(續)

2.2 已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則(續)

香港財務報告準則第15號客戶合約收益

香港財務報告準則第15號已獲頒佈，其制定一項單一全面模式供實體用作將自客戶合約所產生的收益入賬。於香港財務報告準則第15號生效後，其將取代現時的收入確認指引，其中包括香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋。

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

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

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

2.2 New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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

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

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

HKFRS 16 Leases

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

2. 採用新頒佈及經修訂的香港財務報告準則(「香港財報告準則」)(續)

2.2 已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則(續)

香港財務報告準則第15號客戶合約收益(續)

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時確認收入。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求更詳盡的披露。

於2016年，香港會計準則委員會發出香港財務報告準則第15號的澄清，內容有關履約責任的識別、委託人相對代理人的考慮因素以及許可授權的應用指引。

董事預期日後應用香港財務報告準則第15號未來或會導致更多披露，然而，董事預期應用香港財務報告準則第15號不會對於各個報告期間確認收入的時間及金額產生重大影響。

香港財務報告準則第16號租賃

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

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

2.2 New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 16 Leases (Continued)

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.

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 for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows respectively by the Group.

2. 採用新頒佈及經修訂的香港財務報告準則(「香港財報告準則」)(續)

2.2 已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

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。除短期租賃及低價值資產之租賃外，經營租賃與融資租賃之差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債之模式所取代。

使用權資產初步按成本計量，其後按成本(受若干例外情況所限)減累計折舊及減值虧損(就租賃負債重新計量作出調整)計量。租賃負債初步按租賃付款(非當日支付)之現值計量。隨後，租賃負債就(其中包括)利息及租賃付款以及租賃修訂之影響作出調整。就現金流量之分類而言，本集團目前呈列前期預付租賃付款為有關持作自用租賃土地及分類為投資物業者之投資現金流量，而其他經營租賃付款呈列為經營現金流量。於應用香港財務報告準則第16號時，有關租賃負債之租賃付款將分配至將分別呈列為本集團之融資現金流量之本金及利息部分。

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

2.2 New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 16 Leases (Continued)

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

Furthermore, extensive disclosure are required by HKFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK\$347,000 as disclosed in Note 36. 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.

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

2. 採用新頒佈及經修訂的香港財務報告準則(「香港財報告準則」)(續)

2.2 已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

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

此外，香港財務報告準則第16號要求更詳盡的披露。

於2017年12月31日，本集團之不可撤銷經營租賃承擔約為347,000港元(誠如附註36所披露)。初步評估顯示，此等安排將符合租賃定義。於應用香港財務報告準則第16號後，本集團將確認所有此等租賃之使用權資產及相應之負債，除非彼等合資格為低價值或短期租賃。

此外，應用新規定可能導致上述計量、呈列及披露的變動。

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綜合財務報表附註

For the year ended 31 December 2017
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 New and revised HKFRSs in issue but not yet effective (Continued)

HK (IFRIC)–Int 22 Foreign Currency Transactions and Advance Consideration

HK (IFRIC)–Int 22 addresses how to determine the “date of transaction” for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (for example a non-refundable deposit or deferred revenue).

The interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The Directors do not anticipate that the application of HK (IFRIC)–Int 22 will have a material impact on foreign currency transactions and advance consideration of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

2. 採用新頒佈及經修訂的香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效的新頒佈及經修訂的香港財務報告準則(續)

香港(國際財務報告詮釋委員會)–詮釋第22號外幣交易及墊付代價

香港(國際財務報告詮釋委員會)–詮釋第22號闡述如何釐定「交易日期」，以釐定用於初步確認資產、開支或收入時使用的匯率(當該項目的代價已經以外幣預先支付或收取而導致確認非貨幣資產或非貨幣負債(例如不可退還的按金或遞延收益))。

該詮釋訂明，交易日期為實體初步確認因支付或收到預付代價而產生的非貨幣資產或非貨幣負債的日期。倘若預先支付或收到多筆款項，該詮釋要求實體釐定預先支付或收到的每筆代價款項的交易日期。

董事預期應用香港(國際財務報告詮釋委員會)–詮釋第22號將不會對本集團之外幣交易及預先支付之代價款項產生重大影響。

3. 主要會計政策

綜合財務報表是按香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例規定的適用披露事項。

除若干金融工具(有關資料載於下文的會計政策)於各報告期末以公允價值計量外，綜合財務報表是根據歷史成本基準編製。

歷史成本一般根據交易貨品及服務時所付出代價的公允價值計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *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*.

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

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

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

3. 主要會計政策(續)

公允價值是於計量日期市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付之價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。於估計資產或負債之公允價值時，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／或披露用途之公允價值乃按此基準釐定，惟以下各項除外：屬於香港財務報告準則第2號以股份為基礎的付款範圍內以股份為付款基礎之交易、屬於香港會計準則第17號租賃範圍內之租賃交易，以及其計量與公允價值之計量存在某些相似之處但並非公允價值，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。

非財務資產公允價值的計量參考市場參與者可從使用該資產得到的最高及最佳效用，或將該資產售予另一可從使用該資產得到最高及最佳效用的市場參與者所產生的經濟效益。

此外，就財務報告而言，公允價值計量分為第一級、第二級或第三級，有關等級之劃分乃根據其數據之可觀察程度及該數據對公允價值計量之整體重要性，概述如下：

- 第一級數據指該實體於計量日期由活躍市場上相同資產或負債獲得之報價(未經調整)；
- 第二級數據指除第一級所包含之報價以外，可直接或間接從觀察資產或負債之資料而得出之數據；及
- 第三級數據指該數據不可從觀察資產或負債之資料而獲得。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

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

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

3. 主要會計政策(續)

主要會計政策載列如下：

綜合基準

綜合財務報表包括本公司及本公司所控制實體及其附屬公司的財務報表。當本公司符合以下情況時，即取得控制權：

- 有權控制被投資方；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上述三項控制權條件之其中一項或多項有變，則本集團會重新評估其是否對被投資方擁有控制權。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益表內。

損益及其他全面收入各組成部份乃歸於本公司擁有人及非控股權益。附屬公司的全面收入總額乃歸屬於本公司擁有人及非控股權益，即使將導致非控股權益呈現虧損。

當有必要時，會對附屬公司之財務報表作出調整，使其會計政策與本集團之會計政策一致。

所有集團內資產及負債、權益、收支及與本集團成員公司間交易相關之現金流量均於綜合賬目時對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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 interests' 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.

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 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 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 主要會計政策(續)

綜合基準(續)

本集團於現有附屬公司的擁有權益的變動

並無導致本集團失去附屬公司控制權的本集團於現有附屬公司的擁有權益變動，乃按權益交易入賬。本集團包括儲備的相關權益部分及非控股權益的賬面值，乃予以調整以反映彼等於附屬公司相關權益的變動，包括按照本集團與非控股權益之權益比例，將本集團與非控股權益之間的相關儲備重新歸屬。

非控股權益數額的調整額與已付或已收代價公允價值之間的差額，乃於權益直接確認，並歸於本公司擁有人。

當本集團失去一間附屬公司之控制權時，則該附屬公司之資產及負債以及非控股權益(如有)應予終止確認。盈虧於損益內確認，並按：(i)已收代價公允價值及任何保留權益公允價值總額與(ii)本公司擁有人應佔附屬公司之資產(包括商譽)及負債之賬面值之差額計算。所有先前於其他全面收入確認之有關該附屬公司之款項，將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之規定/許可條文重新分類至損益或轉撥至另一類權益)。於失去控制權當日於前附屬公司保留之任何投資之公允價值將根據香港會計準則第39號，於其後入賬時被列作初步確認之公允價值，或(如適用)於初步確認時於聯營公司或合營企業之投資成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

3. 主要會計政策(續)

業務合併

收購業務採用收購法入賬。業務合併的所轉讓代價按公允價值計量，而計算方法為由本集團轉讓的資產、本集團產生的對被收購者前擁有人的負債及本集團為換取被收購者的控制權而發行的股權於收購日期的公允價值的總額。有關收購的成本一般於產生時於損益中確認。

於收購日期，所收購的可識別資產及所承擔的負債乃按公允價值確認，惟以下情況除外：

- 遞延稅項資產或負債及與僱員福利安排相關的資產或負債分別按香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購者以股份支付的安排有關或以本集團訂立之股份支付的安排取代被收購者以股份支付的安排有關的負債或股本工具，乃於收購日期按香港財務報告準則第2號*以股份為基礎的付款*計量（見以下會計政策）；及
- 根據香港財務報告準則第5號*供銷售非流動資產及已終止經營業務*分類為供銷售資產（或出售組別）根據該準則計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

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

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

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

3. 主要會計政策(續)

業務合併(續)

商譽是以所轉讓的代價、任何非控股權益於被收購者中所佔金額及收購者先前持有的被收購者的股權的公允價值(如有)的總和，超出於收購日期所收購可識別資產及所承擔負債的淨額的差額計值。倘經過重新評估後，所收購的可識別資產與所承擔負債的淨額高於轉讓的代價、任何非控股權益於被收購者中所佔金額及收購者先前持有的被收購者的權益的公允價值(如有)的總和，則差額即時於損益內確認為議價收購收益。

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔相關附屬公司資產淨值的非控股權益，初步以非控股權益應佔被收購者可識別資產淨值的已確認金額比例或公允價值計量。計量基準的選擇乃按每次交易為基礎。

如本集團於業務合併的轉讓代價中含有因為或然代價安排所產生的資產或負債，此或然代價須按收購日期的公允價值來計量並計入業務合併轉讓代價的一部分。凡合資格計入測量期調整的或然代價公允價值變動均對商譽作追溯調整。測量期調整乃指在「測量期」(於收購日起不能超過一年)取得有關於收購日期已存在的事實及情況的補充資料導致作出的調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

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

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

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

3. 主要會計政策(續)

業務合併(續)

不合資格作為測量期調整的或然代價其後會計處理將取決於或然代價是如何分類。被歸類為權益的或然代價是不會在其後呈報日期重新計算以及其隨後的結算將計入權益內。被歸類為資產或負債的或然代價須在其後呈報日期重新計算至公允價值，並在損益中確認相應的盈虧。

當業務合併是分階段實現，本集團先前持有的被收購者股權須按於收購日期(即本集團獲得控制權之日)的公允價值來重新計算，而由此產生的盈虧(如有)須於損益中確認。於收購日期前所產生的被收購者權益並在先前已計入其他全面收入的金額須如以往出售權益的處理方法般重新分類至損益。

如於呈報期間結束前已發生業務合併但初步會計處理還未完成，本集團須按暫定金額來呈報未完成的會計處理項目。此暫定金額可於測量期內調整(見上文)或確認額外的資產或負債，來反映於收購日期已存在的事實及情況的補充資料對當日已確認金額所帶來的影響。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment loss, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

3. 主要會計政策(續)

商譽

收購一項業務所產生的商譽以業務收購日期設立之成本減累計減值虧損(如有)計量(見上文會計政策)。

就減值測試而言，商譽被分配到預期從合併的協同效應中受益的本集團各有關現金產生單位或(現金產生單位的組別)，而該單位或單位組別指就內部管理目的監控商譽的最低水平且不超過經營分部。

已獲分配商譽的現金產生單位(或現金產生單位的組別)每年或當其有可能出現減值的跡象時更頻密地進行減值測試。因報告期內進行收購產生之商譽，已獲分配商譽的現金產生單位(或現金產生單位的組別)於該報告期末前進行減值測試。倘可收回金額少於其賬面值，減值虧損首先將被分配以削減商譽賬面值，其後按該單位(或現金產生單位的組別)內各資產的賬面值按比例基準分配至其他資產。

商譽應佔金額於出售相關現金產生單位時計入釐定出售損益的金額。

本集團因收購聯營公司及合營企業產生的商譽的政策載列下文。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates uses accounting policies that differ from those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interests held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), 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 associate.

3. 主要會計政策(續)

於聯營公司的投資

聯營公司是本集團擁有重大影響力的實體。重大影響力是指參與被投資方的財務及營運政策決定的權力，而非對該等政策行使控制權或共同控制權。

聯營公司業績以及資產及負債以權益會計法於綜合財務報表入賬。聯營公司的財務報表所採用的會計政策與本集團就類似交易及類似情況所使用者不同。適當調整已予作出，使聯營公司的會計政策與本集團者相符。根據權益法，於聯營公司的投資初步按成本於綜合財務狀況表內確認，並於其後就確認本集團分佔聯營公司的損益及其他全面收入予以調整。除損益及其他全面收益外，聯營公司資產淨值之變動不會入賬，除非該等變動導致本集團持有的所有權權益出現變動。當本集團應佔聯營公司的虧損超出本集團於聯營公司的權益(包括實質上成為本集團於聯營公司投資淨額一部分的任何長期權益)時，本集團終止確認其應佔的進一步虧損。僅於本集團已產生法定或推定責任，或已代表聯營公司支付款項的情況下，方會確認額外虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

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

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

於聯營公司的投資(續)

於聯營公司的投資乃自被投資方成為聯營公司當日起按權益法入賬。收購於聯營公司的投資時，投資成本超出本集團應佔被投資方的可識別資產及負債的公允價值淨額的任何差額確認為商譽，並計入投資的賬面值。本集團分佔可識別資產及負債的公允價值淨額超出投資成本的部分，在重新評估後，即時於投資收購期間於損益內確認。

本集團於聯營公司的投資乃按香港會計準則第39號的規定來決定是否需要確認任何減值虧損。倘有需要，投資的全部賬面值(包括商譽)將視作單一資產並按香港會計準則第36號*資產減值*透過將其可收回金額(即使用價值和公允價值減出售成本之較高者)與賬面值作比較以進行減值測試。任何已確認的減值虧損會構成投資賬面值的一部分。倘投資的可收回金額其後回升，減值虧損的任何撥回會按照香港會計準則第36號確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

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

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

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

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

3. 主要會計政策(續)

於聯營公司的投資(續)

當本集團不再對聯營公司擁有重大影響力時，將以出售於被投資方的全部權益入賬，所得收益或虧損於損益確認。倘本集團保留於前聯營公司的權益且該保留權益為香港會計準則第39號界定的財務資產，則本集團會於該日按公允價值計量保留權益，而該公允價值被視為於初步確認時的公允價值。聯營公司於貼現權益法日期的賬面值與任何保留權益及出售聯營公司相關權益的任何所得款項公允價值之間的差額，會於釐定出售聯營公司的收益或虧損時入賬。此外，本集團會將先前在其他全面收入就聯營公司確認的所有金額入賬，基準與聯營公司直接出售相關資產或負債所需基準相同。因此，倘聯營公司先前已於其他全面收入確認的收益或虧損，會於出售相關資產或負債時重新分類至損益，本集團會於出售／部分出售有關聯營公司後將收益或虧損由權益重新分類至損益(作為重新分類調整)。

當於聯營公司的投資成為於合營企業的投資時，本集團將繼續使用權益法。於此類所有者權益變動發生時，公允價值不會重新計量。

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

倘集團實體與本集團的聯營公司進行交易，僅在聯營公司的權益與本集團無關的情況下，與聯營公司進行交易所產生的溢利及虧損，方會於本集團的綜合財務報表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
截至2017年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3. 主要會計政策(續)

持作出售之非流動資產

倘非流動資產之賬面值將主要透過出售交易(而非透過持續使用)收回,則有關非流動資產會分類為持作出售。此條件僅於極有可能出售且資產可以其現況供即時出售時,方告達成。管理層須致力促成出售,且預期由分類日期起計一年內符合資格確認為已完成之出售。

當本集團致力進行涉及失去附屬公司控制權之出售計劃時,假如符合上述條件,不論出售後本集團是否於其前附屬公司保留非控股權益,該附屬公司之全部資產及負債均會分類為持作出售。

當本集團承諾進行涉及出售於聯營公司或合營企業之投資或部分投資之出售計劃,倘符合上述條件,將予出售之該項投資或部分投資分類為持作出售,而本集團將由投資(或部分投資)分類為持作出售之時起,不再就該分類為持作出售之部分使用權益法。

分類為持作出售之非流動資產按其前賬面值與公允價值減出售成本(以較低者為準)計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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 construction of infrastructure development of properties is recognised when the project pass through the verification and authorisation procedure by the relevant designated authoriser which assigned by the country government and the collectability of related receivables is reasonably assured. Deposits and installments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

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

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

3. 主要會計政策(續)

收入確認

收入以已收或應收代價的公允價值計量。收入按估計客戶退貨、回佣及其他類似津貼而減少。

收入於收入金額能可靠計量；未來經濟利益將很可能流入本集團及具體條件已符合本集團各業務(見下文所述)時確認。

當項目通過國家政府委派的相關指定授權方的核實及授權程序，以及可合理確定相關應收款項的可收回性時，方確認物業基建發展工程的收入。於符合上述收入確認標準前自買方收取的按金及分期付款乃計入綜合財務狀況表項下的流動負債。

來自投資的股息收入於股東收取付款的權益確定時確認。

利息收入按照未償還的本金及適用的實際利率，按時間比例的基礎計提。實際利率是指用以對整個財務資產的預期壽命內預計的未來現金流入折算至該資產於初始確認時的賬面淨值的比率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
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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 lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Plant and equipment

Plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment loss, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策(續)

租約

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

本集團作為承租人

經營租賃付款(包括收購根據經營租賃的土地成本)於租期內按直線法確認為開支，惟倘有另一系統基準更能代表從租賃資產獲得經濟利益之時間模式則另當別論。經營租賃所產生之或然租金於其產生期間確認為開支。

倘就訂立經營租賃獲得租賃優惠，則有關優惠確認為負債。優惠利益總額乃按直線法確認為租金開支之扣減，惟倘有另一系統基準更能代表從租賃資產獲得經濟利益之時間模式則另當別論。

廠房及設備

持有用於生產貨物或提供服務或作行政用途的廠房及設備(包括樓宇)，按成本減其後之累計折舊及累計減值虧損(如有)於綜合財務狀況表列賬。

正在興建用於生產、供貨或行政用途的物業以成本減已確認的減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。有關物業於完工並可作擬定用途時劃分至適當類別之廠房及設備。該等資產的折舊與其他物業資產一樣，於該等資產可作擬定用途時開始折舊。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Plant and equipment (Continued)

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 each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of 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 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.

Properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Development cost of properties comprises cost of land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

3. 主要會計政策(續)

廠房及設備(續)

資產乃按可使用年期經扣減其剩餘價值後，使用直線法撇銷其成本以確認折舊。於各報告期末，估計可使用年期、剩餘價值及折舊方法將經審閱，有關估計變動的影響將於日後反映。

廠房及設備項目於出售時或預期繼續使用有關資產亦不會帶來任何未來經濟利益時將不再確認。出售或棄用廠房及設備項目所產生的任何收益或虧損乃按有關資產的出售所得款項與其賬面值的差額計算，並在損益內確認。

發展中物業以成本及可變現淨值的較低者列賬。可變現淨值於考慮最終預計可變現價格，減去適用可變動銷售開支及預期竣工成本後釐定。

物業的發展成本包括土地使用權成本、建築成本、借貸成本及在建期間產生的專業費用。竣工後，物業轉為持作出售用途的已竣工物業。

發展中物業分類為流動資產，惟相關物業發展項目的建築工期預計超出正常經營周期者除外。

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綜合財務報表附註

For the year ended 31 December 2017
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) 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, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

3. 主要會計政策(續)

外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易均按交易日期的適用匯率換算為功能貨幣入賬。於各報告期末，以外幣列值的貨幣項目均按該日的適用匯率重新換算。以外幣列值按公允價值列賬的非貨幣項目按釐定公允價值之日的現行利率重新換算。以外幣列值按過往成本計量的非貨幣項目毋須重新換算。

因結算貨幣項目產生及因重新換算貨幣項目產生之匯兌差額於產生期間於損益確認，惟結算並非計劃以內或不大可能產生之應收或應付海外業務貨幣項目(即構成於海外業務淨投資之一部份)之匯兌差額除外，有關匯兌差額初步於其他全面收入確認，並於出售或部分出售本集團權益時從權益重新分類至損益。

就呈列綜合財務報表而言，本集團海外業務的資產及負債乃按於各報告期末結束時的適用匯率換算為本集團的列賬貨幣(即人民幣)，而其收入及支出項目乃按該期間的平均匯率進行換算。除非期內匯率出現重大波幅，於此情況下，將採用交易日期之適用匯率。所產生的匯兌差額(如有)(分攤至非控股權益，如適用)於其他全面收入確認且於權益之匯兌儲備項下累計。

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綜合財務報表附註

For the year ended 31 December 2017
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

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

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

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

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

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

3. 主要會計政策(續)

外幣(續)

出售海外業務時(即出售本集團於海外業務之全部權益、或出售涉及失去包括海外業務之附屬公司之控制權、或出售包括海外業務之共同安排或聯營公司之部分權益(其保留權益成為一項財務資產)),本公司擁有人就該業務應佔之所有於權益累計之匯兌差額乃重新分類至損益。

此外,就部分出售附屬公司但並無引致本集團失去對該附屬公司之控制權,則按比例將累計匯兌差額重新分配予非控股權益,且不在損益內確認。對於所有其他部分出售(即出售部分聯營公司或合營安排但並無引致本集團失去重大影響力或共同控制權),則按比例將累計匯兌差額重新分類至損益。

透過收購海外業務所收購可識別資產之商譽及公允價值調整乃作為海外業務之資產及負債處理,並按於各報告期末之適用匯率進行換算。產生之匯兌差額乃於其他全面收入確認。

借貸成本

收購、興建或生產合資格資產(需以一段長時間準備以作擬定用途或銷售)的直接應佔借貸成本計入該等資產之成本,直至大部分資產可作擬定用途或出售時為止。

所有其他借貸成本均於產生期間在損益內確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs and termination benefits

Payments to 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.

