HSIN CHONG GROUP HOLDINGS LIMITED
新昌集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00404)

US$300 MILLION 8.75% SENIOR NOTES DUE 2018

(Stock Code: 5513)

US$150 MILLION 8.50% SENIOR NOTES DUE 2019

(Stock Code: 5607)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The board (the "**Board**") of directors (the "**Directors**") of Hsin Chong Group Holdings Limited (the "**Company**" or "**Hsin Chong**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2017, financial highlights of which are as follows:

A. REVIEW OF BUSINESS AND PROSPECTS

1. Financial Overview

(In HK$ million)

			Change	
	2017	2016	Amount	%
Revenue	**6,302**	9,823	–3,521	–36%
Revenue – excluding NSC#	**6,124**	9,379	–3,255	–35%
Gross profit	**165**	456	–291	–64%
Gross profit margin	**2.6%**	4.6%	–2.0%	
Gross profit margin – excluding NSC#	**2.7%**	4.9%	–2.2%	
Fair value gain/(loss) on investment properties	**707**	(884)	1,591	180%
Provision for impairment of properties under development	**(361)**	(1,924)	1,563	81%
EBITDA	**(42)**	(4,040)	3,998	99%
Net finance costs	**(321)**	(142)	–179	–126%
Loss attributable to shareholders	**(774)**	(2,734)	1,960	72%
Basic loss per share *(in HK cents)*	**(13.6)**	(48.9)	35.3	72%
Interim dividend *(in HK cents)*	**–**	–	N/A	N/A
Final dividend *(in HK cents)*	**–**	–	N/A	N/A

Note:

\# Nominated subcontractors' work of Macau Galaxy Resort Phase 2 project ("**NSC**")

2. Business Overview

Hsin Chong is an integrated construction and property group in the region, which pursues a strategic transformation in its business portfolio by establishing a dynamic property company. While we await the property business to deliver significant revenue contribution to the Group, our Group's construction business remained profitable.

(In HK$ million)	**2017**	2016	Change Amount	Change %
Revenue				
Construction – excluding NSC	**6,058**	9,314	–3,256	–35%
Property development and investment	**66**	65	1	2%
	6,124	9,379	–3,255	–35%
Construction – NSC	**178**	444	–266	–60%
	6,302	9,823	–3,521	–36%
Discontinued operation *(Note)*	**–**	2,163	–2,163	–100%
	6,302	11,986	–5,684	–47%
Gross profit				
Construction	**139**	436	–297	–68%
Property development and investment	**26**	20	6	30%
	165	456	–291	–64%
Discontinued operation *(Note)*	**–**	149	–149	–100%
	165	605	–440	–73%
EBITDA				
Construction	**–**	315	–315	–100%
Property development and investment	**73**	(4,238)	4,311	102%
Corporate overhead and others	**(115)**	(117)	2	2%
	(42)	(4,040)	3,998	99%
Discontinued operation *(Note)*	**–**	48	–48	–100%
	(42)	(3,992)	3,950	99%
Gross profit margin (excluding NSC)				
Construction	**2.3%**	4.7%		
Property development and investment	**39.4%**	30.8%		

Note:

The discontinued operation represented interiors and special projects ("**ISP**") and property and facility management business upon the disposal of Synergis Holdings Limited, which ceased to be a subsidiary on 21 November 2016.

2.1 Construction Business Review

During the year of 2017, the Construction Division received total new orders of HK$619 million (2016: HK$5,782 million), including the following major contracts:

(i) P4002 direct contract for PPC Pile Works for Galaxy Resort & Casino Phase 4, Lot 4 New Integrated Resort Development at Cotai City, Macau;

(ii) Contract No. CV/2016/10 Site Formation and Associated Infrastructural Works for Development of Columbarium at Sandy Ridge Cemetery;

(iii) a sub-contract for air-conditioning installation for construction of Sports Center, Community Hall and Football Pitches in Area 1, Tai Po; and

(iv) a sub-contract for air-conditioning and mechanical ventilation installation for construction of Public Rental Housing Redevelopment at Pak Tin Estate Phases 7 and 8.

As of 31 December 2017, the outstanding workload (excluding NSC) reported HK$6.8 billion. Among all the contracts on hand, 79% were from the public sector and MTR, including:

(i) Government & Public Institutions: M+ Museum Main Works Contract at West Kowloon Cultural District, Design & Construction of Kowloon East Regional Headquarters and Operational Base cum Ngau Tau Kok Divisional Police Station and Civil Engineering and Development Department; and

(ii) MTR Corporation: Elevated Road along LOHAS Park Road and the Pedestrian Footbridge FBI, Express Rail Link contract for West Kowloon Terminus Station South and Shatin to Central Link contract for Sung Wong Toi and To Kwa Wan Stations and Tunnels.

Another 21% were from private clients, mainly include New World Development, Lai Sun Development and Galaxy Entertainment Group.

During the year, the Group's core Construction Business recorded revenue (excluding NSC) of HK$6.1 billion (2016: HK$9.3 billion) and gross profit of HK$139 million (2016: HK$436 million). The revenue for the year decreased by 35% comparing to that of last year and the gross profit decreased by 68%, our gross margin then decreased by 2.4 percentage point to 2.3%.

2.2 ***Property Development and Investment Business Review***

Over the course of last few years, Hsin Chong has pursued a strategic transformation in its property business portfolio. Currently, the Group has two completed properties in the first-tier cities of