A liability for a termination benefit is recognised at the earlier of when the group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

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 benefit 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.

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 “(loss) profit before tax” as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策(續)

退休福利費用及終止福利

向國家管理的退休福利計劃及強制性公積金計劃作出的付款於僱員提供服務而可享有該等供款時確認為開支。

終止福利之負債於集團實體不能取消提供終止福利時及實體確認任何有關重組成本當日(以較早者為準)確認。

短期僱員福利

短期僱員福利於僱員提供服務時就預計將支付福利的未貼現金額確認。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。

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

稅項

所得稅開支指現時應付稅項及遞延稅項的總和。

現時應付稅項按本年度應課稅溢利計算。應課稅溢利與綜合損益表所報「除稅前(虧損)溢利」不同，此乃由於在其他年度應課稅或可扣減的收入或支出，以及從不課稅或扣減的項目所致。本集團的即期稅項負債是按報告期末已實行或實質上已實行稅率計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

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

3. 主要會計政策(續)

稅項(續)

遞延稅項按在綜合財務報表內資產及負債的賬面值與於應課稅溢利計算時採用的相應稅基的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認。所有可扣減暫時差額一般則會在應課稅溢利可供用作抵銷可予扣減暫時差額時確認為遞延稅項資產。倘暫時差額是因一項不會影響應課稅溢利或會計溢利之交易涉及的資產及負債進行初步確認時(業務合併除外)產生，則有關遞延稅項資產及負債不予確認。此外，倘暫時差額因商譽進行初步確認時產生，則遞延稅項負債不予確認。

遞延稅項負債將會就於附屬公司及聯營公司的投資及於合營企業的權益產生的應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額的撥回，並且該暫時差額將不會在可見將來撥回者除外。可扣減暫時差額產生之遞延稅項資產(與該等投資及權益有關)可確認，惟僅以可能將有足夠應課稅溢利可動用暫時差額之利益，且彼等預期於可預見將來撥回為限。

遞延稅項資產賬面值於各報告期末檢討，並於其將不再可能有足夠應課稅溢利可收回所有或部份資產時扣減。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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.

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

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 at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 主要會計政策(續)

稅項(續)

遞延稅項資產及負債按預期於負債可結算或資產可變現期間內可應用之稅率以於報告期末已施行或實質上施行之稅率(及稅法)為基準計量。

遞延稅項負債及資產之計量反映本集團預期收回或結算其資產及負債賬面值之方式於報告期末造成的稅務影響。

即期稅項及遞延稅項於損益確認，惟倘其與其他全面收入或直接於權益確認之項目有關，於此情況下，即期稅項及遞延稅項亦分別於其他全面收入或直接於權益確認。當即期稅項或遞延稅項於業務合併之初始計入階段產生，稅務影響包括在計入之業務合併之中。

金融工具

財務資產及財務負債乃當某集團實體成為工具合同條文的訂約方時確認。

財務資產及財務負債按公允價值初步計量。收購或發行財務資產及財務負債(不包括按公允價值計入損益的財務資產)直接應佔的交易成本乃於初步確認時加入財務資產或財務負債的公允價值或自財務資產或財務負債的公允價值內扣除(如適用)。直接歸屬於收購按公允價值計入損益的財務資產或財務負債的交易成本，將於損益中即時確認。

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

Effective interest method

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

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

3. 主要會計政策(續)

金融工具(續)

財務資產

財務資產分類為以下指定類別：按公允價值計入損益(「按公允價值計入損益」)之財務資產、可供出售(「可供出售」)財務資產以及貸款及應收款項。分類乃由財務資產之性質及目的所釐定，並於初始確認時予以釐定。所有定期購買或出售財務資產乃按交易日基準確認及取消確認。定期購買或出售乃購買或銷售要求於市場上按規則或慣例設定的時限內交付資產的財務資產。

實際利率法

實際利率法為計算於有關期間債務工具的攤銷成本以及分配利息收入的方法。實際利率是可準確透過債務工具之估計年期或在較短期間內(如適用)對估計未來現金收入(包括所支付或收取能構成實際利率的所有費用及基點、交易成本及其他溢價或折讓)進行貼現至於初步確認時的賬面淨值的利率。

債務工具的利息收入按實際利率法確認。

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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 FTVPL.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

3. 主要會計政策(續)

金融工具(續)

財務資產(續)

按公允價值計入損益之財務資產

對於(i)持作買賣或(ii)指定為按公允價值計入損益之財務資產，則分類為按公允價值計入損益之財務資產。

倘若出現下列情況，則財務資產分類為持作買賣：

- 購入主要目的為於不久將來出售；或
- 於初步確認時，其為本集團聯合管理之已識別金融工具組合之一部分，而近期實際具備短期獲利之模式；或
- 其為不指定及實際作為對沖工具之衍生工具。

倘屬以下事項，持作買賣財務資產以外的財務資產可於首次確認時指定為按公允價值計入損益：

- 該指定消除或大幅減低將會產生的計量或確認不一致性；或
- 該財務資產構成一組財務資產或財務負債或兩者的一部分，其管理及表現評估均根據本集團存檔的風險管理或投資策略按公允價值基準進行，而有關編組的資料亦按該基準由內部提供；或
- 其構成含有一項或多項嵌入式衍生工具的合約的一部分，而香港會計準則第39號允許整份合併合約(資產或負債)指定為按公允價值計入損益。

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For the year ended 31 December 2017
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the “fair value change on held-for-trading investments” line item. Fair value is determined in the manner described in Note 6(c) to the consolidated financial statements.

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. The Group designated unlisted equity investments as AFS financial assets on initial recognition.

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. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method, and changes in foreign exchange rates, if applicable, are recognised in profit or loss. Dividends on AFS equity investments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

3. 主要會計政策(續)

金融工具(續)

財務資產(續)

按公允價值計入損益之財務資產(續)

按公允價值計入損益之財務資產按公允價值計量，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不包括財務資產賺取之任何股息或利息，並計入「持作買賣投資之公允價值變動」項下。公允價值乃綜合財務報表附註6(c)所述的方式釐定。

可供出售財務資產

可供出售財務資產為指定為可供出售或並無歸類為(a)貸款及應收款項、(b)持至到期投資或(c)按公允價值計入損益之財務資產之非衍生工具。本集團於初步確認時指定非上市股本投資為可供出售財務資產。

可供出售權益投資於活躍市場缺乏市場報價而且難以可靠計算公允價值，其計量於各報告期末以成本扣除任何已識別減值虧損列賬。與採用實際利率法計算之利息收入有關之可供出售債務工具之賬面值之變動及匯率變動(如適用)均於損益中確認。當本集團確立收取股息的權利時，則於損益確認可供出售權益投資之股息。可供出售財務資產賬面值之其他變動乃於其他全面收入中確認，並累計於投資重估儲備項下。當投資被出售或被釐定出現減值時，先前累計於投資重估儲備中之累計收益或虧損乃重新分類至損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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 loan and interest receivables, trade receivables, deposits and other receivables, amount due from an association/a non-controlling interest and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

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 financial assets have been affected.

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.

3. 主要會計政策(續)

金融工具(續)

財務資產(續)

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生財務資產，且並無在活躍市場計算報價。於初步確認後，貸款及應收款項(包括應收貸款及利息、應收賬款、按金及其他應收款、應收一間聯營公司／一名非控股股東款項以及銀行結餘及現金)均按採用實際利率法計量的已攤銷成本減任何減值列賬。

利息收入按實際利率法確認，惟倘確認利息影響不大之短期應收款項除外。

財務資產減值

財務資產(除按公允價值計入損益之財務資產)於各報告期末評估是否出現減值跡象。財務資產於初步確認後，如出現一個或多個事件而有客觀證據顯示財務資產的估計未來現金流量受影響，即代表該等財務資產出現減值。

對於可供出售股本投資，倘證券之公允價值大幅或持續下降至低於其成本，則被視為減值之客觀證據。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

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

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

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.

3. 主要會計政策(續)

金融工具(續)

財務資產(續)

財務資產減值(續)

對所有其他財務資產而言，減值的客觀證據包括：

- 發行人或對手出現重大財政困難；或
- 違反合約，例如逾期支付或拖欠利息或本金；或
- 借款人有可能會破產或進行財政重組；或
- 因為財務困難而導致該財務資產失去活躍市場。

應收款項組合減值的客觀證據包括本集團於過往收款經驗，超過協定合約年期的逾期付款的次數增加，以及關係到拖欠應收款項的全國性或地區性經濟形勢顯著變動。

對按攤銷成本入賬的財務資產而言，已確認減值虧損金額按資產賬面值與財務資產的初始實際利率貼現的估計未來現金流量現值的差額計算。

對以成本列賬的財務資產而言，減值虧損金額按該資產賬面值與同類財務資產當前市場回報率貼現的估計未來現金流量現值之間的差額計算。該等減值虧損不會於其後期間撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the 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 heading of investment revaluation reserve.

3. 主要會計政策(續)

金融工具(續)

財務資產(續)

財務資產減值(續)

減值虧損直接減少所有財務資產的賬面值，惟應收貸款及利息以及應收賬款除外，該等賬面值則通過動用撥備賬減少。撥備賬的賬面值變動於損益確認。當應收貸款及利息或應收賬款被視為不能收回時，直接於撥備賬內撇銷。過往撇銷的金額於其後收回時計入損益。

當可供出售財務資產被視為減值時，先前於其他全面收入的累計盈虧重新分類為期內損益。

對於按攤銷成本計算的財務資產而言，如在隨後期間，減值虧損金額減少，而有關減少在客觀上與確認減值後發生的事件有關，則先前已確認的減值虧損透過損益予以撥回，惟該投資於減值被撥回當日的賬面值不得超過未確認減值時的攤銷成本。

對於可供出售權益投資而言，先前已於損益中確認的減值虧損不得透過損益予以撥回。於減值虧損確認後之任何公允價值增加於其他全面收益確認及於投資重估儲備一節項下累計。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

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

Equity instruments

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

Effective interest method

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

Financial liabilities at amortised cost

Other financial liabilities including (trade payables, other payables and accruals and amount due to a non-controlling interests) are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

財務負債及股本工具

集團實體發行的債務及股本工具乃根據合同安排的性質與財務負債及股本工具的定義分類為財務負債或股本。

股本工具

股本工具乃證明實體於扣減所有負債後的資產中擁有剩餘權益的任何合同。由集團實體發行之股本工具以扣減直接發行成本後所收之款項確認。

實際利率法

實際利率法為計算財務負債的攤銷成本以及於有關期間分配利息開支的方法。實際利率是可準確透過財務負債的估計可用年期或在較短期間內(倘適用)對估計未來現金付款(包括所支付或收取能構成實際利率的所有費用及利率差價、交易成本及其他溢價或折讓)進行折算的利率。利息開支按實際利率基準確認。

按攤銷成本計量之財務負債

其他財務負債包括(應付賬款、其他應付款及應計費用以及應付一名非控股股東款項)其後利用實際利率法按攤銷成本計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

3. 主要會計政策(續)

金融工具(續)

取消確認

本集團取消確認財務資產，只有當從資產收取現金流之合約權利屆滿，或當其轉讓財務資產及大致上已轉讓財務資產擁有權之所有風險及回報權予另一實體。倘本集團概無轉讓亦無保留近乎所有風險及回報權並繼續控制轉讓的資產，則本集團於資產及相關負債(就其可能須支付的金額)中確認其保留權益。倘本集團保留獲轉讓財務資產擁有權的絕大部份的風險及回報，本集團會繼續確認財務資產，亦會就已收款項確認有附加保證的借貸。

於取消確認財務資產時，資產賬面值與已收及應收代價及已於其他全面收入確認並於權益累計的累計損益的總和的差額，將於損益中確認。

僅當本集團取消確認財務負債時，本集團的責任已被解除、註銷或屆滿。取消確認財務負債賬面值與已付或應付代價之差額，於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of 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).

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 of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (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)

有形資產減值

本集團於報告期末審閱其有形資產的賬面值，衡量是否有跡象顯示該等資產已出現減值虧損。倘出現任何該等跡象，則會估計相關資產的可收回金額，以釐定減值虧損(如有)之程度。

倘不能估計個別資產之可收回金額時，本集團則估計該資產所屬之現金產生單位之可收回金額。倘能識別合理一致的分配基準，公司資產亦會分配至個別現金產生單位，或以其他方式分配至能識別合理一致分配基準的現金產生單位最小組合。

可收回金額為公允價值減銷售成本及使用價值之較高者。於評估使用價值時，估計日後現金流量乃採用稅前貼現率貼現至其現值，以反映貨幣時間值之現行市場評估及尚未就日後現金流量之估計作出調整之資產之特有風險。

倘資產(或現金產生單位)之可收回金額估計低於其賬面值，則該資產(或現金產生單位)之賬面值應扣減至其可收回金額。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公允價值減出售成本(如可計量)、其使用價值(如可計量)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損隨即於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of 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.

Provisions

Provisions are recognised when the Group has a present obligation (legal and constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Directors have not come across any significant areas where critical judgement are involved in applying the Group's accounting policies.

3. 主要會計政策(續)

有形資產減值(續)

倘減值虧損其後撥回，該項資產(或現金產生單位)之賬面值將增加至其經修訂之估計可收回金額，惟增加後之賬面值不得超過倘若該資產(或現金產生單位)於過往年度並無確認減值虧損所釐定之賬面值。減值虧損之撥回隨即於損益確認。

撥備

倘本集團現時須就過往事件承擔責任(法定及推定)，而本集團可能須清償該責任，且責任金額可被可靠估計，則會確認撥備。

已確認撥備之金額乃經考慮責任所附帶的風險及不確定因素後，根據報告期末為抵償該當前責任而須承擔代價的最佳估計而計量。倘撥備乃使用抵償該當前責任的估計現金流量計量，其賬面值為該等現金流量的現值(倘資金時間值的影響重大)。

4. 重大會計判斷及估計不確定性的主要來源

於應用本集團之會計政策(如綜合財務報表附註3所述)時，董事須就未於其他來源明確顯示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視為相關之因素作出。實際情況可能有別於該等估計。

有關估計及相關假設將按持續基準審閱。倘就會計估計作出修訂僅影響修訂估計期間，則會計估計修訂於該期間確認，或倘有關修訂將影響即期及未來期間，則於修訂期間及未來期間確認。董事並無發現於應用本集團之會計政策時涉及重大判斷之任何重大部分。

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

Key sources of estimation uncertainty

The followings 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.

Estimated impairment of AFS financial assets

The Group classified the unlisted equity securities issued by private entities incorporated in the PRC as AFS financial assets and recognises at cost less accumulated impairment. The management makes judgment to determine if such investments impaired, by evaluating the financial health of and near-term business outlook for the investee including the operating and financing cash flow. During the year ended 31 December 2017, no impairment was considered necessary in relation to the AFS financial assets.

Estimated impairment of goodwill

In impairment testing, the Group determines the recoverable amount of the cash-generating units (“CGUs”) to which goodwill has been allocated. Determining whether impairment needs to be provided requires an estimation of the value-in-use of the CGUs. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Details of the recoverable amount calculation for goodwill are disclosed in Note 17 to the consolidated financial statements.

4. 重大會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源

以下為就日後作出之主要假設以及於報告期末預計不明朗因素之其他主要來源，有關假設及不明朗因素或構成下一財政年度資產及負債賬面值須作出重大調整之主要風險。

可供出售財務資產估計減值

本集團將於中國註冊成立的私人實體發行的非上市股本證券分類為可供出售財務資產，並按成本減去累計減值後確認。管理層需要評估被投資方的財務狀況及近期業務前景(包括經營活動及融資活動的現金流量)，行使判斷以釐定有關投資是否出現減值。截至2017年12月31日止年度，毋須就可供出售財務資產作出減值。

商譽的估計減值

於減值測試中，本集團釐定已獲分配商譽之現金產生單位(「現金產生單位」)之可收回金額。在釐定是否需要作出減值時，須估計現金產生單位之使用價值。計算使用價值時，本集團須估計預期從現金產生單位產生之未來現金流量，並需以合適之貼現率計算現值。倘實際未來現金流量少於預期之金額，則可能產生重大減值虧損。有關計算商譽之可收回金額之詳情於綜合財務報表附註17中披露。

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

Key sources of estimation uncertainty (Continued)

Estimated impairment for trade receivables and loan and interest receivables

The policy for the provision for impairment of receivables of the Group is based on the evaluation of collectability and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the collateral security. If the financial conditions of the debtors/borrowers of the Group deteriorate, resulting in impairment of their ability to make repayments, additional provision may be required. If the financial conditions of the debtors/borrowers of the Group, on whose account provision for impairment has been made, are improved and no impairment of their ability to make payments were noted, reversal of provision for impairment may be required. As at 31 December 2017, the carrying amount of trade receivables and loan and interest receivables is RMB128,701,000 (2016: RMB145,701,000) and RMB179,357,000 (net of allowance for doubtful debts of RMB199,000) (2016: RMB304,636,000 (net of allowance for doubtful debts of RMB215,000)).

4. 重大會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

應收款項以及應收貸款及利息的估計減值

本集團應收款項減值撥備之政策乃基於可收回程度之評估及管理層之判斷。於評估該等應收款項最終能否實現(包括現時之信用度及抵押擔保品)，須作出一定程度之判斷。倘本集團債務人／借款人之財務狀況惡化，導致削減還款能力，則可能須作出其他撥備。倘本集團已作出減值撥備，而本集團債務人／借款人之財務狀況改善，且發現還款能力並無削減，則可能需作出額外撥備。於2017年12月31日，應收賬款以及應收貸款及利息的賬面值為人民幣128,701,000元(2016年：人民幣145,701,000元)及人民幣179,357,000元(扣除呆賬撥備人民幣199,000元)(2016年：人民幣304,636,000元，扣除呆賬撥備人民幣215,000元)。

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

Key sources of estimation uncertainty (Continued)

Estimates for net realisable value of properties under development

At 31 December 2017, the carrying amounts of properties under development are approximately RMB198,796,000 (2016: RMB174,150,000).

The Group assesses the carrying amounts of properties under development according to their net realisable value based on the realisability of these properties. Net realisable value for properties under development is determined by reference to management's estimates of the selling price based on the property repurchase agreement, less the anticipated costs to completion. Based on management's best estimates, there is no material write-down of properties under development at 31 December 2017 and 31 December 2016.

Income taxes

The Group is subject to income taxes in the PRC and Hong Kong. However, the implementation of the tax various amongst different tax jurisdictions in various cities of the PRC. There are many transactions and calculation for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

At 31 December 2017, the Group had unused tax losses of approximately RMB5,641,000 (2016: RMB12,232,000) and approximately HK\$10,334,000 (2016: HK\$13,792,000) available for offset against future profits in the PRC and Hong Kong respectively. No deferred tax asset in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position due to the unpredictability of future profits streams. In case where there are future profits generated to utilise the tax losses, a material deferred tax asset may arise, which would be recognised in the consolidated statement of profit or loss for the year in which such profits are recorded.

4. 重大會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

發展中物業可變現淨值之估計

於2017年12月31日，發展中物業之賬面值約為人民幣198,796,000元(2016年：人民幣174,150,000元)。

本集團視乎該等物業之可變現程度得出之可變現淨值評估發展中物業之賬面值。發展中物業之可變現淨值乃參考管理層根據物業回購協議之估計售價，減去估計完工成本後釐定。根據管理層之最佳估計，於2017年12月31日及2016年12月31日發展中物業並無重大撇減。

所得稅

本集團在中國及香港須繳付所得稅。然而，有關稅項的執行於中國不同城市的不同稅務司法權區各不相同。日常業務過程中有多項交易和計算未能確定最終稅項。倘該等事宜之最終稅務結果與起初入賬的金額不同，有關差額將會影響釐定稅項期間的所得稅及遞延稅項撥備。

於2017年12月31日，本集團可供抵銷位於中國及香港的未來溢利的未動用稅項虧損分別約為人民幣5,641,000元(2016年：人民幣12,232,000元)及約10,334,000港元(2016年：13,792,000港元)。由於未來溢利來源難以預測，本集團並未於綜合財務狀況表內確認與未動用稅項虧損有關的遞延稅項資產。倘日後產生的溢利可動用該稅項虧損，則可能產生重大遞延稅項資產，並將於錄得有關溢利的年度於綜合損益表確認。

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

Key sources of estimation uncertainty (Continued)

Fair value measurements and valuation processes

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

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

The Group uses valuation techniques that include input that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 6(c) and 20 to the consolidated financial statements provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets.

5. 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 bank balances and equity attributable to owners of the Company, comprising issued share capital, other reserves and accumulated losses.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the 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.

4. 重大會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

公允價值計量及估值程序

本集團部分資產就財務申報目的以公允價值計量。

於估計資產的公允價值時，本集團利用可得的市場可觀察數據。若沒有第一級輸入值，本集團會委聘第三方合資格估值師來進行估值。

本集團使用的估值技巧包括並非基於可觀察市場數據的輸入值以估計若干類別金融工具的公允價值。綜合財務報表附註6(c)及20提供有關釐定各類資產公允價值時採用的估值技巧、輸入值及主要假設的詳細資料。

5. 資本風險管理

本集團管理旗下資本以確保本集團之實體能夠持續經營，並透過優化債務及權益結餘為股東帶來最大回報。本集團整體策略與去年相同。

本集團之資本結構包括現金及銀行結餘及本公司擁有人應佔權益，當中包括已發行股本、其他儲備及累計虧損。

董事定期審閱資本結構。作為審閱的一部份，董事考慮資本成本及與各類資本相關的風險。根據董事之建議，本集團將透過派付股息、新股發行及股份購回以及發行新債或贖回現有債項來平衡其整體資本結構。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
截至2017年12月31日止年度

6. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Financial assets	財務資產		
<i>Financial assets at FVTPL:</i>	<i>按公允價值計入損益之 財務資產：</i>		
Held-for-trading investments	持作買賣投資	115	85
AFS investments	可供出售投資	178,390	48,390
<i>Loans and receivables:</i>	<i>貸款及應收款項：</i>		
Loan and interest receivables	應收貸款及利息	179,357	304,636
Trade receivables	應收賬款	128,701	145,701
Deposits and other receivables	按金及其他應收款	1,639	241
Amount due from an associate	應收一間聯營公司款項	4,365	375
Amount due from a non-controlling interest	應收一名非控股股東 款項	—	49,295
Bank balances and cash	銀行結餘及現金	11,198	30,307
		325,260	530,555
		503,765	579,030
Financial liabilities	財務負債		
<i>Liabilities measured at amortised cost:</i>	<i>按攤銷成本計量 之負債：</i>		
Trade payables	應付賬款	110,825	107,118
Other payables and accruals	其他應付款及應計費用	1,989	9,627
Amount due to a non-controlling interest	應付一名非控股股東 款項	1,952	—
		114,766	116,745

6. 金融工具

a. 金融工具的類別：

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綜合財務報表附註

For the year ended 31 December 2017
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6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies

The Group's major financial instruments include held-for-trading investments, AFS investments, loan and interest receivables, trade receivables, deposits and other receivables, amount due from (to) an associate/a non-controlling interest, bank balances and cash, trade payables, other payables and accruals and amount due to a non-controlling interest. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rate and equity price. Market risk exposures are further measured by sensitivity analysis. There has been no significant change to the Group's exposure to market risks or the manner in which these risks are managed and measured. Details of each type of market risks are described as follows:

(i) Currency risk

Other than those subsidiaries established in Hong Kong whose functional currencies are HK\$, the functional currency of the Group are RMB in which most of their transactions are denominated. During the year ended 31 December 2017, approximately 100% (2016: 35%) of the Group's turnover is denominated in HK\$. In addition, the Group has certain financial assets and liabilities denominated in HK\$.

6. 金融工具(續)

b. 財務風險管理目標及政策

本集團的主要金融工具包括持作買賣投資、可供出售投資、應收貸款及利息、應收賬款、按金及其他應收款、應收(付)一間聯營公司/一名非控股股東款項、銀行結餘及現金、應付賬款、其他應付款及應計費用及應付一名非控股股東款項。金融工具詳情於各附註披露。與該等金融工具有關的風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。下文載列如何降低該等風險的政策。管理層管理及監控該等風險，以確保及時和有效地採取適當的措施。

市場風險

本集團業務風險主要涉及外匯匯率變動、利率及股價變動之財務風險。市場風險進一步以敏感度分析計算。本集團的市場風險或其管理及計算風險的方式並無重大變動。各種市場風險詳情如下：

(i) 貨幣風險

除於香港成立的該等附屬公司(其功能貨幣為港元)外，本集團之功能貨幣為人民幣，而大部份交易以人民幣計值。截至2017年12月31日止年度，本集團營業額約100%(2016年：35%)以港元計值。此外，本集團擁有若干以港元計值之財務資產及負債。

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6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

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

		Assets 資產		Liabilities 負債	
		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
HK\$	港元	184,948	307,820	(2,008)	(7,426)

The Group currently does not have any foreign currency hedging policy, the management will continuously monitor the foreign exchange exposure and will consider hedging its foreign currency exposure should the need arise.

Sensitivity analysis

The Company is mainly exposed to the currency of HK\$.

6. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

本集團於報告期末外幣計值之貨幣資產及貨幣負債之賬面值如下：

本集團目前並無任何外匯對沖政策，而管理層將持續監察外匯風險，並將考慮於有需要時對沖其外匯風險。

敏感度分析

本公司主要承受港元的外幣風險。

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For the year ended 31 December 2017
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6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis (Continued)

The following table details the Group's sensitivity to a 5% (2016: 5%) increase and decrease in RMB against HK\$. 5% (2016: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the end of the reporting period for a 5% (2016: 5%) change in the foreign currency rates. The sensitivity analysis also includes inter-company balances and loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates a decrease/increase in post-tax (loss)/profit for the year and a negative number indicates an increase/decrease in post-tax (loss)/profit the year if RMB appreciate 5% against the foreign currency. There would be an equal and opposite impact on post-tax profit (loss) for the year if RMB depreciates 5% against the relevant foreign currencies.

6. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析(續)

下表詳列本集團就人民幣兌港元可能升值及貶值5% (2016年: 5%)之敏感度分析。所用敏感度比率5% (2016年: 5%)為向主要管理人員內部匯報外匯風險之比率，並代表管理層對匯率合理可能變動之評估。敏感度分析只包括未平倉外幣計值貨幣項目，並就匯率之5% (2016年: 5%)變動調整於報告期末之換算。敏感度分析亦包括公司間結餘及向本集團海外業務的貸款，有關貸款以貸款人或借款人功能貨幣以外的貨幣計值。倘人民幣兌外幣升值5%，以下正數顯示年內除稅後(虧損)/溢利減少/增加，而負數顯示年內除稅後(虧損)/溢利增加/減少。倘人民幣兌有關外幣貶值5%，則對年內除稅後溢利(虧損)有相同及相反之影響。

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
HK\$	港元	7,638	(12,541)

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綜合財務報表附註

For the year ended 31 December 2017
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6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances as detailed in Note 28 to the consolidated financial statements.

The Group is also exposed to fair value interest rate risk in relation to fixed rate loan and interest receivables as detailed in Note 25 to the consolidated financial statements.

The Group currently does not have any interest rate hedging policy. However, the management monitors interest exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group's exposures to interest rates risk on financial liabilities are detailed in the liquidity risk management section of this note.

Bank balances are excluded from sensitive analysis as the Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

6. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團承擔之現金流量利率風險與綜合財務報表附註28詳述的浮動利率銀行結餘有關。

本集團亦承擔與綜合財務報表附註25詳述的固定利率貸款及應收利息有關的公允價值利率風險。

本集團目前並無任何利率對沖政策。然而，管理層監管利息風險並將於預期重大利率風險出現時考慮其他必要行動。

本集團對財務負債的利率風險詳載於本附註流動資金風險管理內。

由於董事認為因浮動銀行結餘產生的現金流量利率風險不大，故沒有包括銀行結餘於敏感度分析中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
截至2017年12月31日止年度

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

If the prices of the respective equity instruments included in held-for-trading investments had been 10% higher/lower, the post-tax profit for the year ended 31 December 2016 would increase/decrease by approximately RMB7,000 as a result of the changes in financial assets at fair value through profit or loss.

6. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

(iii) 其他價格風險

本集團就其上市股本證券投資面對股價風險。本集團之股價風險主要集中於聯交所報價之股本工具。此外，本集團委任特別團隊監控價格風險，並將於有需要時考慮對沖該風險。

敏感度分析

以下敏感度分析乃根據報告期末之股價風險釐定。

倘計作持作買賣投資之相關股本工具之價格上升／下降10%，截至2016年12月31日止年度之除稅後虧損將因按公允價值計入損益之財務資產變動而增加／減少約人民幣7,000元。

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綜合財務報表附註

For the year ended 31 December 2017
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6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Operational risk

During the year ended 31 December 2016 and 2017, the Group's exposure to operational risk is primarily attributable to heavy reliance on a major customer located in the PRC for the segment of construction of infrastructure and development of properties. This major customer accounted for approximately RMB69,903,000 or 65% of the Group's total turnover for the year ended 31 December 2016. The Directors will continue closely monitoring the performance and financial position of this major customer to avoid any adverse impact on the Group's financial position.

Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

As at 31 December 2017, the Group has concentration of credit risk on trade receivables as 100% (2016: 100%) were due from the Group's sole customer in the construction of infrastructure and development of properties segment.

In order to minimise the credit risk, the management of the Group has reviewed the recoverable amount of each individual trade receivables, loan and interest receivables and other receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

6. 金融工具(續)

b. 財務風險管理目標及政策(續)

營運風險

截至2016年及2017年12月31日止年度，本集團的營運風險主要涉及嚴重依賴基礎設施建設及物業發展分部位於中國的一名主要客戶。此主要客戶佔本集團截至2016年12月31日止年度總營業額約人民幣69,903,000元或65%。董事將繼續密切監察此主要客戶的表現及財務狀況，以免對本集團的財務狀況有任何不利影響。

信貸風險

於2017年12月31日，因交易方未能履行責任而令本集團承受財務損失的最大信貸風險乃因綜合財務狀況表所載列相關已確認財務資產的賬面值而產生。

於2017年12月31日，本集團應收賬款的信貸風險集中，原因是100%(2016年：100%)乃來自本集團基礎設施建設及物業發展分部之唯一客戶。

為盡量降低信貸風險，本集團管理層已於報告期末檢討每項個別應收賬款、應收貸款及利息以及其他應收款的可收回金額，以確保就不可收回金額已作出足夠減值虧損。就此而言，董事認為，本集團的信貸風險已大幅降低。

由於交易對手方為獲國際信貸評級機構給予高信貸評級之銀行，故流動資金之信貸風險有限。

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綜合財務報表附註

For the year ended 31 December 2017
截至2017年12月31日止年度

6. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balance and cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivatives financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity tables

		Weighted average interest rate 加權 平均利率 %	Repayable on demand or within one year 按要求償還 或少於1年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Carrying amounts 賬面值 RMB'000 人民幣千元
2017	2017年				
Non-derivative financial liabilities	非衍生財務負債				
Trade payables	應付賬款	N/A不適用	110,825	110,825	110,825
Other payables and accruals	其他應付款及應計費用	N/A不適用	1,989	1,989	1,989
Amount due to a non-controlling interest	應付一名非控股股東款項	N/A不適用	1,952	1,952	1,952
			114,766	114,766	114,766
2016	2016年				
Non-derivative financial liabilities	非衍生財務負債				
Trade payables	應付賬款	N/A不適用	107,118	107,118	107,118
Other payables and accruals	其他應付款及應計費用	N/A不適用	9,627	9,627	9,627
			116,745	116,745	116,745

6. 金融工具(續)

b. 財務風險管理目標及政策(續)

流動資金風險

在管理流動資金風險，本集團監察並維持銀行結餘及現金於一個水平，該水平被管理層視為足夠應付本集團之運作，並減輕現金流波動所帶來的影響。

下表詳列本集團非衍生財務負債餘下合約年期。該表乃按本集團於被要求償還財務負債的最早日期的財務負債的合計未貼現現金流量編製。下表已包括現金流利息及本金。

流動資金表

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6. FINANCIAL INSTRUMENTS (Continued)

c. Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The Board is responsible for determining fair value and the process of determining fair value.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Board works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of the Group's financial assets 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).

	Fair value 公允價值		Fair value hierarchy 公允價值 等級	Valuation technique(s) and key input(s) 估值技巧及 主要輸入數據
	As at 31 December 2017 於2017年 12月31日	As at 31 December 2016 於2016年 12月31日		
Financial assets 財務資產				
Listed equity securities classified as held-for-trading investment on the consolidated statement of financial position 於綜合財務狀況表中分類為持作買賣投資之上市股本證券	Asset- approximately RMB115,000 資產— 約人民幣 115,000元	Asset- approximately RMB85,000 資產— 約人民幣 85,000元	Level 1 第一級	Quoted bid prices in an active market 於活躍市場上所報買入價

6. 金融工具(續)

c. 金融工具之公允價值計量

此附註提供本集團如何釐定各類財務資產及財務負債的公允價值的資料。

本集團部分金融工具就財務申報目的按公允價值計量。董事會對釐定公允價值及釐定公允價值的過程負責。

於估計公允價值時，本集團利用可得的市場可觀察數據。若沒有第一級輸入值，本集團會委聘第三方合資格估值師來進行估值。董事會與合資格外聘估值師緊密合作以建立合適的估值技巧及模型輸入值。

本集團財務資產之公允價值乃按經常基準以公允價值計量

於各報告期末，本集團部分財務資產乃按公允價值計量。下表說明該等財務資產之公允價值如何釐定(尤其是所用之估值技巧及輸入數據)。

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6. FINANCIAL INSTRUMENTS (Continued)

c. Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

There were no transfers between Levels 1, 2 and 3 in current and prior year.

		Fair value hierarchy as at 31 December 2017 於2017年12月31日的公允價值等級			
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets at FVTPL	按公允價值計入損益的財務資產				
- listed equity securities held-for-trading	- 持作買賣上市股本證券	115	-	-	115

		Fair value hierarchy as at 31 December 2016 於2016年12月31日的公允價值等級			
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets at FVTPL	按公允價值計入損益的財務資產				
- listed equity securities held-for-trading	- 持作買賣上市股本證券	85	-	-	85

The Directors consider that the carrying amounts of other financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value.

6. 金融工具(續)

c. 金融工具之公允價值計量(續)

本集團財務資產之公允價值乃按經常基準以公允價值計量(續)

本年度及上年度，第一、二及三級之間並無轉撥。

董事認為，於綜合財務報表確認之其他財務資產及財務負債之賬面值與公允價值相若。

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6. FINANCIAL INSTRUMENTS (Continued)

c. Fair value measurements of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements

Year ended 31 December 2016

		Convertible instruments designated as FVTPL 指定為按公允價 值計入損益的 可換股工具 RMB'000 人民幣千元
Opening balance	期初結餘	48,883
Loss on disposal	出售虧損	(1,141)
Disposals	出售	(48,241)
Exchange realignment	匯兌重整	499
Closing balance	期末結餘	—

6. 金融工具(續)

c. 金融工具之公允價值計量(續)

第三級公允價值計量的對賬

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7. REVENUE

An analysis of the Group's revenue for the year is as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Construction of infrastructure and development of properties	基礎設施建設及物業發展	–	69,903
Interest income from the provision of loan financing	提供貸款融資的利息收入	15,499	38,467
		15,499	108,370

8. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

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

- Construction of infrastructure and development of properties
- Credit business
- Securities investments

7. 收益

年內本集團之收益分析如下：

	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
基礎設施建設及物業發展	–	69,903
提供貸款融資的利息收入	15,499	38,467
	15,499	108,370

8. 分部資料

就資源分配及分部表現評估而向董事會(即主要經營決策者「主要經營決策者」)匯報之資料專注於所交付或提供之商品或服務類別。概無經營分部獲主要經營決策者識別，以達致本集團之可報告分部。

特別是，本集團根據香港財務報告準則第8號的可報告分部如下：

- 基礎設施建設及物業發展
- 信貸業務
- 證券投資

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8. SEGMENT INFORMATION (Continued)

Segment revenues 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

		Segment revenue		Segment results	
		分部收益		分部業績	
		2017	2016	2017	2016
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Construction of infrastructure and development of properties	基礎設施建設及物業發展	-	69,903	(24,459)	(14,344)
Credit business	信貸業務	15,499	38,467	28,563	20,892
Securities investments	證券投資	-	-	(42)	(2,215)
Total	總計	15,499	108,370	4,062	4,333
Share of profit of an associate	分佔一間聯營公司溢利			738	41
Impairment loss recognised in respect of interest in an associate	就於一間聯營公司的權益確認減值虧損			-	(3,561)
Other income	其他收入			3,013	538
Unallocated exchange (loss) gain	未分配匯兌(虧損)收益			(24,991)	19,562
Central administration costs	中央行政成本			(10,536)	(8,881)
(Loss) profit before tax	除稅前(虧損)溢利			(27,714)	12,032

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3 to the consolidated financial statements. Segment results represents the (loss from) profit earned by each segment without allocation of share of profit of an associate, other income, certain depreciation, certain unallocated exchange (loss) gain and central administration costs including directors' emoluments, staff costs, finance cost and loss on disposal of subsidiaries. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

8. 分部資料(續)

分部收益及業績

以下為本集團按可報告及經營分部劃分的收益及業績分析：

截至12月31日止年度

以上報告的分部收益指來自外部客戶的收益。本年度並無分部間銷售(2016年：無)。

經營分部的會計政策與本集團綜合財務報表附註3所述的會計政策相同。分部業績指各分部賺取的(虧損)溢利，並無計及分配分佔一間聯營公司溢利、其他收入、若干折舊、若干未分配匯兌(虧損)收益及中央行政成本(包括董事酬金及員工成本)，財務成本以及出售附屬公司虧損。此乃就資源分配及表現評估而向主要經營決策者匯報的方法。

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8. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Segment assets	分部資產		
Construction of infrastructure and development of properties	基礎設施建設及物業發展	327,497	344,310
Credit business	信貸業務	180,677	305,956
Securities investments	證券投資	115	85
Total segment assets	分部資產總額	508,289	650,351
Unallocated	未分配	634,550	622,051
Consolidated assets	綜合資產	1,142,839	1,272,402
Segment liabilities	分部負債		
Construction of infrastructure and development of properties	基礎設施建設及物業發展	110,825	107,118
Credit business	信貸業務	43	7,412
Securities investments	證券投資	—	—
Total segment liabilities	分部負債總額	110,868	114,530
Unallocated	未分配	5,360	37,204
Consolidated liabilities	綜合負債	116,228	151,734

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

- all assets are allocated to operating segments other than plant and equipment, interest in an associate, available-for-sale investment, deposit paid for acquisition of properties/investments, (eng suggestion) deposit paid for capital contribution, deposits and other receivables, bank balances and cash, amount due from an associate/a non-controlling interest and assets classified as held for sale.
- all liabilities are allocated to operating segments other than certain other payables and accruals, tax liabilities, amount due to a non-controlling interest, deposit received and liabilities associated with assets classified as held for sale.

8. 分部資料(續)

分部資產及負債

以下為本集團按可報告及經營分部劃分的資產及負債分析：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Segment assets	分部資產		
Construction of infrastructure and development of properties	基礎設施建設及物業發展	327,497	344,310
Credit business	信貸業務	180,677	305,956
Securities investments	證券投資	115	85
Total segment assets	分部資產總額	508,289	650,351
Unallocated	未分配	634,550	622,051
Consolidated assets	綜合資產	1,142,839	1,272,402
Segment liabilities	分部負債		
Construction of infrastructure and development of properties	基礎設施建設及物業發展	110,825	107,118
Credit business	信貸業務	43	7,412
Securities investments	證券投資	—	—
Total segment liabilities	分部負債總額	110,868	114,530
Unallocated	未分配	5,360	37,204
Consolidated liabilities	綜合負債	116,228	151,734

就分部間監察分部表現及分配資源而言：

- 分配予廠房及設備、於一間聯營公司之權益、可供出售投資、收購物業／投資所支付的訂金、注資所支付的訂金、按金及其他應收款、銀行結餘及現金、應收一間聯營公司／一名非控股股東款項及分類為持作銷售的資產以外經營分部的所有資產。
- 分配予若干其他應付款及應計費用、稅項負債、應付一名非控股股東款項、已收訂金及與分類為持作銷售的資產相關的負債以外經營分部的所有負債。

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8. SEGMENT INFORMATION (Continued)

Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

	Construction of infrastructure and development of properties 基礎設施建設及物業發展		Credit business 信貸業務		Securities investments 證券投資		Unallocated 未分配		Total 總計	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Impairment loss recognised in respect of goodwill 就商譽確認的減值虧損	24,459	20,000	-	-	-	-	-	-	24,459	20,000
Loss on disposal of convertible instruments designated as financial asset at fair value through profit or loss 出售指定為按公允價值計入損益的財務資產的可換股工具的虧損	-	-	-	-	-	1,141	-	-	-	1,141
Fair value changes on held-for-trading investments 持作買賣投資的公允價值變動	-	-	-	-	42	30	-	-	42	30
Loss on disposal of held-for-trading investments 出售持作買賣投資的虧損	-	-	-	-	-	993	-	-	-	993
Exchange (gain) loss 匯兌(收益)虧損	-	-	(15,130)	2,664	-	-	24,991	(19,562)	9,861	(16,898)

8. 分部資料(續)

其他分部資料

計入分部溢利或虧損或分部資產計算的金額：

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:

定期提供予主要經營決策者但並無包括在分類溢利或虧損或分部資產計算內的金額：

	Construction of infrastructure and development of properties 基礎設施建設及物業發展		Credit business 信貸業務		Securities investments 證券投資		Unallocated 未分配		Total 總計	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Depreciation 折舊	3	2	11	11	-	-	133	132	147	145
Additions to non-current assets (Note) 非流動資產添置(附註)	12	-	-	2	-	-	-	-	12	2
Other income 其他收入	(1,546)	(475)	-	-	(1)	(1)	(1,466)	(62)	(3,013)	(538)
Finance cost 財務成本	-	-	-	-	-	51	-	-	-	51
Share of profit of an associate 分佔一間聯營公司溢利	-	-	-	-	-	-	(738)	(41)	(738)	(41)
Loss on disposal of subsidiaries 出售附屬公司虧損	-	-	-	-	-	-	2,003	-	2,003	-
Impairment loss recognised in respect of interest in an associate 有關於一間聯營公司權益之已確認減值虧損	-	-	-	-	-	-	-	3,561	-	3,561

Note: Additions to non-current assets excluded financial instruments, deposit paid for capital contribution and deposit paid for acquisition of investment and properties.

附註：非流動資產添置不包括金融工具、就注資所付訂金及收購投資及物業所支付的訂金。

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8. SEGMENT INFORMATION (Continued)

Geographical information

For the years ended 31 December 2017 and 2016, the Group operated in two principal geographical areas – the PRC (excluding Hong Kong) and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

		Revenue from external customers		Non-current assets [#]	
		外部客戶的收益		非流動資產 [#]	
		2017	2016	2017	2016
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
PRC	中國	-	69,903	288,140	281,990
Hong Kong	香港	15,499	38,467	1,341	1,354
		15,499	108,370	289,481	283,344

[#] Non-current assets excludes financial instruments, deposit paid for capital contribution and deposits paid for acquisition of investments.

Information about major customers

Revenue from customer of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Customer A – Construction of infrastructure and development of properties	客戶A – 基礎設施建設及物業發展	-	69,903

8. 分部資料(續)

地區資料

截至2017年及2016年12月31日止年度，本集團在兩個主要地區經營業務－中國(不包括香港)及香港。

本集團來自外部客戶收益的資料按業務所在地區呈列。本集團非流動資產的資料按資產所在地區呈列。

[#] 非流動資產不包括金融工具、注資所支付的訂金及收購投資所支付的訂金。

主要客戶資料

相應年度來自客戶的收益佔本集團總收益10%的詳情如下：

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9. OTHER INCOME

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Bank interest income	銀行利息收入	46	116
Dividend income	股息收入	1,528	393
Investment income	投資收入	1,419	–
Sundry income	雜項收入	20	29
		3,013	538

9. 其他收入

10. FINANCE COST

An analysis of the Group's finance cost is as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Interest expense on margin securities account	孖展證券賬戶利息 開支	–	51

10. 財務成本

本集團財務成本的分析如下：

11. INCOME TAX EXPENSE

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Current tax	即期稅項		
– PRC Enterprise Income Tax	– 中國企業所得稅	152	1,997
– Hong Kong profits tax	– 香港利得稅	1,725	2,530
Deferred tax (Note 34)	遞延稅項(附註34)	–	1,354
		1,877	5,881

11. 所得稅開支

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

香港利得稅按該兩年度估計應課稅溢利的16.5%計算。

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and the PRC subsidiaries are 25% for both years.

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，本公司及中國附屬公司於該兩個年度之稅率為25%。

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11. INCOME TAX EXPENSE (Continued)

The tax charges for the years can be reconciled to the (loss) profit before tax per the consolidated statement of profit or loss as follows:

11. 所得稅開支(續)

於綜合損益表中，年內所得稅開支與除稅前(虧損)溢利之對賬如下：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
(Loss) profit before tax	除稅前(虧損)溢利	(27,714)	12,032
Income tax at applicable tax rates	按照適用稅率計算的所得稅	(5,738)	518
Tax effect of expenses not deductible for tax purpose	計稅時不可抵扣的開支稅務影響	10,440	7,088
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(3,782)	(3,238)
Tax effect of deductible temporary differences not recognised	未確認可抵扣暫時差額的稅務影響	-	1,354
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	991	744
Utilisation of tax losses previously not recognised	動用此前未確認稅務虧損	-	(551)
Tax effect on tax reduction	減稅的稅務影響	(34)	(34)
Income tax expense	所得稅開支	1,877	5,881

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12. (LOSS) PROFIT FOR THE YEAR

12. 年內(虧損)溢利

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
(Loss) profit for the year has been arrived at after charging:	年內(虧損)溢利已扣除：		
Directors', supervisors' and chief executives' remuneration (Note 13)	董事、監事及主要行政人員的酬金(附註13)	1,583	1,536
Other staff cost	其他員工成本		
– Salaries, wages and other benefits	– 薪金、工資和其他福利	1,690	1,847
– Contributions to retirement benefits schemes	– 退休福利計劃供款	218	244
Total staff costs	員工成本總額	3,491	3,627
Depreciation of plant and equipment	廠房及設備折舊	147	145
Auditor's remuneration (including the fee for PRC subsidiaries)	核數師酬金(包括中國附屬公司的費用)		
– Audit service	– 核數服務	942	870
– Non-audit service	– 非核數服務	7	103
Minimum lease payments under operating leases	根據經營租賃的最低租賃付款	177	207
Donation	捐款	200	–

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13. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors', supervisors' and chief executive's emoluments

Directors', supervisors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, is as follows:

		Fees	Salaries and allowances	Contributions to retirement benefits schemes	Total
		袍金 RMB'000 人民幣千元	薪金及津貼 RMB'000 人民幣千元	退休福利 計劃供款 RMB'000 人民幣千元	總額 RMB'000 人民幣千元
For the year ended 31 December 2017	截至2017年12月31日止年度				
Executive directors	執行董事				
Zhang Jing Ming (Chairman)	張敬明(主席)	100	257	17	374
Deng Xiao Gang	鄧曉綱	100	225	18	343
Huang Zhen Kun	黃鎮坤	30	240	25	295
		230	722	60	1,012

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
上文所示執行董事酬金用作支付彼等就本公司及本集團的事務管理所提供的服務。

Non-executive directors	非執行董事				
Li Yu Xiang	李玉香	30	-	-	30
Yin Zong Chen	尹宗臣	30	-	-	30
		60	-	-	60

The non-executive directors' emoluments shown above were for their services as directors of the Company.
上文所示非執行董事酬金用作支付彼等擔任本公司董事所提供的服務。

Independent non-executive directors	獨立非執行董事				
Chan Ming Sun Jonathan	陳銘燊	120	-	-	120
He Qing Jia	何慶佳	30	-	-	30
Yu Guan Jian (Note iv)	余關健(附註iv)	120	-	-	120
		270	-	-	270
Sub-total	小計	560	722	60	1,342

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.
上文所示獨立非執行董事酬金用作支付彼等擔任本公司董事所提供的服務。

Supervisors	監事				
Fang Wei Ran	方偉然	10	72	8	90
Huang Yong Jing	黃永菁	10	91	15	116
Wang Xing Ye	王興業	15	-	-	15
Zhang Yun Feng	張運峰	10	-	-	10
Chen Jung Feng (Note ii)	陳俊峰(附註ii)	10	-	-	10
Sub-total	小計	55	163	23	241
Total	總額	615	885	83	1,583

13. 董事、監事、主要行政人員及最高薪僱員

(a) 董事、監事及主要行人員的酬金

年內根據適用上市規則及公司條例披露的董事、監事及主要行人員的薪酬如下：

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13. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(a) Directors', supervisors' and chief executive's emoluments (Continued)

		Fees	Salaries and allowances	Contributions to retirement benefits schemes	Total
		袍金 RMB'000 人民幣千元	薪金及津貼 RMB'000 人民幣千元	退休福利 計劃供款 RMB'000 人民幣千元	總額 RMB'000 人民幣千元
For the year ended 31 December 2016	截至2016年12月31日止年度				
Executive directors	執行董事				
Zhang Jing Ming (Chairman)	張敬明(主席)	100	234	19	353
Deng Xiao Gang	鄧曉綱	100	207	18	325
Huang Zhen Kun	黃鎮坤	30	222	30	282
		230	663	67	960
The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. 上文所示執行董事酬金用作支付彼等就本公司及本集團的事務管理所提供的服務。					
Non-executive directors	非執行董事				
Li Yu Xiang	李玉香	30	-	-	30
Yin Zong Chen	尹宗臣	30	-	-	30
		60	-	-	60
The non-executive directors' emoluments shown above were for their services as directors of the Company. 上文所示非執行董事酬金用作支付彼等擔任本公司董事所提供的服務。					
Independent non-executive directors	獨立非執行董事				
Chan Ming Sun Jonathan	陳銘榮	120	-	-	120
He Qing Jia	何慶佳	30	-	-	30
Yu Guan Jian (Note iv)	余關健(附註iv)	120	-	-	120
		270	-	-	270
Sub-total	小計	560	663	67	1,290
The independent non-executive directors' emoluments shown above were for their services as directors of the Company. 上文所示獨立非執行董事酬金用作支付彼等擔任本公司董事所提供的服務。					
Supervisors	監事				
Fang Wei Ran	方偉然	10	66	10	86
He Song Xi (Note iii)	何松溪(附註iii)	5	-	-	5
Huang Yong Jing	黃永菁	10	82	15	107
Wang Xing Ye	王興業	15	-	-	15
Zhang Yun Feng	張運峰	10	-	-	10
Chen Jung Feng (Note ii)	陳俊峰(附註ii)	5	-	-	5
Sub-total	小計	55	148	25	228
Deputy chief executive officer	副行政總裁				
Wang Hong Yi (Note i)	王虹逸(附註i)	-	15	3	18
Total	總額	615	826	95	1,536

13. 董事、監事、主要行政人員及最高薪僱員(續)

(a) 董事、監事及主要行人員的酬金(續)

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13. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(a) Directors', supervisors' and chief executive's emoluments (Continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year ended 31 December 2017 and 2016. No emoluments have been paid to the directors and chief executives as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2017 and 2016.

Notes:

- i Resigned on 4 February 2016
- ii Appointed on 15 June 2016
- iii Resigned on 15 June 2016
- iv Retired on 11 February 2018

(b) Five highest paid employees

The five highest paid employee of the Group during the year include three directors (2016: three directors), details of whose emoluments are set out in Note 13(a) above. Details of the remuneration for the year of the remaining two (2016: two) highest paid employee who are neither a director, supervisors nor chief executive of the Company are as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Salaries, allowances and bonus	薪金、津貼及花紅	692	527
Contributions to retirement benefits schemes	退休福利計劃供款	27	22
		719	549

13. 董事、監事、主要行政人員及最高薪僱員(續)

(a) 董事、監事及主要行人員的酬金(續)

截至2017年及2016年12月31日止年度，並無董事或主要行政人員放棄或同意放棄任何酬金的安排。截至2017年及2016年12月31日止年度，概無向董事及主要行政人員支付任何酬金，作為加入本集團或加入本集團後的獎勵或作為失去職位的補償。

附註：

- i 於2016年2月4日辭任
- ii 於2016年6月15日獲委任
- iii 於2016年6月15日辭任
- iv 於2018年2月11日退休

(b) 五名最高薪僱員

年內本集團五名最高薪僱員包括三名董事(2016年：三名董事)，有關彼等酬金載於上文附註13(a)。年內，餘下兩名(2016年：兩名)非本公司董事、監事或最高行政人員的最高薪僱員的薪酬詳情如下：

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13. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(b) Five highest paid employees (Continued)

Their emoluments were within the following bands:

		Number of employees 僱員人數	
		2017	2016
Nil to RMB1,000,000	零至人民幣1,000,000元	2	2

During the two years ended 31 December 2017 and 2016, no emoluments were paid by the Group to the Directors, supervisors, deputy chief executive officer or any of the two highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office. None of the Directors, supervisors, deputy chief executive officer and the two highest paid employees has waived or agreed to waive any emoluments during each of the two years ended 31 December 2017 and 2016. Apart from the Directors, deputy chief executive officer and supervisors, the Group has not classified any other person as chief executives during the year ended 31 December 2017 and 2016.

13. 董事、監事、主要行政人員及最高薪僱員(續)

(b) 五名最高薪僱員(續)

酬金乃介乎下列範圍：

截至2017年及2016年12月31日止兩個年度，本集團概無向董事、監事、副行政總裁或任何兩名最高薪酬僱員支付酬金作為邀請加入或加入本集團之獎勵或離職賠償。截至2017年及2016年12月31日止兩個年度，概無董事、監事及副行政總裁及兩名最高薪酬僱員放棄或同意放棄任何酬金。截至2017年及2016年12月31日止兩個年度，除董事、副行政總裁及監事外，本集團並無將任何其他人士分類為主要行政人員。

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14. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to the owners of the Company is based on the following data:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
(Loss) profit for the year attributable to owners of the Company	本公司擁有人應佔年度(虧損)溢利	(32,832)	2,349
		2017 '000 千份	2016 '000 千份
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就每股基本盈利而言的普通股加權平均數	1,469,376	1,436,828

No diluted (loss) earnings per share for both 2017 and 2016 were presented as there was no potential ordinary shares in issue for both years.

15. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2017, nor has any dividend been proposed since the end of the reporting period (2016: RMB Nil).

14. 每股(虧損)盈利

本公司擁有人應佔每股基本(虧損)盈利乃按以下數據計算：

由於2017年及2016年均無潛在已發行普通股，故並無呈列該兩個年度之每股攤薄(虧損)盈利。

15. 股息

於2017年，董事會不派發或不建議派發任何股息予本公司普通股股東，而自報告期末以來亦無建議派發任何股息(2016年：無)。

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16. PLANT AND EQUIPMENT

16. 廠房及設備

		Leasehold improvement 租賃裝修 RMB'000 人民幣千元	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
COST	成本				
At 1 January 2016	於2016年1月1日	24	220	1,459	1,703
Additions	添置	-	2	-	2
Exchange adjustments	匯兌調整	1	2	-	3
At 31 December 2016	於2016年12月31日	25	224	1,459	1,708
Additions	添置	-	12	-	12
Disposal	出售	-	(57)	-	(57)
Exchange adjustments	匯兌調整	(2)	(2)	-	(4)
At 31 December 2017	於2017年12月31日	23	177	1,459	1,659
ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	累計折舊及累計減值				
At 1 January 2016	於2016年1月1日	5	175	292	472
Provided for the year (Note)	年內撥備(附註)	5	15	131	151
At 31 December 2016	於2016年12月31日	10	190	423	623
Provided for the year (Note)	年內撥備(附註)	5	17	131	153
Eliminated on disposals	於出售時對銷	-	(57)	-	(57)
Exchange adjustments	匯兌調整	(1)	(2)	-	(3)
At 31 December 2017	於2017年12月31日	14	148	554	716
CARRYING VALUES	賬面值				
At 31 December 2017	於2017年12月31日	9	29	905	943
At 31 December 2016	於2016年12月31日	15	34	1,036	1,085

Note: Included in depreciation provided for the year of approximately RMB6,000 (2016: RMB6,000) is capitalised in properties under development in the consolidated statement of financial position as at 31 December 2017, as these furniture, fixtures and office equipment and motor vehicles are used at the construction site.

附註：年內折舊撥備中約人民幣6,000元(2016年：人民幣6,000元)在於2017年12月31日的綜合財務狀況表中發展中物業項下資本化，原因是傢俬、裝置及設備以及汽車乃於施工現場使用。

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16. PLANT AND EQUIPMENT (Continued)

The above item of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvement	Over the shorter of the lease term or 20%
Furniture, fixtures and office equipment	8–20%
Motor vehicles	8–20%

17. GOODWILL

16. 廠房及設備(續)

以上廠房及設備項目乃以直線法及下列年利率計提折舊：

租賃裝修	按租期或20% (以較短者為準)
傢俬、裝置及辦公室設備	8–20%
汽車	8–20%

17. 商譽

		RMB'000 人民幣千元
COST	成本	
At 1 January 2016, 31 December 2016 and 31 December 2017	於2016年1月1日、2016年12月31日及 2017年12月31日	<u>45,779</u>
ACCUMULATED IMPAIRMENT	累計減值	
At 1 January 2016	於2016年1月1日	–
Impairment loss recognised	已確認減值虧損	<u>20,000</u>
At 31 December 2016	於2016年12月31日	20,000
Impairment loss recognised	已確認減值虧損	<u>24,459</u>
At 31 December 2017	於2017年12月31日	<u>44,459</u>
CARRYING VALUES	賬面值	
At 31 December 2017	於2017年12月31日	<u>1,320</u>
At 31 December 2016	於2016年12月31日	<u>25,779</u>

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17. GOODWILL (Continued)

Impairment test on goodwill

For the purposes of impairment testing, goodwill have been allocated to two individual cash-generating units (“CGUs”), comprising one subsidiary engaged in the construction of infrastructure and development properties segment and one subsidiary engaged in the credit business segment. The carrying amounts of goodwill (net of accumulated impairment losses) as at the end of reporting period allocated to these units are as follow:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Construction of infrastructure and development of properties	基礎設施建設及物業發展		
Zhongfang Chaozhou (“Unit A”)	中房潮州(「A單位」)	–	24,459
Credit business	信貸業務		
Chung Hwa Finance Limited (“Unit B”)	中華信貸有限公司(「B單位」)	1,320	1,320
		1,320	25,779

During the year ended 31 December 2017, the Group recognised an impairment loss of RMB24,459,000 (2016: RMB20,000,000) in relation to goodwill arising on acquisition of the Unit A. The principal activity of the Unit A is the land development project in Chaozhou (the “Project”). The Project cover three construction phases (i.e. phase I, phase II and phase III).

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

Unit A

During the year ended 31 December 2017, the profitability of Unit A was adversely affected due to the following factors: (1) there are no acceptance of completion of the constructed land during the year; (2) the trade receivables are long outstanding and the settlement is slow; and (3) country government has yet to be entered the procedures of bidding of phase II and phase III of the Project, the timetable for construction of phase II and phase III of the Project cannot be determined and the Group was uncertain on the timing of acceptance schedule of the remaining land area of 624 acres of the Project which is far beyond the original timeframe.

17. 商譽(續)

商譽減值測試

就減值測試而言，商譽已分配至兩個個別的現金產生單位(「現金產生單位」)，包括於基礎設施建設及物業發展分部的一間附屬公司及於信貸業務分部的一間附屬公司。截至本報告期末的商譽賬面值(扣除累計減值虧損)分配至以下此等單位：

截至2017年12月31日止年度，本集團就因收購A單位產生的商譽確認減值虧損人民幣24,459,000元(2016年：人民幣20,000,000元)。A單位的主要業務為於潮州土地開發項目(「項目」)。項目覆蓋三個項目分期(即一期、二期及三期)。

上述現金產生單位可收回金額的基準及其主要相關假設概述如下：

A單位

截至2017年12月31日止年度，由於：(1)於年內並無接獲已建設土地完成；(2)應收賬款尚未償還及償還進度緩慢；及(3)國家政府尚未進入項目二期及三期的招標程序，故無法釐定建築項目二期及三期的時間表且本集團不確定項目餘下土地面積624英畝之接獲計劃之時間(其遠超原時間表)，A單位的盈利能力受到不利影響。

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17. GOODWILL (Continued)

Impairment test on goodwill (Continued)

Unit A (Continued)

Under these circumstances, the Directors decided to fully impair the goodwill arose from the acquisition of Unit A and impairment loss of approximately RMB24,459,000 has been recognised in profit or loss for the year ended 31 December 2017.

As at 31 December 2016, the recoverable amount of this unit has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering the expected construction years and adopting the pre-tax discount rate of 26.62%. Cash flow projections during the budget period for Unit A is also based on the budgeted sales and expected gross margins during the budget period and the raw materials price inflation during the budget period. Expected cash inflows/outflows, which include budgeted sales, gross margin and raw material price inflation have been determined based on past performance and management's expectations for the market development.

During the year ended 31 December 2016, the construction of land area of 4,500 acres of the Project had substantially been completed. Due to the fact that the application of construction of phase II was still in progress and there was no formal plan of further construction of phase III, the Group was uncertain on the future development of the Project as originally planned. In view of the above conditions, the Directors were of the view that impairment loss of approximately RMB20,000,000 has been recognised in respect of the Unit A to the extent that the carrying amount exceeded its recoverable amount based on the best estimate by the Directors with reference to the valuation report issued by BMI Appraisals Limited ("BMI Appraisals"), an independent qualified professional valuer not connected with the Group and thus, the amount of RMB20,000,000 was recognised to the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2016.

17. 商譽(續)

商譽減值測試(續)

A單位(續)

在此等因素下，董事決定悉數減值收購A單位產生之商譽及減值虧損約人民幣24,459,000元已於截至2017年12月31日止年度損益內確認。

於2016年12月31日，此單位的可收回金額乃按使用價值計算方法釐定。該計算採用管理層批准預計建設年期的財務預算估計的現金流量，以及稅前折現率26.62%。A單位於預算期的現金流量預測亦根據預算期的預算銷售及預期毛利率以及預算期的原材料價格通脹得出。預期現金流入／流出(包括預算銷售、毛利率及原材料價格通脹)乃根據過往表現及管理層對市場發展的預期得出。

截至2016年12月31日止年度，項目4,500英畝建設用地已大致上完成。由於二期建設申請仍在進行中，且並無三期進一步建設的正式計劃，本集團無法確定項目按原定計劃的日後發展。鑒於上述情況，董事認為，已根據董事參考與本集團概無關連的獨立合資格專業估值師中和邦盟評估有限公司(「中和邦盟」)發出的估值報告而作出的最佳估計就A單位確認減值虧損約人民幣20,000,000元，以賬面值超過其可收回金額為限，故人民幣20,000,000元已於截至2016年12月31日止年度之綜合損益及其他全面收益表確認。

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17. GOODWILL (Continued)

Impairment test on goodwill (Continued)

Unit B

The recoverable amount of this unit has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and adopting the pre-tax discount rate of 10.22% (2016: 10.82%). Unit B's cash flows beyond the 5-year period are extrapolated using a steady 3% (2016: 3%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Unit B to exceed the aggregate recoverable amount of Unit B.

18. INTEREST IN AN ASSOCIATE

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Cost of investment	投資成本	150,000	150,000
Share of post-acquisition profits and other comprehensive income	分佔收購後溢利及 其他全面收入	779	41
		150,779	150,041
Impairment loss recognised	已確認減值虧損	(3,561)	(3,561)
		147,218	146,480

During the year ended 31 December 2016, Shenzhen Zhonghe Chuangjian Investment Development Company Limited ("Shenzhen Zhonghe"), a direct wholly-owned subsidiary of the Company, acquired 30% paid-up registered capital in Shishi Shen Guo Tou Commercial Property Company Limited ("Shishi Shen Guo Tou") at the consideration of RMB150,000,000. The acquisition was completed on 19 May 2016.

17. 商譽(續)

商譽減值測試(續)

B單位

此單位之可收回金額乃根據使用價值計算。該計算採用管理層批准五年期的財務預算估計的現金流量，以及稅前折現率10.22%（2016年：10.82%）。B單位於五年期後的現金流量預測利用穩定的增長率3%（2016年：3%）推斷。此增長率根據相關行業增長預測得出，並無超出相關行業的平均長期增長率。使用價值計算的其他主要假設與現金流入／流出的估計（包括預算銷售及毛利率）有關，該等估計乃根據單位的過往表現及管理層對市場發展的預期得出。管理層相信，以上任何假設的任何合理可能變動不會導致B單位的賬面總值超出B單位的可收回總額。

18. 於一間聯營公司的權益

截至2016年12月31日止年度，深圳市眾合創建投資發展有限公司（「深圳眾合」，本公司直接全資附屬公司）按代價人民幣150,000,000元收購石獅深國投商用置業有限公司（「石獅深國投」）30%繳足註冊資本。收購事項已於2016年5月19日完成。

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18. INTEREST IN AN ASSOCIATE (Continued)

Details of the Group's associate at the end of the reporting period are as follow:

Name of entity 實體名稱	Country of registration 登記國家	Principal place of business 主要營業地點	Proportion of ownership interest held by the Group 本集團持有擁有的權益比例		Proportion of voting rights held by the Group 本集團持有投票權比例		Principal activity 主要業務
			2017	2016	2017	2016	
Shishi Shen Guo Tou 石獅深國投	PRC 中國	PRC 中國	30%	30%	30%	30%	Operation of commercial complex 營運綜合大廈

Summarised financial information of an associate

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

The associate is accounted for using the equity method in these consolidated financial statements.

18. 於一間聯營公司的權益(續)

本集團於報告期末的聯營公司的詳情如下：

一間聯營公司的財務資料概要

本集團聯營公司的財務資料概要載列下文。以下財務資料概要指聯營公司根據香港財務報告準則編製的財務報表所示的金額。

聯營公司以權益法於綜合財務報表入賬。

Shishi Shen Guo Tou 石獅深國投		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Current assets	流動資產	1,122	630
Non-current assets	非流動資產	711,089	704,121
Current liabilities	流動負債	(54,772)	(38,884)
Non-current liabilities	非流動負債	(166,710)	(177,600)

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18. INTEREST IN AN ASSOCIATE (Continued)

Summarised financial information of an associate (Continued)

		Year ended 31 December 2017 截至2017年 12月31日 止年度 RMB'000 人民幣千元	1 June 2016 to 31 December 2016 於2016年 6月1日至 2016年 12月31日 RMB'000 人民幣千元
Revenue	收入	10,681	6,341
Profit for the year/period	年/期內溢利	2,462	136
Other comprehensive income for the year/period	年/期內其他全面收入	-	-
Total comprehensive income for the year/period	年/期內全面收入總額	2,462	136
Dividends received from the associate during the year/period	年/期內自聯營公司收取 的股息	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in the consolidated financial statements:

18. 於一間聯營公司的權益(續)

一間聯營公司的財務資料概要(續)

上述財務資料概要與於綜合財務報表確認於一間聯營公司權益的賬面值對賬：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Net assets of Shishi Shen Guo Tou	石獅深國投淨資產	490,729	488,267
Proportion of the Group's ownership interest in Shishi Shen Guo Tou	本集團於石獅深國投的 擁有權權益比例	30%	30%
Carrying amount of the Group's interest in Shishi Shen Guo Tou	本集團於石獅深國投的 權益的賬面值	147,218	146,480

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19. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Unlisted investments classified as non-current assets:	分類為非流動資產的非上市投資：		
– equity securities (Note a)	– 股本證券(附註a)	48,390	48,390
– 20% equity interest of Hai Yue Real Estate (as defined in Note b)	– 海粵房地產20%股權(定義見附註b)	130,000	–
		178,390	48,390

(a) As at 31 December 2017, the unlisted equity investment represents 10.36% (2016: 10.9%) equity interest in a PRC private limited company engaged in banking business.

(b) Included in the investment in unlisted equity securities above is the Group's investment in Guangzhou Hai Yue Real Estate Development Company Limited ("Hai Yue Real Estate") with a carrying amount of RMB130,000,000. The investment represents a 20% interest in the registered capital of Hai Yue Real Estate. Hai Yue Real Estate is a company with limited liability established under the laws of the PRC and is principally engaged in developing, constructing, selling, renting and managing of commercial building, namely Dongshan Plaza (the "GZ Property") located in Guangzhou, the PRC. Hai Yue Real Estate is not regarded as an associate of the Group because the Group has no right to appoint directors of Hai Yue Real Estate according to the shareholders' agreement.

(c) The above unlisted investments are measured at cost less accumulated impairment at the end of the reporting period because the range of reasonable fair value estimates is so fluctuated that the Directors are of the opinion that their fair values cannot be measured reliably.

19. 可供出售投資

可供出售投資包括：

(a) 於2017年12月31日，非上市股本投資指一間中國私人有限公司(其業務為提供銀行服務)的10.36% (2016年：10.9%) 股權。

(b) 於上述非上市股本證券的投資包括本集團於廣州海粵房地產發展有限公司(「海粵房地產」)之投資，賬面值為人民幣130,000,000元。該投資指於海粵房地產註冊資本之20%權益。海粵房地產為一家根據中國法例註冊成立的有限責任公司，其主要從事商業大廈(即位於中國廣州的東山廣場(「廣州物業」))的發展、建設、銷售、租賃及管理業務。海粵房地產並非認作本集團之聯營公司，原因為根據股東協議本集團並無權力委任海粵房地產之董事。

(c) 上述非上市投資按成本減去於報告期末的累計減值計量，原因是合理公允價值估計的範圍波動較大，董事認為，公允價值無法可靠估計。

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20. CONVERTIBLE INSTRUMENTS DESIGNATED AS FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

On 20 August 2015, Sichuang Overseas Investment Development Corporation Limited (“Sichuang Overseas”), a wholly-owned subsidiary of the Company as a subscriber, agreed to subscribe for 4%-coupon rate convertible bonds which were issued by Asia Resources Holdings Limited (“ARHL”), a company incorporated in Bermuda with limited liability and its shares are listed on the main board of the Stock Exchange (stock code: 899), in the principal amount of HK\$56,160,000 (“ARHL Convertible Bonds”). Assuming the conversion rights attaching to the ARHL Convertible Bonds are exercised in full at the initial conversion price of HK\$0.72 per conversion share, a total of 78,000,000 conversion shares of ARHL will be allotted and issued. Detail of the acquisition of ARHL Convertible Bonds has been disclosed in the Company’s announcement dated 8 September 2015.

During the year ended 31 December 2016, the Group has disposed of all ARHL Convertible Bonds with the consideration of HK\$56,160,000. A loss on disposal of approximately RMB1,141,000 has been recognised in profit or loss for the year ended 31 December 2016. Details of the disposal has been disclosed in the Company’s announcement dated 21 January 2016.

21. DEPOSIT PAID FOR CAPITAL CONTRIBUTION

	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Deposit paid for capital contribution to Shenzhen Zhong De Logistics Company Limited (“Zhong De Logistics”) 向深圳市眾德物流有限公司 (「眾德物流」) 注資所支付的訂金	150,000	—

20. 指定為按公允價值計入損益的財務資產的可換股工具

於2015年8月20日，思創海外投資發展有限公司(「思創海外」，本公司全資附屬公司)(作為認購人)同意認購由亞洲資源控股有限公司(「亞洲資源」，於百慕達註冊成立的有限公司，其股份於聯交所主板上市(股份代號：899))發行本金額為56,160,000港元的4厘可換股債券(「亞洲資源可換股債券」)。假設亞洲資源可換股債券附帶的換股權按初步轉換價每股換股股份0.72港元獲悉數行使，將配發及發行合共78,000,000股亞洲資源換股股份。有關收購亞洲資源可換股債券的詳情載於本公司日期為2015年9月8日的公告。

截至2016年12月31日止年度，本集團出售全部亞洲資源可換股債券，代價為56,160,000港元。出售虧損約人民幣1,141,000元已於截至2016年12月31日止年度的損益中確認。有關出售的詳情，請參閱本公司日期為2016年1月21日的公告。

21. 注資所支付的訂金

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21. DEPOSIT PAID FOR CAPITAL CONTRIBUTION (Continued)

On 11 May 2017, Shenzhen Shenxi Investment & Development Company Limited (“Shenzhen Shenxi”), a wholly-owned subsidiary of the Company, entered into the capital contribution agreement with Shenzhen He Hui Huang Development Company Limited (“SHHH Development”) and Shenzhen Newpont Investment Group Limited (“SND Investment”), pursuant to which Shenzhen Shenxi, being the new investor, agreed to make capital contribution in the total sum of RMB155,000,000 (the “Capital Contribution”) to Zhong De Logistics, in which RMB5,000,000 will be contributed to the registered share capital while RMB150,000,000 will be contributed as the capital reserve of Zhong De Logistics. Upon completion of Capital Contribution, Shenzhen Shenxi will hold 20% equity interest in Zhong De Logistics.

Zhong De Logistics is a company with limited liability established under the laws of the PRC. Zhong De Logistics is currently engaged in an integrated logistics park development project (the “Logistics Project”). The Logistics Project will be developed into an integrated and multifunctional logistics park, providing comprehensive range of integrated logistics and warehouse storage facilities and service. The major asset of Zhong De Logistics currently consists of the land use right of a parcel of land located at Henggang Street, Longgang District, Shenzhen, with a gross floor area of approximately 236,518.85 square meters. The construction work of the Logistics Project has been started since 2013 and the construction is expected to be completed before 31 December 2019. It is expected that the logistics park will start operation in June 2020.

Details of the Capital Contribution has been disclosed in the Company’s announcement date 11 May 2017.

As at 31 December 2017, RMB150,000,000 represented the deposit paid to Zhong De Logistics and the Capital Contribution has not completed as the related registration procedures was in progress. The Capital Contribution has not been completed due to the fact that the existing shareholders of Zhong De Logistics have pledged their equity interest to banks and not yet released. Zhong De Logistics has pledged the Logistics Projects with market value of approximately RMB1,297,600,000 to secure the deposit paid by the Group.

21. 注資所支付的訂金(續)

於2017年5月11日，深圳市沈璽投資發展有限公司(「深圳沈璽」)(本公司全資附屬公司)與深圳市合輝煌發展有限公司(「深圳合輝煌發展」)及深圳市新邦投資集團有限公司(「深圳新邦投資」)訂立注資協議，據此，深圳沈璽(作為新投資者)同意向眾德物流注資總額人民幣155,000,000元(「注資」)，其中人民幣5,000,000元將注入註冊資本，而人民幣150,000,000元將注入作為眾德物流的資本公積。於注資完成後，深圳沈璽將持有眾德物流20%股權。

眾德物流為根據中國法律成立的有限公司。眾德物流目前正從事綜合物流園區開發項目(「物流項目」)。物流項目將會發展為一個綜合且多功能的物流園區，提供全面的綜合物流服務及倉儲設施和服務。眾德物流主要資產現時包括位於深圳市龍崗區橫崗街道建築面積約236,518.85平方米的一幅土地的土地使用權。物流項目工程已於2013年開始動工，而預期項目將於2019年12月31日前竣工，預計物流園區將於2020年6月開始營運。

注資詳情已於本公司日期為2017年5月11日的公告內披露。

於2017年12月31日，人民幣150,000,000元指支付予眾德物流的訂金，及由於相關註冊程序正在進行中，故注資尚未完成。由於眾德物流的現有股東已將彼等的股權抵押予銀行且尚未獲解押的事實，故注資尚未完成。眾德物流已抵押市場價值為約人民幣1,297,600,000元之物流項目以為本集團已付訂金作擔保。

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22. DEPOSIT PAID FOR ACQUISITION OF PROPERTIES

22. 收購物業所支付的訂金

	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Deposit paid for acquisition of Properties (define as below)	140,000	110,000

On 15 November 2016, Beijing Shen Shang Investment & Consulting Company Limited* ("Beijing Shen Shang"), a wholly-owned subsidiary of the Company, entered into the acquisition agreement (the "Acquisition Agreement") with Beijing Zhong Tou Chuang Zhan Property Limited* ("Beijing Zhong Tou"), pursuant to which Beijing Zhong Tou agreed to sell, and Beijing Shen Shang agreed to acquire a commercial premise with the construction area of 2,800 square meters (with the right to use 5,000 square meters of car parks at the basement level two, being part of Phase 3 of the ancillary facility project of Beijing International Zone Convention Center* to be constructed in Beijing Shunyi District Tianzhu Airport Commercial Zone* (the "Properties"), at a total consideration of RMB152,800,000. Details of the acquisition of the Properties has been disclosed in the Company's announcement date 15 November 2016.

At 31 December 2017, the balance of RMB140,000,000 (2016: RMB110,000,000) represented a refundable deposit paid for the acquisition. Beijing Zhong Tou has pledged certain properties with market value of approximately RMB142,200,000 (2016: RMB118,800,000) to secure the deposit paid by the Group. The acquisition is expected to be completed on 31 December 2019 as details disclosed in Note 41 (d).

* English name for identification purpose only

於2016年11月15日，北京瀋商投資諮詢有限公司(「北京瀋商」，本公司全資附屬公司)與北京中投創展置業有限公司(「北京中投」)訂立收購協議(「收購協議」)，據此，北京中投同意出售及北京瀋商同意收購商用物業。物業為建築面積2,800平方米並有權使用地下負二層5,000平方米停車場之商用物業，即位於北京市順義區天竺空港商務區將興建的北京會展國際港展館配套設施項目3期的一部分(「物業」)，總代價為人民幣152,800,000元。有關收購物業的詳情於本公司日期為2016年11月15日的公告中披露。

於2017年12月31日，結餘人民幣140,000,000元(2016年：人民幣110,000,000元)指就收購已付可退還訂金。北京中投已將市值約人民幣142,200,000元(2016年：人民幣118,800,000元)的若干物業抵押，作為本集團已付訂金的擔保。預期收購事項於2019年12月31日完成(誠如附註41(d)所詳述)。

* 英文名稱僅供識別

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23. DEPOSIT PAID FOR ACQUISITION OF INVESTMENTS 23. 收購投資所支付的訂金

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Deposit paid for acquisition of 20% equity interest of Hai Yue Real Estate (as defined in Note a)	收購海粵房地產 (定義見附註a)20% 股權所支付的訂金	-	153,000
Deposit paid for acquisition of 28% equity interest of Shenzhen Hui Ye Micro Lending (as defined in Note b)	收購深圳匯業小額貸款 (定義見附註b)28% 股權所支付的訂金	-	32,000
		-	185,000

Notes:

(a) On 27 July 2015, Shenzhen Cheng He Chuang Jian Investment and Development Company Limited* ("Cheng He Chuang Jian"), a wholly-owned subsidiary of the Company, entered into the acquisition agreement with Shenzhen Hou Feng Trading Company Limited* ("Hou Feng"), pursuant to which Hou Feng conditionally agreed to sell and Cheng He Chuang Jian conditionally agreed to acquire 30% equity interest of Hai Yue Real Estate at a total consideration of RMB195,000,000 (the "Hai Yue Proposed Acquisition"). Details of the Hai Yue Proposed Acquisition has been disclosed in the Company's announcement dated 27 July 2015.

On 3 March 2016, Cheng He Chuang Jian and Hou Feng together with Shenzhen Tai He Chuang Jian Investment Development Company Limited* ("Tai He Chuang Jian"), a wholly-owned subsidiary of the Company, agreed the transfer of the Hai Yue Proposed Acquisition from Cheng He Chuang Jian to Tai He Chuang Jian.

On 19 July 2016, Tai He Chuang Jian and Hou Feng entered into a supplemental agreement to amend the following terms and conditions of the Hai Yue acquisition agreement:

- (1) the percentage of equity interest in Hai Yue Real Estate to be acquired shall be changed from 30% to 20%;
- (2) the consideration shall be decreased by RMB65,000,000 to RMB130,000,000 (the "New Consideration") and the balance of RMB45,000,000 will be refunded to Tai He Chuang Jian by Hou Feng within 10 days upon the completion of the change in industry and commercial registration. In the event that Hou Feng is unable to refund the balance of RMB45,000,000 within 10 days upon the completion of the change in industry and commercial registration, Hou Feng shall pay Tai He Chuang Jian an interest on the late payment in accordance with the bank borrowing interest rate.

附註：

(a) 於2015年7月27日，深圳市城合創建投資發展有限公司(「城合創建」，本公司全資附屬公司)與深圳市厚豐貿易有限公司(「厚豐」)訂立收購協議，據此，厚豐有條件同意出售，而城合創建有條件同意收購海粵房地產30%股權，總代價人民幣195,000,000元(「海粵建議收購事項」)。海粵建議收購事項的詳情已於本公司日期為2015年7月27日的公告中披露。

於2016年3月3日，城合創建及厚豐連同深圳泰合創建投資發展有限責任公司(「泰合創建」，本公司全資附屬公司)同意，城合創建向泰合創建轉讓海粵建議收購事項。

於2016年7月19日，泰合創建及厚豐訂立補充協議以修訂海粵收購協議(其中包括)的條款及條件如下：

- (1) 將收購的海粵房地產股權百分比由30%改為20%；
- (2) 代價應減少人民幣65,000,000元至人民幣130,000,000元(「新代價」)，而結餘人民幣45,000,000元將於完成工商登記變更手續後10日內由厚豐退還予泰合創建。倘厚豐無法於完成工商登記變更手續後10日內退還結餘人民幣45,000,000元，厚豐應根據銀行貸款利率向泰合創建支付滯納金利息。

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23. DEPOSIT PAID FOR ACQUISITION OF INVESTMENTS (Continued)

Notes: (Continued)

(a) (Continued)

Details of the supplemental agreement has been disclosed in the Company's announcement dated 19 July 2016. Hou Feng had refunded RMB22,000,000 to Tai He Chuang Jian during the year ended 31 December 2016.

As at 31 December 2016, the Hai Yue Proposed Acquisition has not been completed and the balance of RMB153,000,000 represented the refundable deposit paid to Hou Feng. Hou Feng has pledged 5% of the equity interest of Hai Yue Real Estate to Tai He Chuang Jian as collateral to secure the outstanding refundable deposit.

The Hai Yue Proposed Acquisition has been completed on 3 March 2017. The Group classified the investment in the 20% equity interest of Hai Yue Real Estate as available-for-sale investments (Note 19). The balance of the deposit paid amounted to RMB23,000,000 had been fully refunded to the Group during the year ended 31 December 2017. Details of the completion of the Hai Yue Proposed Acquisition has been disclosed in the Company's announcement date 3 March 2017.

(b) On 10 March 2016, the Company entered into the acquisition agreement with an independent third party (the "Vendor") to acquire 28% equity interest in Shenzhen Hui Ye Micro Lending Company Limited* ("Shenzhen Hui Ye Micro Lending") for a consideration of RMB42,000,000.

As at 31 December 2016, the acquisition had not been completed and the balance of RMB32,000,000 represented the deposit paid to the Vendor.

On 10 March 2017, the Vendor and the Company entered into the termination agreement to terminate the acquisition with immediate effect. The Vendor has refunded RMB32,000,000 to Shenzhen Shen He, a wholly-owned subsidiary of the Company on 10 March 2017.

* English name for identification purpose only

23. 收購投資所支付的訂金(續)

附註：(續)

(a) (續)

有關補充協議的詳情已於本公司日期為2016年7月19日的公告中披露。截至2016年12月31日止年度，厚豐已向泰合創建退還人民幣22,000,000元。

於2016年12月31日，海粵建議收購事項尚未完成，結餘人民幣153,000,000元指向厚豐支付的可退還訂金。厚豐已將海粵房地產5%股權抵押泰合創建，作為獲得尚未償還可退還訂金的抵押品。

海粵建議收購事項於2017年3月3日完成。本集團將於海粵房地產之20%股權投資分類為可供出售投資(附註19)。已付訂金結餘金額人民幣23,000,000元已於截至2017年12月31日止年度內悉數退還予本集團。完成海粵建議收購事項之詳情已於本公司日期為2017年3月3日之公告內予以披露。

(b) 於2016年3月10日，本公司與一名獨立第三方(「賣方」)訂立收購協議以收購深圳市匯業小額貸款有限公司(「深圳匯業小額貸款」)28%股權，代價為人民幣42,000,000元。

於2016年12月31日，收購事項尚未完成，結餘人民幣32,000,000元指已支付賣方的訂金。

於2017年3月10日，賣方與本公司訂立終止協議以即時終止收購事項。於2017年3月10日賣方已向本公司全資附屬公司深圳沈和退還人民幣32,000,000元。

* 英文名稱僅供識別

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24. PROPERTIES UNDER DEVELOPMENT

24. 發展中物業

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Properties under development which are expected to be completed and available for sale within 12 months comprise of the following:	預期將於12個月內落成並可供銷售之發展中物業包括以下各項：		
Construction costs and expenditure capitalised	建築成本及資本化開支	198,796	174,150

The properties under development are all located in the PRC.

發展中物業全部位於中國。

25. LOAN AND INTEREST RECEIVABLES

25. 應收貸款及利息

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Fixed-rate loan and interest receivables	定息應收貸款及利息	179,556	304,851
Less: Accumulated impairment allowance	減：累計減值撥備	(199)	(215)
		179,357	304,636

At 31 December 2017, the loan receivables arising from credit business are unsecured (2016: arising from credit business are unsecured) bear fixed interest at 8% (2016: ranging from 10%–15%) per annum.

於2017年12月31日，因信貸業務產生的應收貸款為無抵押（2016年：因信貸業務產生的應收貸款為無抵押），按固定年利率8%（2016年：10%–15%）計息。

The maturity profile of these loan receivables from customers (including interest receivables), net of impairment losses recognised, at the end of reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

於報告期末，該等應收客戶貸款（包括應收利息）扣除已確認減值虧損按合約到期日餘下期間的到期情況如下：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Repayable:	於下列期間內償還：		
Within 3 months	三個月內	39,476	304,636
Over 3 months but less than 1 year	超過三個月但少於一年	139,881	–
		179,357	304,636

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25. LOAN AND INTEREST RECEIVABLES (Continued)

The movements of allowance for impairment during the year were as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
At 1 January	於1月1日	215	203
Exchange adjustments	匯兌調整	(16)	12
At 31 December	於12月31日	199	215

The loan receivables from customers have been reviewed by the management of the Company to assess impairment allowances which are based on the evaluation of collectability, aging analysis of accounts and on management's judgment, including the current creditworthiness and the past collection statistics of individually significant accounts or a portfolio of accounts on a collective basis.

At 31 December 2017, none of the loan and interest receivables was past due but not impaired (2016: Nil).

The loan receivables outstanding as at 31 December 2017 and 2016 are denominated in Hong Kong dollars.

26. HELD-FOR-TRADING INVESTMENTS

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Listed investment	上市投資		
– Equity securities listed in Hong Kong	– 於香港上市之股本證券	115	85

The fair values of the above listed securities are determined based on quoted market bid prices available at the Stock Exchange at the end of the reporting periods. Further information of the fair values measurement is disclosed in Note 6(c).

25. 應收貸款及利息(續)

年內減值撥備變動如下：

本公司管理層已審閱應收客戶貸款，以評估減值撥備，其乃基於可收回程度之評估、賬目的賬齡分析以及管理層之判斷(包括現時信用度及個別重大賬戶或按集體基準賬戶組合的過往收款記錄)。

於2017年12月31日，概無貸款及應收利息已逾期但未減值(2016年：無)。

於2017年及2016年12月31日尚未償還的應收貸款以港元計值。

26. 持作買賣投資

上述上市證券之公允價值乃按報告期末聯交所報市場買入價釐定。有關公允價值計量的其他資料於附註6(c)中披露。

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27. TRADE RECEIVABLES

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Trade receivables	應收賬款	128,701	145,701
Less: Allowance for doubtful debts	減：呆賬撥備	—	—
		128,701	145,701

The Group has not specified the credit period to its trade customer. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the repurchase agreement date at the end of the reporting period, which approximated the respective revenue recognition date:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
0–30 days	0至30天	—	72,000
Over 1 year	一年以上	72,000	73,701
Over 2 years	兩年以上	56,701	—
		128,701	145,701

All of the trade receivables were related to a sole customer of construction of infrastructure and development of properties segment. This customer was a stated-owned enterprise located in the PRC and has long-term business relationship with the Group.

The Group has received RMB17,000,000 from this sole customer during the year ended 31 December 2017. The Directors are negotiating the settlement schedule with the sole customer but no formal agreement has been reached at the date of this report. In view of the financial background of the sole customer, the Directors are of the opinion that no impairment on the outstanding receivable is required. The Group does not hold any collateral over these balances for both years.

27. 應收賬款

本集團並無為其貿易客戶指定信貸期。於報告期末根據回購協議日期(約為各自之收入確認日期)的應收賬款(扣除呆賬撥備)的賬齡分析情況如下：

所有應收賬款與基礎設施建設及物業發展分部之一名唯一客戶有關。此客戶為一間位於中國的國有企業並與本集團建有長久業務關係。

於截至2017年12月31日止年度，本集團自該唯一客戶收取人民幣17,000,000元。董事正與唯一客戶磋商時間表安排，但於報告日期雙方尚未達成正式協議。鑑於唯一客戶的財務背景，董事認為，無須就尚未償還之應收賬款作出任何減值。本集團於該兩個年度內均無就該等結餘持有任何抵押品。

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28. BANK BALANCES AND CASH

The bank balances and cash are mainly denominated in RMB and deposited with banks in the PRC. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Bank balances carry interest at market rates ranged from 0.01% to 0.35% (2016: 0.01% to 0.35%) per annum. The bank balances are deposited in creditworthy banks with no recent history of default.

29. ASSETS/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE/DEPOSIT RECEIVED

On 15 March 2016, Shenzhen Shen He Chuang Jian Investment Development Company Limited ("Shenzhen Shen He"), a wholly-owned subsidiary of the Company, entered into the disposal agreement with an independent third party (the "Buyer"), whereby the Buyer has conditionally agreed to purchase and Shenzhen Shen He has conditionally agreed to sell the entire issued share capital of Cheng He Chuang Jian at the consideration of RMB44,000,000 (the "Disposal"). The principal activity of Cheng He Chuang Jian is investment holding.

As at 31 December 2016, the disposal has not completed and the amount of RMB24,000,000 represented the refundable deposit received from the Buyer.

The assets and liabilities attributable to Cheng He Chuang Jian, which is expected to be sold within twelve months after the reporting date, have been classified as assets and liabilities associated with assets classified as held for sale and are presented separately in the consolidated statement of financial position (see below). The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

28. 銀行結餘及現金

銀行結餘及現金主要以人民幣計值，並存放在位於中國的銀行。人民幣不能自由兌換成其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務的銀行將人民幣兌換成其他貨幣。

銀行結餘按年平均市場利率介乎0.01%至0.35%（2016年：0.01%至0.35%）計算利息。銀行結餘存於近期無違約紀錄且信譽良好的銀行。

29. 與分類為持作銷售的資產／已收訂金相關的資產／負債

於2016年3月15日，深圳沈和創建投資發展有限公司（「深圳沈和」，本公司全資附屬公司）與獨立第三方（「買方」）訂立出售協議，據此，買方有條件同意購買而深圳沈和有條件同意出售城合創建全部已發行股本，代價為人民幣44,000,000元（「出售事項」）。城合創建的主要業務為投資控股。

於2016年12月31日，出售尚未完成，而為數人民幣24,000,000元指自買方收取的可退還訂金。

城合創建應佔資產及負債（預計於報告日期後12個月內出售）已分類為與分類為持作銷售的資產相關的資產及負債，並於綜合財務狀況表中獨立呈列（見下文）。預計出售事項所得款項淨額高於相關資產及負債的賬面淨值，故並無確認減值虧損。

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29. ASSETS/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE/DEPOSIT RECEIVED (Continued)

The major classes of assets and liabilities of Cheng He Chuang Jian classified as held for sale are as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Bank balance and cash	銀行結餘及現金	-	878
Available-for-sale investment	可供出售投資	-	50,000
Total assets classified as held for sale	分類為持作銷售的總資產	-	50,878
Other payables and accruals and total liabilities classified as held for sale	其他應付款及應計費用及分類為持作銷售的總負債	-	6,870

The disposal was completed on 5 May 2017 when control of Cheng He Chuang Jian, had passed to the Buyer.

On 5 February 2018, Shenzhen Shen He entered into a supplementary agreement with the Buyer, in which both parties mutually agreed that the consideration reduced to RMB42,000,000.

29. 與分類為持作銷售的資產／已收訂金相關的資產／負債(續)

分類為持作銷售的城合創建主要類別資產及負債如下：

出售事項已於城合創建之控制權已轉讓予買方時於2017年5月5日完成。

於2018年2月5日，深圳沈和與買方訂立補充協議，雙方一致同意代價減少人民幣42,000,000元。

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29. ASSETS/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE/DEPOSIT RECEIVED (Continued)

The results of Cheng He Chuang Jian for the period from 1 January 2017 to 5 May 2017, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

		Period from 1 January 2017 to 5 May 2017 自2017年 1月1日起至 2017年5月5日 止期間 RMB'000 人民幣千元	Year ended 31 December 2016 截至2016年 12月31日 止年度 RMB'000 人民幣千元
Other operating expenses	其他經營開支	(5)	(8)
Loss for the period/year	期/年內虧損	(5)	(8)

The details of the disposal of Cheng He Chuang Jian are disclosed in Note 32 to the consolidated financial statements.

30. TRADE PAYABLES

Trade payables represented construction payables on construction comprises construction costs and other project-related expenses which are payable based on project progress measured by the Group. The suppliers have not specified the credit period granted to the Group.

The following is an aged analysis of trade payables at the end of the reporting period:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Within 90 days	90天內	—	36,349
Over 90 days	90天以上	110,825	70,769
		110,825	107,118

29. 與分類為持作銷售的資產/已收訂金相關的資產/負債(續)

城合創建於自2017年1月1日起至2017年5月5日止期間之業績已計入綜合損益及其他全面收益表內，詳情如下：

有關城合創建出售的詳情披露於綜合財務報表附註32。

30. 應付賬款

應付賬款為應計建築開支包括建築費用及其他項目相關開支，乃根據本集團計量的項目進度支付。供應商並無授予本集團指定信貸期。

以下為於報告期末的應付賬款的賬齡分析：

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31. SHARE CAPITAL

31. 股本

		2017		2016	
		Number of shares 股份數目	Amount 金額 RMB'000 人民幣千元	Number of shares 股份數目	Amount 金額 RMB'000 人民幣千元
Authorised, issued and fully paid:	法定、已發行及已繳足：				
– Domestic shares of RMB1 each	– 每股面值人民幣1元的內資股				
At 1 January	於1月1日	864,000,000	864,000	720,000,000	720,000
Issue of Domestic Shares (Note a)	發行內資股 (附註a)	–	–	144,000,000	144,000
At 31 December	於12月31日	864,000,000	864,000	864,000,000	864,000
– H shares of RMB1 each	– 每股面值人民幣1元的H股				
At 1 January	於1月1日	605,376,000	605,376	504,480,000	504,480
Issue of H Shares (Note b)	發行H股(附註b)	–	–	100,896,000	100,896
At 31 December	於12月31日	605,376,000	605,376	605,376,000	605,376
Total	總計	1,469,376,000	1,469,376	1,469,376,000	1,469,376

Notes:

- (a) On 23 February 2016, the Company completed the issuance of 144,000,000 Domestic Shares at the price of RMB1 per share under the general mandate. Details of the issuance has been disclosed in the Company's announcement date 18 December 2015 and 25 February 2016, respectively. The new Domestic Shares rank pari passu in all respects among themselves and with the existing Domestic Shares and H-Shares.
- (b) On 11 February 2016, the Company and the placing agent, completed the placing of 100,896,000 H-Shares at the price of RMB1 per share (equivalent to HK\$1.19) under the general mandate. Details of the placing has been disclosed in the Company's announcement dated 19 January 2016 and 11 February 2016, respectively. The new H-Shares rank pari passu in all respects among themselves and with the existing Domestic Shares and H-Shares.

附註：

- (a) 於2016年2月23日，本公司完成根據一般授權發行144,000,000股每股人民幣1元的內資股。有關發行的詳情披露於本公司日期分別為2015年12月18日及2016年2月25日的公告。該等新內資股各自及與現有內資股及H股在各方面享有同等權利。
- (b) 於2016年2月11日，本公司與配售代理完成根據一般授權發行100,896,000股每股人民幣1元(相當於1.19港元)的H股。有關配售事項的詳情載於本公司日期分別為2016年1月19日及2016年2月11日的公告。該等新H股各自及與現有內資股及H股在各方面享有同等權利。

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32. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Cheng He Chuang Jian

As disclosed in Note 29 to the consolidated financial statements, the Group completed the disposal of its subsidiary, Cheng He Chuang Jian on 5 May 2017. The net assets of Cheng He Chuang Jian at the date of disposal were as follows:

Consideration received:

	RMB'000 人民幣千元
Cash received	42,000

Analysis of assets and liabilities over which control was lost:

	RMB'000 人民幣千元
Available-for-sale investment	50,000
Bank balance and cash	873
Other payable	(6,870)
Net assets disposed of	44,003

Loss on disposal of a subsidiary:

	RMB'000 人民幣千元
Consideration received and receivable	42,000
Net assets disposed of	(44,003)
Loss on disposal	(2,003)

Net cash inflow arising on disposal:

	RMB'000 人民幣千元
Cash consideration (Note)	42,000
Less: bank balance and cash disposed of	(873)
	41,127

Note: As at 31 December 2016, consideration of RMB24,000,000 has been received from the Buyer.

32. 出售附屬公司

(a) 出售城合創建

誠如綜合財務報表附註29所披露，本集團於2017年5月5日完成出售其附屬公司城合創建。於出售日期城合創建的資產淨值如下：

已收代價：

	RMB'000 人民幣千元
已收現金	42,000

失去控制權之資產及負債之分析：

	RMB'000 人民幣千元
可供出售投資	50,000
銀行結餘及現金	873
其他應付款項	(6,870)
已出售資產淨值	44,003

出售附屬公司之虧損：

	RMB'000 人民幣千元
已收及應收代價	42,000
已出售資產淨值	(44,003)
出售虧損	(2,003)

出售產生之現金流入淨值：

	RMB'000 人民幣千元
現金代價(附註)	42,000
減：已出售銀行結餘及現金	(873)
	41,127

附註：於2016年12月31日，已自買方收取代價人民幣24,000,000元。

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32. DISPOSAL OF SUBSIDIARIES (Continued)

(a) Disposal of Cheng He Chuang Jian (Continued)

The impact of Cheng He Chuang Jian on the Group's result and cash flows in the current and prior periods is disclosed in Note 29.

(b) Disposal of Shenzhen National Asia Fund Management Limited ("National Asia")

On 13 October 2017, Shenzhen Shen He entered into the disposal agreement with 8 independent third parties (the "Multiple Buyers"), whereby Multiple Buyers have conditionally agreed to purchase and Shenzhen Shen He has conditionally agreed to sell the entire issued share capital of National Asia, a wholly-owned subsidiary of the Company at the consideration of RMB9,867,000.

The disposal was completed on 17 October 2017, on which date the control of National Asia was passed to the Multiple Buyers.

The net assets of National Asia at the date of disposal were as follows:

Consideration:

		RMB'000 人民幣千元
Consideration	代價	9,867

Analysis of assets and liabilities over which control was lost:

		RMB'000 人民幣千元
Amount due from Shenzhen Shen He	應收深圳沈和款項	9,860
Bank balance and cash	銀行結餘及現金	7
Net assets disposed of	已出售資產淨值	9,867

32. 出售附屬公司(續)

(a) 出售城合創建(續)

城合創建對本集團現時及過往期間業績及現金流量的影響披露於附註29。

(b) 出售深圳市國民亞洲基金管理有限公司(「國民亞洲」)

於2017年10月13日，深圳沈和與8名獨立第三方(「多個買家」)訂立出售協議，據此，多個買家已有條件同意購買而深圳沈和已有條件同意出售國民亞洲(本公司之全資附屬公司)全部已發行股本，代價為人民幣9,867,000元。

出售已於2017年10月17日完成，當日，國民亞洲的控制權已轉讓予多個買家。

國民亞洲於出售日期的資產淨值如下：

代價：

失去控制權之資產及負債之分析：

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32. DISPOSAL OF SUBSIDIARIES (Continued)

(b) Disposal of Shenzhen National Asia Fund Management Limited ("National Asia") (Continued)

Gain on disposal of a subsidiary:

		RMB'000 人民幣千元
Consideration received and receivable	已收及應收代價	9,867
Net assets disposed of	已出售資產淨值	(9,867)
		-
Gain on disposal	出售收益	-

Net cash inflow arising on disposal:

		RMB'000 人民幣千元
Cash consideration (Note)	現金代價(附註)	7
Less: bank balance and cash disposed of	減：已出售銀行結餘及現金	(7)
		-

Note: Pursuant to the deed of settlement signed by Shenzhen Shen He and Multiple Buyers on 16 October 2017, the consideration with RMB9,860,000 is settled against with the amount due from Shenzhen Shen He.

32. 出售附屬公司(續)

(b) 出售深圳市國民亞洲基金管理 有限公司(「國民亞洲」)(續)

出售附屬公司之收益：

		RMB'000 人民幣千元
Consideration received and receivable	已收及應收代價	9,867
Net assets disposed of	已出售資產淨值	(9,867)
		-
Gain on disposal	出售收益	-

出售產生之現金流入淨值：

		RMB'000 人民幣千元
Cash consideration (Note)	現金代價(附註)	7
Less: bank balance and cash disposed of	減：已出售銀行結餘及現金	(7)
		-

附註：根據深圳沈和及多個買家於2017年10月16日簽署的結算契據，代價人民幣9,860,000元由應收深圳沈和款項結算。

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33. NON-CONTROLLING INTERESTS

33. 非控股權益

		Share of net assets of a subsidiary 分佔附屬公司淨資產 RMB'000 人民幣千元
At 1 January 2016	於2016年1月1日	-
Capital contribution	注資	80,990
Share of other comprehensive income	分佔其他全面收益	475
Share of profit for the year	分佔年內溢利	3,802
At 31 December 2016	於2016年12月31日	85,267
Capital reduction	減股	(59,718)
Share of other comprehensive expense	分佔其他全面開支	(3,295)
Share of profit for the year	分佔年內溢利	3,241
At 31 December 2017	於2017年12月31日	25,495

On 23 December 2015, Kingma Overseas Investment Development Corporation Limited ("Kingma Overseas"), a wholly-owned subsidiary of the Company, entered into the capital contribution agreement with Chung Hwa Finance Holdings Limited, pursuant to which each of the parties agreed to make capital contribution of HK\$109,990,000 and HK\$90,000,000 (equivalent to approximately RMB80,990,000) respectively to Chung Hwa Finance Limited ("Chung Hwa Finance"). Details of the capital contribution has been disclosed in the Company's announcement dated 23 December 2015.

The Capital Contribution was completed on 18 March 2016. Upon completion of the capital contribution, the issued share capital of Chung Hwa Finance has been increased to HK\$200,000,000 and Chung Hwa Finance was owed as to 55% and 45% by Kingma Overseas and Chung Hwa Finance Holding Limited, respectively. Chung Hwa Finance has continued to be a subsidiary of the Company.

於2015年12月23日，金馬海外投資發展有限公司(「金馬海外」，本公司之全資附屬公司)與中華信貸集團有限公司訂立注資協議，據此，雙方各自同意向中華信貸有限公司(「中華信貸」)分別注資109,990,000港元及90,000,000港元(相當於約人民幣80,990,000元)。有關注資的詳情於本公司日期為2015年12月23日的公告中披露。

注資已於2016年3月18日完成。於完成注資後，中華信貸已發行股本已增至200,000,000港元，中華信貸將分別由金馬海外及中華信貸集團有限公司擁有55%及45%。中華信貸將繼續作為本公司附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the year ended 31 December 2017
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33. NON-CONTROLLING INTERESTS (Continued)

On 16 January 2017, Chung Hwa Finance has passed the special resolution to approve the proposed reduction of its share capital from HK\$200,000,000 to HK\$50,000,000 (the "Capital Reduction"). The Capital Reduction was completed on 21 February 2017. Upon completion of the Capital Reduction, the issued share capital of Chung Hwa Finance has been decreased to HK\$50,000,000 while the number of issued shares has remain unchanged. Chung Hwa Finance was remained owned as to 55% by Kingma Overseas and 45% by Chung Hwa Finance Holdings Limited, respectively. Details of the Capital Reduction has been disclosed in the Company's announcement dated 23 January 2017.

34. DEFERRED TAX ASSET

The following is the deferred tax asset recognised and the movements thereon during the current and prior years:

		Temporary difference 暫時差額 RMB'000 人民幣千元
At 1 January 2016	於2016年1月1日	1,354
Charge to profit or loss	自損益扣除	(1,354)
At 31 December 2016 and 2017	於2016年及2017年12月31日	-

In accordance with the PRC laws and regulations, tax losses could be carried forward for five years to offset against its future taxable profits. Deferred tax assets relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

At the end of the reporting period, the Group had estimated unused tax losses of approximately RMB5,641,000 (2016: RMB12,232,000) and approximately of HK\$10,334,000 (2016: HK\$13,792,000) available for offset against future profits in the PRC and Hong Kong respectively. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profits stream. The tax losses arising from the PRC operations will expire in five years after the relevant accounting year end. The tax losses arising from other operations do not expire under current tax legislation in the relevant tax jurisdiction.

33. 非控股權益(續)

於2017年1月16日，中華信貸通過特別決議案，批准建議將其股本由200,000,000港元削減至50,000,000港元(「減股」)。減股已於2017年2月21日完成。於減股完成後，中華信貸已發行股本已減至50,000,000港元，而已發行股份數目維持不變。中華信貸仍分別由金馬海外及中華信貸集團有限公司擁有55%及45%的權益。有關減股的詳情，披露於本公司日期為2017年1月23日的公告。

34. 遞延稅項資產

以下為已確認的遞延稅項資產及其於本年度及過往年度的變動情況：

根據中國法律及法規，稅務虧損可結轉5年以抵銷其日後的應課稅利潤。有關尚未動用稅項虧損的遞延稅項資產，只會在將有足夠應課稅溢利以使該等遞延稅項資產獲得動用時方會確認。

於報告期末，本集團可供抵銷中國及香港的未來溢利的估計未動用稅務虧損分別約人民幣5,641,000元(2016年：人民幣12,232,000元)及約10,334,000港元(2016年：13,792,000港元)。由於未能預測未來溢利流，故未就未動用稅務虧損確認遞延稅項資產。中國業務產生的稅務虧損於有關會計年結後五年屆滿。因其他業務產生的稅務虧損根據有關稅項司法權區的現行稅法不會屆滿。

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35. RETIREMENT BENEFITS PLANS

The Group maintains various retirement schemes for its employees. The retirement scheme for employees of the PRC office is a mandatory central pension scheme organised by the PRC government, the assets of which are held separately from those of the Group. Contributions made are based on a percentage of the eligible employees' salaries and charged as expenses when the employees have rendered services entitling them to the contribution. The employer contributions vest fully once they are made. The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in fund under the control of trustees. The Company contributes 5% (2016: 5%) of relevant payroll costs, capped at HK\$1,500 (2016: HK\$1,500) per month, to the Mandatory Provident Fund Scheme, in which contribution is matched by employees.

36. OPERATING LEASE

The Group as lessee

	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Minimum lease payments paid under operating leases during the year	177	207

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated and rentals are fixed for terms at two years (2016: one year). None of the leases included contingent rentals and terms of renewal were established in the leases.

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 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Within one year	194	149
In the second to fifth years inclusive	153	–
	347	149

35. 退休福利計劃

本集團為其僱員設立不同的退休福利計劃。本集團於中國之辦事處為其僱員參與一項由中國政府組織之強制性中央退休計劃，該計劃之資產與本集團之資產分開存放。供款乃按合資格僱員薪酬之百分比釐定，並於僱員提供令其可享受該等供款之服務時列作開支扣除。僱主供款一旦作出，便全歸僱員所有。本集團為香港全部合資格僱員設立強積金計劃。計劃的資產存置於一個由受託人控制的基金，與本集團資產分開持有。本公司與僱員均須每月對強積金計劃按相關薪金成本5% (2016年：5%) 作出供款，上限為1,500港元 (2016年：1,500港元)。

36. 經營租賃

本集團作為承租人

經營租賃款即本集團就其若干寫字樓應付的租金。租約及固定租金經協商為期兩年 (2016年：一年)。概無租約包括或然租金及續訂條款於租約中釐定。

於報告期末，本集團根據不可撤銷經營租約於下列到期日之未來最低應付租金承擔如下：

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37. CAPITAL COMMITMENT

At the end of the reporting period, the Group had the following capital commitment:

37. 資本承擔

於報告期末，本集團有以下資本承擔：

	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
(i) Capital contribution to Zhong De Logistics (Note 21)	5,000	–
(ii) Capital contribution to Guangzhou Xiaoma Chuang Fu Hu Lian Wang Xinxu Fuwu Company Limited	50,000	50,000
(iii) Capital contribution to Shenzhen Shenhe Chuangli Investment and Development Company Limited	200,000	–
(iv) Acquisition of Properties (Note 22)	12,800	42,800
(v) Establish a joint venture in PRC (Note)	–	4,000
	267,800	96,800

Note: On 26 June 2017, Shenzhen Tonghe Chuangjian Investment Development Company Limited ("Shenzhen Tonghe"), a wholly-owned subsidiary of the Company, entered into an agreement with Shenzhen Galaxy Real Estate Development Company Limited ("Shenzhen Galaxy Real Estate"), to which Shenzhen Tonghe agree to disposed the entire interest held of 40% of the joint venture at a consideration of RMB1,000.

附註：於2017年6月26日，深圳同合創建投資發展有限公司（「深圳同合」，本公司之全資附屬公司）與深圳市星河房地產開發有限公司（「深圳星河地產」）訂立協議，據此深圳同合同意出售其於合營企業持有的40%股權的全部權益，代價為人民幣1,000元。

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38. RELATED PARTY TRANSACTIONS

- (a) During the years ended 31 December 2017 and 2016, the identified related party which has transaction with the Group was as follows:

Name of the Company
企業名稱

Chung Hwa Finance Holdings Limited
中華信貸集團有限公司

Shishi Shen Guo Tou
石獅深國投

During the year, the Group entered into the following transaction with related party:

Name of related party

	Nature of transaction 交易性質	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Chung Hwa Finance Holdings Limited 中華信貸集團有限公司	Management fee 管理費	2,020	7,921

The Directors are of the opinion that the above transactions were negotiated on a normal commercial terms and conditions that would be available to third party.

38. 關連方交易

- (a) 截至2017年及2016年12月31日止年度，與本集團進行交易的已識別關連方如下：

Relationships with the Group
與本集團的聯繫

A non-controlling interest of the Group
本集團非控股股東

An associate of the Group
本集團聯營公司

年內，本集團與關連方進行以下交易：

關連方名稱

董事認為，上述交易乃按第三方將獲得的正常商業條款及條件磋商。

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38. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

At the end of the reporting period, the balances of related parties are as follows:

Name of related party

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Amount due from an associate – Shishi Shen Guo Tou	應收聯營公司款項 – 石獅深國投	4,365	375
Amount due (to) from a non-controlling interest – Chung Hwa Finance Holdings Limited	應(付)收非控股 股東款項 – 中華信貸集團 有限公司	(1,952)	49,295

Note: The balances are unsecured, non-interest bearing and repayable on demand.

(b) Compensation of key management personnel

The key management comprises all the Directors and supervisors, details of their remuneration are disclosed in Note 13 to the consolidated financial statements.

The remuneration of Directors and key executives are determined by the Remuneration Committee having regard to the performance of individuals and market trends.

38. 關連方交易(續)

(a) (續)

於報告期末，關連方的結餘如下：

關連方名稱

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Amount due from an associate – Shishi Shen Guo Tou	應收聯營公司款項 – 石獅深國投	4,365	375
Amount due (to) from a non-controlling interest – Chung Hwa Finance Holdings Limited	應(付)收非控股 股東款項 – 中華信貸集團 有限公司	(1,952)	49,295

附註：結餘為無抵押、免息並須按
要求償還。

(b) 董事及主要管理人員的薪酬

主要管理人員包括全體董事及監事，彼等之薪酬詳情披露於綜合財務報表附註13。

董事及主要行政人員的薪酬乃經考慮個人表現及市況後由薪酬委員會釐定。

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39. PARTICULARS OF SUBSIDIARIES

General information of subsidiaries

Particulars of the subsidiaries held by the Company at 31 December 2017 and 2016 are as follows:

39. 附屬公司詳情

有關附屬公司的一般資料

於2017年及2016年12月31日本公司持有的附屬公司的詳細情況如下：

Name of subsidiaries 附屬公司名稱	Place of incorporation/ registration/ operation 註冊成立/ 登記/ 營業地點	Class of shares held 所持股份類別	Paid-up/issued registered capital 已繳足/發行的註冊資本	Proportion ownership interest held by the Company 本公司持有擁有權益比例				Proportion of voting power held by the Company 本公司持有投票權比例		Principal activities 主要業務
				Directly 直接		Indirectly 間接		2017	2016	
				2017	2016	2017	2016			
Zhongfang Chaozhou (Note iv) 中房潮州(附註iv)	PRC 中國	N/A 不適用	RMB400,000,000 人民幣 400,000,000元	100%	100%	-	-	100%	100%	Property development 物業發展
Chaozhou Construction and Development Company Limited* 潮州市中創建設開發有限公司	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	-	-	100%	100%	100%	100%	Not commence business 暫無營業
Beijing Shen Shang 北京瀋商	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	100%	100%	-	-	100%	100%	Investment holding 投資控股
Shenzhen Shen Wu Investment & Development Company Limited* 深圳市沈物投資發展有限公司	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	100%	100%	-	-	100%	100%	Inactive 暫無營業
Shenzhen Shen He 深圳沈和	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	100%	100%	-	-	100%	100%	Inactive 暫無營業
Shenzhen Shen Shang Chuang Jian Investment Development Company Limited 深圳市沈商創建投資發展有限公司	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	-	-	100%	100%	100%	100%	Inactive 暫無營業
Shenzhen Juxi Chuangjian Investment and Development Company Limited (Note i) 深圳市聚鑫創建投資發展有限公司(附註i)	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	-	-	100%	-	100%	-	Inactive 暫無營業
Shenzhen Shenxi Chuangjian Investment and Development Company Limited (Note i) 深圳市沈鑫創建投資發展有限公司(附註i)	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	-	-	100%	-	100%	-	Investment holding 投資控股

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39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

General information of subsidiaries (Continued)

有關附屬公司的一般資料(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ registration/ operation 註冊成立/ 登記/ 營業地點	Class of shares held 所持股份類別	Paid-up/issued registered capital 已繳足/發行的註冊資本	Proportion ownership interest held by the Company 本公司持有權益比例				Proportion of voting power held by the Company 本公司持有投票權比例		Principal activities 主要業務
				Directly 直接		Indirectly 間接				
				2017	2016	2017	2016	2017	2016	
Shenzhen Shenhe Chuangli Investment and Development Company Limited (Note i and Note ii) 深圳市深合創立投資發展有限公司 (附註i及附註ii)	PRC 中國	N/A 不適用	RMB200,000,000 人民幣 200,000,000元	100%	-	-	-	100%	-	Inactive 暫無營業
Shenzhen National Asia Fund Management Limited (Note iii) 深圳市國民亞洲基金管理有限公司 (附註iii)	PRC 中國	N/A 不適用	RMB10,000,000 人民幣 10,000,000元	-	-	-	100%	-	100%	Inactive 暫無營業
Cheng He Chuang Jian (Note iii) 城合創建(附註iii)	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	-	-	-	100%	-	100%	Investment holding 投資控股
Shenzhen Zhonghe 深圳眾合	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	-	-	100%	100%	100%	100%	Investment holding 投資控股
Shenzhen Shenjian Investment Development Company Limited* 深圳市沈建投資發展有限公司	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	100%	100%	-	-	100%	100%	Investment management and consulting 投資管理諮詢
Shenzhen Tonghe* 深圳同合	PRC 中國	N/A 不適用	RMB10,000,000 人民幣 10,000,000元	-	-	100%	100%	100%	100%	Investment holding 投資控股
Tai He Chuang Jian 泰合創建	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	-	-	100%	100%	100%	100%	Investment holding 投資控股
Guangzhou Xiaoma Chuang Fu Hu Lian Wang Xinxi Fuwu Company Limited (Note i and Note ii) 廣州小馬創富互聯網信息服務有限公司(附註i及附註ii)	PRC 中國	N/A 不適用	RMB50,000,000 人民幣 50,000,000元	-	-	100%	100%	100%	100%	Internet technology development 互聯網技術開發

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綜合財務報表附註

For the year ended 31 December 2017
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39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

General information of subsidiaries (Continued)

有關附屬公司的一般資料(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ registration/ operation 註冊成立/ 登記/ 營業地點	Class of shares held 所持股份類別	Paid-up/issued registered capital 已繳足/發行的註冊資本	Proportion ownership interest held by the Company 本公司持有權益比例				Proportion of voting power held by the Company 本公司持有投票權比例		Principal activities 主要業務
				Directly 直接		Indirectly 間接				
				2017	2016	2017	2016	2017	2016	
Shenzhen Ju Sheng Chuang Jian Investment and Development Limited* 深圳市聚晟創建投資發展有限公司	PRC 中國	N/A 不適用	RMB1,000,000 人民幣 1,000,000元	-	-	100%	100%	100%	100%	Investment holding 投資控股
Kingma Overseas 金馬海外	HK 香港	Ordinary 普通股	US\$20,000 20,000美元	-	-	100%	100%	100%	100%	Securities investment 證券投資
Chung Hwa Finance (Note v) 中華信貸(附註v)	HK 香港	Ordinary 普通股	HK\$50,000,000 50,000,000港元	-	-	55%	55%	100%	100%	Credit business 信貸業務
Sichuang Overseas 思創海外	HK 香港	Ordinary 普通股	US\$20,000 20,000美元	-	-	100%	100%	100%	100%	Securities investment 證券投資
Kingma International Ltd. 金馬國際有限公司	BVI 英屬處女群島	Ordinary 普通股	US\$1 1美元	-	-	100%	100%	100%	100%	Not commence business 暫無營業
Sichuang International Ltd. 思創國際有限公司	BVI 香港	Ordinary 普通股	US\$1 1美元	-	-	100%	100%	100%	100%	Not commence business 暫無營業
Modern Key International Limited 現基國際有限公司	BVI 英屬處女群島	Ordinary 普通股	US\$1,000 1,000美元	-	-	100%	100%	100%	100%	Not commence business 暫無營業

* English name for identification purpose only

* 英文公司名稱僅供識別

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39. PARTICULARS OF SUBSIDIARIES (Continued)

General information of subsidiaries (Continued)

All of the above subsidiaries are limited company which the places of operations are the same as their places of incorporation.

None of the subsidiaries had issued any debt securities outstanding at the end of the reporting period or at any time during the year.

Note:

- (i) It was newly incorporated during the year ended 31 December 2017.
- (ii) The registered capital has not been paid up at 31 December 2017.
- (iii) It was disposed of during the year ended 31 December 2017. Details are disclosed in Note 32 to the consolidated financial statements.
- (iv) On 17 March 2017, the Board has passed a resolution to increase the registered capital from RMB150,000,000 to RMB400,000,000.
- (v) On 16 January 2017, it has passed a resolution to approve the proposed reduction of its share capital from HK\$200,000,000 to HK\$50,000,000 (the "Capital Reduction"). The Capital Reduction was completed on 21 February 2017.

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interest and voting rights held by non-controlling interests 非控股權益持有擁有權益及投票權比例		Profit allocated to non-controlling interests 分配至非控股權益的溢利		Accumulated non-controlling interests 累計非控股權益	
		2017	2016	2017	2016	2017	2016
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Chung Hwa Finance 中華信貸	HK 香港	45%	45%	3,241	3,802	25,495	85,267

39. 附屬公司詳情(續)

有關附屬公司的一般資料(續)

所有上述附屬公司均為有限公司，其營業地點與註冊成立地點相同。

概無附屬公司發行任何於報告期末或於年內任何時間未償還的債務證券。

附註：

- (i) 於截至2017年12月31日止年度新註冊成立。
- (ii) 於2017年12月31日，註冊資本尚未繳足。
- (iii) 其已於截至二零一七年十二月三十一日止年度售出。詳情披露於綜合財務報表附註32。
- (iv) 於2017年3月17日，董事會已通過一項決議案以將註冊資本自人民幣150,000,000元增加至人民幣400,000,000元。
- (v) 於2017年1月16日，其已通過一項決議案以批准建議將其股本自200,000,000港元削減至50,000,000港元(「減股」)。減股已於2017年2月21日完成。

擁有重大非控股權益的非全資附屬公司的詳情

下表載列本集團擁有重大非控股權益的非全資附屬公司的詳情：

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綜合財務報表附註

For the year ended 31 December 2017
截至2017年12月31日止年度

39. PARTICULARS OF SUBSIDIARIES (Continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Chung Hwa Finance Limited

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Current assets	流動資產	369,471	455,294
Non-current assets	非流動資產	21	34
Current liabilities	流動負債	(301,640)	(254,648)
Non-current liabilities	非流動負債	–	–
Equity attributable to owners of the Company	本公司擁有人應佔權益	56,654	115,413
Non-controlling interests of Chung Hwa Finance (Note)	中華信貸的非控股權益 (附註)	25,495	85,267

Note: As per the capital contribution agreement, non-controlling interest will not share the pre-acquisition reserve of approximately RMB11,198,000. No gain or loss on a deemed disposal have been recognised in equity.

39. 附屬公司詳情(續)

擁有重大非控股權益的非全資附屬公司的詳情(續)

有關本集團擁有重大非控股權益的附屬公司的財務資料概要載列下文。以下財務資料概要指集團內公司間對賬前的金額。

中華信貸有限公司

附註：根據注資協議，非控股權益將不會分佔收購前儲備約人民幣11,198,000元。概無視為出售的損益已在權益中確認。

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綜合財務報表附註

For the year ended 31 December 2017
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39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

擁有重大非控股權益的非全資附屬公司的詳情(續)

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Revenue	收入	15,499	38,467
Expenses	開支	(8,296)	(30,019)
Profit for the year	年內溢利	7,203	8,448
Profit attributable to owners of the Company	本公司擁有人應佔溢利	3,962	4,646
Profit attributable to the non-controlling interests of Chung Hwa Finance	中華信貸非控股權益應佔溢利	3,241	3,802
Profit for the year	年內溢利	7,203	8,448
Other comprehensive (expense) income attributable to owners of the Company	本公司擁有人應佔其他全面(開支)收入	(4,026)	580
Other comprehensive (expense) income attributable to the non-controlling interests of Chung Hwa Finance Limited	中華信貸有限公司非控股權益應佔其他全面(開支)收入	(3,295)	475
Other comprehensive (expense) income for the year	年內其他全面(開支)收入	(7,321)	1,055
Total comprehensive (expense) income attributable to owners of the Company	本公司擁有人應佔全面(開支)收入總額	(64)	5,226
Total comprehensive (expense) income attributable to the non-controlling interests of Chung Hwa Finance	中華信貸非控股權益應佔全面(開支)收入總額	(54)	4,277
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	(118)	9,503
		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Net cash inflow (outflow) from operating activities	經營活動現金流入(流出)淨額	12,694	(98,430)
Net cash outflow from investing activities	投資活動現金流出淨額	(2,356)	(40,526)
Net cash (outflow) inflow from financing activities	融資活動現金(流出)流入淨額	(7,046)	139,760
Net cash inflow	現金流入淨額	3,292	804

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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截至2017年12月31日止年度

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 40. 本公司財務狀況表

	Notes 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
NON-CURRENT ASSETS			
Investments in subsidiaries	(a)	644,688	194,688
Deposit paid for acquisition of investment		-	32,000
		644,688	226,688
CURRENT ASSETS			
Amounts due from subsidiaries	(b)	688,483	822,022
Other receivables		1,464	-
Bank balances and cash		429	833
		690,376	822,855
CURRENT LIABILITIES			
Other payables and accruals		2,149	2,167
Amount due to a subsidiary	(c)	329,939	54,079
Tax liabilities		4,851	4,959
		336,939	61,205
NET CURRENT ASSETS		353,437	761,650
NET ASSETS		998,125	988,338
CAPITAL AND RESERVES			
Share capital		1,469,376	1,469,376
Reserves	(d)	(471,251)	(481,038)
TOTAL EQUITY		998,125	988,338

The Company's statement of financial position was approved and authorised for issue by the board of directors on 29 March 2018 and are signed on its behalf by:

本公司的財務狀況表，經董事會於2018年3月29日核准及授權發出，並由下列董事代表簽署：

Zhang Jing Ming
張敬明
Director
董事

Deng Xiao Gang
鄧曉綱
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
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40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

40. 本公司財務狀況表(續)

Notes:

附註：

(a) Investments in subsidiaries

(a) 於附屬公司的投資

	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Unlisted shares, at cost	644,698	194,698
Less: Accumulated impairment allowance	(10)	(10)
	644,688	194,688

(b) Apart from Zhongfang Chaozhou, the amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment for both years.

(b) 除了應收中房潮州款項，於該兩個年度，應收附屬公司款項為無抵押、免息且並無固定的還款期。

At 31 December 2017 and 2016, the amount due from Zhongfang Chaozhou is unsecured, non-interest bearing and is repayable within one year.

於2017年及2016年12月31日，應收中房潮州款項為無抵押、免息，並須於一年內償還。

(c) The amount due to a subsidiary is unsecured, non-interest bearing and has no fixed terms of repayment.

(c) 應付一間附屬公司款項為無抵押、免息且並無固定的還款期。

(d) Reserves

(d) 儲備

	Share premium 股份溢價 RMB'000 人民幣千元 (Note i) (附註i)	Statutory surplus reserve 法定盈餘公積金 RMB'000 人民幣千元 (Note ii) (附註ii)	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	322,426	103,215	(906,931)	(481,290)
Profit for the year, representing total comprehensive income for the year	-	-	2,202	2,202
Transaction costs attributable to issuance of H-shares	(1,950)	-	-	(1,950)
At 31 December 2016 and 1 January 2017	320,476	103,215	(904,729)	(481,038)
Profit for the year, representing total comprehensive income for the year	-	-	9,787	9,787
At 31 December 2017	320,476	103,215	(894,942)	(471,251)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
截至2017年12月31日止年度

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes: (Continued)

(d) Reserves (Continued)

Notes:

(i) Share premium

Share premium comprises surplus between the value of net assets acquired and the nominal value of state shares issued as a result of the incorporation of the Company as a joint stock limited company and the share premium from the issuance of H-shares.

(ii) Statutory surplus reserve

The Company is required to set aside 10% of its profit after taxation prepared in accordance with the PRC accounting standards regulations to the statutory surplus reserve until the balance reaches 50% of their respective paid up capital or registered capital, where further appropriation will be at the Directors' recommendation. Such reserve can be used to reduce any losses incurred or to increase the capital.

41. EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) On 5 February 2018, Shenzhen Shenxi entered into a supplemental agreement with Zhong De Logistic and SHHH Development and SNP Investment to supplement the certain terms and conditions of the capital contribution as follow:

(i) The change in industry and commercial registration procedures in respect of the shareholding in Zhong De Logistic shall be completed by 30 September 2018;

(ii) all parties to the supplemental agreement agreed that before the change in industry and commercial registration procedures by 30 September 2018, Shenzhen Shenxi shall have right to convert the contributed amount of RMB150,000,00 paid to Zhong De Logistic to the premises of the project with the equivalent value (the "Conversion").

40. 本公司財務狀況表(續)

附註：(續)

(d) 儲備(續)

附註：

(i) 股份溢價

股份溢價包括收購的淨資產價值和本公司作為股份制有限公司註冊成立而發行的國有股面值之間的盈餘，以及發行H股所產生的股份溢價。

(ii) 法定盈餘公積金

根據中國會計準則法規，本公司需要從稅後溢利中撥出10%作為法定盈餘公積金，直到結餘達到彼等各自己繳足股本或註冊資本的50%，進一步的撥備將由董事建議。該公積金可以用作減少已發生的任何虧損或增加股本。

41. 報告期末後事件

(a) 於2018年2月5日，深圳沈璽與眾德物流及深圳合輝煌發展及深圳新邦投資訂立補充協議，以補充注資之若干條款及條件如下：

(i) 就於眾德物流的股權變更工商登記程序，須於2018年9月30日前完成；

(ii) 補充協議的所有訂約方同意，於2018年9月30日前工商變更登記程序之前，深圳沈璽有權將已支付予眾德物流的金額為人民幣150,000,000元的增資款轉換(「轉換」)為該項目相等價值的物業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017
截至2017年12月31日止年度

41. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

(a) (Continued)

- (iii) Shenzhen Shenxi has the priority right to choose the location of the premise in the Project. Upon the Conversion is executed, Shenzhen Shenxi shall has right to determine the floor area and the price of the premise with reference to its market value as well as its appraised value estimated by the independent valuer.

Details of the supplemental agreement has been disclosed in the Company's announcement dated 5 February 2018.

- (b) On 9 February 2018, Beijing Shen Shang Investment & Consulting Company Limited, a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with San He Jing Jiao Property Development Company Limited to acquire properties units with the consideration of RMB110,000,000.

The properties comprise 11 shop units (including Shop No. 5-1-101, 5-1-102, 5-1-103, 5-1-104, 5-5-111, 5-5-112, 5-5-222, 5-5-223, 5-5-324, 5-5-425 and 5-5-426) with a total gross floor area of approximately 3,168 square meter together with 60 car parking spaces (No. 001-005, 008-010, 012-024, 027-029, 032-034, 036-055, 059-071) on basement level of Phase 5 of Tian Zi Zhuang Yuan, located at Yanjiao National High Tech Industrial Development Area, Sanhe City, Hebei Province.

Details of the acquisition has been disclosed in the Company's announcement date 9 February 2018.

41. 報告期末後事件(續)

(a) (續)

- (iii) 深圳沈璽擁有優先於該項目內選擇物業位置的權利。轉換執行時，深圳沈璽有權參考當時物業市場價值及獨立估值師估計的估值以釐定物業的面積及價格。

有關補充協議之詳情已於本公司日期為2018年2月5日之公告中披露。

- (b) 於2018年2月9日，本集團之全資附屬公司北京瀋商投資諮詢有限公司與三河京郊房地產開發有限公司訂立買賣協議，以收購物業單位，代價為人民幣110,000,000元。

該物業包括於河北省三河市燕郊國家高新技術產業開發區天子莊園五期的11個商舖單位(包括第5-1-101、5-1-102、5-1-103、5-1-104、5-5-111、5-5-112、5-5-222、5-5-223、5-5-324、5-5-425、5-5-426號舖)總建築面積約3,168平方米，連同地庫的60個停車位(第001-005、008-010、012-024、027-029、032-034、036-055、059-071號)。

有關收購之詳情已於本公司日期為2018年2月9日之公告中披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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41. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

- (c) On 20 March 2018, Zhongfang Chaozhou entered into the share transfer agreements with three independent third parties, pursuant to which Zhongfang Chaozhou agreed to transfer a total number of 3,000,000 shares of available-for-sale investment to three independent third parties at a price of RMB1.80 per share.
- (d) Pursuant to the Acquisition Agreement, in the event of Beijing Zhong Tou failed to obtain the commodity house pre-sale permit by 31 December 2017 (the "Permit"), Beijing Zhong Tou shall pay Beijing Shen Shang a compensation (i.e. 0.03% of the deposit paid per day for each day of delay) (the "Compensation")

On 26 March 2018, Beijing Shen Shang entered into a supplemental agreement with Beijing Zhong Tou, pursuant to which i) Beijing Shen Shang agreed to waive the Compensation, ii) Beijing Zhong Tou should obtain the Permit on or before 31 August 2018, iii) the date of completion and acceptance of the Properties postpone to 31 December 2019 and iv) Beijing Zhong Tou shall return a prepaid deposit of RMB30,000,000 to Beijing Shen Shang within 3 months upon signing of the supplemental agreement. Beijing Shen Shang will settle such amount upon the Permit is obtained.

41. 報告期末後事件(續)

- (c) 於2018年3月20日，中房潮州三名獨立第三方人士訂立股份轉讓協議，據此，中房潮州同意按每股人民幣1.80元轉讓可供出售投資合計3,000,000股股份予三名獨立第三方人士。
- (d) 根據收購協議，倘於2017年12月31日前北京中投未能取得商品房預售許可證(「許可證」)，則北京中投須向北京瀋商支付補償金(即每延遲一日，每日支付訂金之0.03%)(「補償金」)。

於2018年3月26日，北京瀋商與北京中投訂立補充協議，據此，i)北京瀋商同意豁免補償金，ii)北京中投應於2018年8月31日或之前取得許可證，iii)完成日期及物業驗收交付日期押後至2019年12月31日及iv)北京中投須自簽署補充協議後3個月內向北京瀋商退還預付訂金人民幣30,000,000元。北京瀋商將於取得許可證後結清該筆款項。

FINANCIAL SUMMARY

財務摘要

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元	2014 RMB'000 人民幣千元	2013 RMB'000 人民幣千元
Revenue	收入	15,499	108,370	311,400	86,248	336,800
Sales taxes on turnover	營業額銷售稅	-	(468)	(765)	(431)	(1,679)
Cost of sales	銷售成本	(2,066)	(78,707)	(293,945)	(80,932)	(303,863)
Other income	其他收入	3,013	538	2,077	2,042	545
Gain on disposal of assets and liabilities classified as held for sale	出售分類為持作銷售之資產及負債之收益	-	-	-	45,677	-
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	(24,459)	(20,000)	-	-	-
Impairment loss recognised in respect of interest in an associate	就於一間聯營公司權益確認之減值虧損	-	(3,561)	-	-	-
Finance cost	財務成本	-	(51)	(531)	-	-
Exchange (loss) gain	匯兌(虧損)收益	(9,861)	16,898	11,578	-	-
Loss on disposal of convertible instruments designed as financial asset as fair value through profit or loss	出售指定為按公允價值計入損益的財務資產的可換股工具的虧損	-	(1,141)	-	-	-
Fair value change on convertible instruments designed as financial asset at fair value through profit or loss	指定為按公允價值計入損益的財務資產的可換股工具的公允價值變動	-	-	1,084	-	-
Gain (loss) on disposal of subsidiaries, net	出售附屬公司收益(虧損)淨額	-	-	-	3	-
Fair value change on held-for-trading investments	持作買賣投資之公允價值變動	(42)	(30)	(7,917)	-	(66)
Loss on disposal of subsidiaries	出售附屬公司虧損	(2,003)	-	-	-	-
(Loss) gain on disposal of held-for trading investments	出售持作買賣投資的(虧損)收益	-	(993)	(9,377)	(561)	(161)
Administrative and other operating expenses	行政及其他經營開支	(8,533)	(8,864)	(9,880)	(6,830)	(14,088)
Share of profit of an associate	應佔一間聯營公司溢利	738	41	-	-	-
(Loss) Profit before tax	除稅前(虧損)溢利	(27,714)	12,032	3,724	45,216	17,488
Income tax expenses	所得稅開支	(1,877)	(5,881)	(6,497)	(1,155)	(5,849)
(Loss) Profit for the year	年內(虧損)溢利	(29,591)	6,151	(2,773)	44,061	11,639
Non-controlling interests	非控股權益	3,241	3,802	-	-	-
(Loss) Profit attributable to owners of the Company	本公司擁有人應佔(虧損)溢利	(32,832)	2,349	(2,773)	44,061	11,639

FINANCIAL SUMMARY

財務摘要

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

		2017	2016	2015	2014	2013
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產	617,871	516,734	334,997	127,209	107,133
Current assets	流動資產	524,968	755,668	588,349	642,273	1,226,012
Current liabilities	流動負債	(116,228)	(151,734)	(134,624)	(181,551)	(789,455)
Net current assets	流動資產淨額	408,740	603,934	453,725	460,722	436,557
Total assets less current liabilities	總資產減流動負債	1,026,611	1,120,668	788,722	587,931	543,690
Capital and reserves:	資本及儲備：					
Share capital	股本	1,469,376	1,469,376	1,224,480	1,020,400	1,020,400
Reserves	儲備	(468,260)	(433,975)	(435,758)	(432,469)	(476,710)
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,001,116	1,035,401	788,722	587,931	543,690
Non-controlling interests	非控股權益	25,495	85,267	–	–	–
Total equity	總權益	1,026,611	1,120,668	788,722	587,931	543,690

GLOSSARY

專用詞彙

In this report (other than the Financial Statements), unless the context otherwise requires, the following expressions shall have the following respective meanings.

於本報告(財務報表除外)，除文義另有所指，以下詞彙具有以下涵義。

“2016 Corresponding Period” 「2016年同期」	for the year ended 31 December 2016 截至2016年12月31日止年度
“2017 Financial Year” 「2017年財政年度」	for the year ended 31 December 2017 截至2017年12月31日止年度
“Articles” 「公司章程」	The Articles of Association of the Company 本公司組織章程細則
“Beijing Shen Shang” 「北京瀋商」	Beijing Shen Shang Investment & Consulting Company Limited*, a wholly owned subsidiary of the Company 北京瀋商投資諮詢有限公司，本公司全資附屬公司
“Beijing Zhong Tou” 「北京中投」	Beijing Zhong Tou Chuang Zhan Property Limited* 北京中投創展置業有限公司
“BGA China” 「神農中華」	BGA China Technology Company Limited* 神農中華科技有限公司
“Board” 「董事會」	the board of Directors 董事會
“Cheng He Chuang Jian” 「城合創建」	Shenzhen Cheng He Chuang Jian Investment and Development Company Limited 深圳市城合創建投資發展有限公司
“Chung Hwa Finance” 「中華信貸」	Chung Hwa Finance Limited (formerly known as Newpont Finance Limited), a licensed money lender in Hong Kong under the Money Lenders Ordinance 中華信貸有限公司(前稱新邦信貸有限公司)，根據《放債人條例》的香港持牌放債人
“Company” 「本公司」	Shenyang Public Utility Holdings Company Limited* 瀋陽公用發展股份有限公司
“CSRC” 「中國證監會」	China Securities Regulatory Commission 中國證券監督管理委員會
“Director(s)” 「董事」	the directors of the Company 本公司董事

<p>“Domestic Shares” 「內資股」</p>	<p>domestic shares with a nominal value of RMB1 each in the share capital of the Company which are subscribed for in RMB 本公司股本中每股面值人民幣1元的內資股，以人民幣認購</p>
<p>“EGM” 「股東特別大會」</p>	<p>an extraordinary general meeting of the Company to be convened and held to approve the proposed re-election of directors and supervisors 本公司就批准重選董事及監事建議而召開及舉行之股東特別大會</p>
<p>“General Mandate 2016” 「2016一般授權」</p>	<p>the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 15 June 2016, pursuant to which the Directors are authorised to allot, issue and deal with each of the H-Shares and Domestic Shares with an aggregate nominal amount of up to but not exceeding 20% of the then aggregate nominal amount of H-Shares and Domestic Shares, respectively 於本公司2016年6月15日舉行的股東週年大會上獲股東授予董事的一般授權，據此，董事獲授權配發、發行及處理總面值最高但不超過H股及內資股當時總面值20%的H股及內資股</p>
<p>“Group” 「本集團」</p>	<p>the Company and its subsidiaries 本公司及其附屬公司</p>
<p>“Hai Yue Real Estate” 「海粵房地產」</p>	<p>Guangzhou Hai Yue Real Estate Development Company Limited* 廣州海粵房地產發展有限公司</p>
<p>“Hong Kong” 「香港」</p>	<p>the Hong Kong Special Administrative Region of the People’s Republic of China 中華人民共和國香港特別行政區</p>
<p>“H-Shares” 「H股」</p>	<p>overseas listed foreign ordinary share(s) of the Company with a nominal value of RMB1 each, all of which are listed on the main board of the Stock Exchange and subscribed for and traded in Hong Kong dollars 本公司每股面值人民幣1元之境外上市外資普通股，全部在聯交所主板上市及以港元認購及買賣</p>
<p>“Independent Third Party(ies)” 「獨立第三方」</p>	<p>the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and its connected persons (as defined under the Listing Rules) 於作出一切合理查詢後，就董事深知、得悉及確信，獨立於本公司及其關連人士(定義見上市規則)的獨立第三方</p>
<p>“Jinma Asset” 「金馬資產」</p>	<p>Shenzhen Jinma Asset Management Company Limited 深圳市金馬資產管理有限公司</p>
<p>“Ju Sheng Chuang Jian” 「聚晟創建」</p>	<p>Shenzhen Ju Sheng Chuang Jian Investment and Development Limited, a wholly-owned subsidiary of the Company 深圳市聚晟創建投資發展有限公司，本公司全資附屬公司</p>
<p>“Kingma Overseas” 「金馬海外」</p>	<p>Kingma Overseas Investment Development Corporate Limited 金馬海外投資發展有限公司</p>

GLOSSARY

專用詞彙

“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Model Code” 「標準守則」	Model Code for Securities Transactions by Directors of Listed Issuers 上市發行人董事進行證券交易的標準守則
“PRC” 「中國」	the People’s Republic of China 中華人民共和國
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 中國法定貨幣人民幣
“SFO” 「證券及期貨條例」	Securities and Futures Ordinance (Chapter 571 of the law of Hong Kong) 證券及期貨條例(香港法例571章)
“Share” 「股份」	H-Share(s) and Domestic Share(s) H股及內資股
“Shareholders” 「股東」	holders of the H-Shares and Domestic Shares H股及內資股持有人
“Shenhe Chuangli” 「深合創立」	Shenzhen Shenhe Chuangli Investment Development Company Limited*, a wholly-owned subsidiary of the Company 深圳市深合創立投資發展有限公司，本公司全資附屬公司
“Shenzhen Galaxy Real Estate” 「深圳星河地產」	Shenzhen Galaxy Real Estate Development Company Limited* 深圳市星河房地產開發有限公司
“Shenzhen Hui Ye Micro Lending” 「深圳匯業小額貸款」	Shenzhen Hui Ye Micro Lending Company Limited* 深圳市匯業小額貸款有限公司
“Shenzhen Shen He” 「深圳沈和」	Shenzhen Shen He Chuang Jian Investment Development Company Limited* 深圳市沈和創建投資發展有限公司
“Shenzhen Shenxi” 「深圳沈璽」	Shenzhen Shenxi Investment & Development Company Limited*, a wholly owned subsidiary of the Company 深圳市沈璽投資發展有限公司，本公司全資附屬公司
“Shenzhen Tong He” 「深圳同合」	Shenzhen Tong He Chuangjian Investment Development Company Limited*, a wholly-owned subsidiary of the Company 深圳市同合創建投資發展有限責任公司，本公司全資附屬公司
“Shenzhen Xingma Hongyun” 「深圳星馬鴻運」	Shenzhen Xingma Hongyun Real Estate Development Co., Ltd*, a joint venture established by Shenzhen Tong He and Shenzhen Galaxy Real Estate 深圳市星馬鴻運房地產開發有限公司，由深圳同合及深圳星河地產成立的合營企業

GLOSSARY

專用詞彙

“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Tai He Chuang Jian” 「泰合創建」	Shenzhen Tai He Chuang Jian Investment Development Company Limited*, a wholly-owned subsidiary of the Company 深圳市泰合創建投資發展有限責任公司，本公司全資附屬公司
“Zhong De Logistics” 「眾德物流」	Shenzhen Zhong De Logistics Company Limited* 深圳市眾德物流有限公司
“Zhongfang Chaozhou” 「中房潮州」	Zhongfang Chaozhou Investment Development Company Limited* 中房潮州投資開發有限公司
“Zhongfang Chaozhou Jing Nan Industrial Park Project” 「中房潮州徑南工業園項目」	a infrastructure construction project in Jing Nan Industrial Park, in Chaozhou 位於潮州徑南工業園的基礎設施建設項目
* For identification purpose only	* 僅供識別



SHENYANG
PUBLIC UTILITY
HOLDINGS COMPANY LIMITED

瀋陽公用發展股份有限公司

Stock Code 股份代號 : 747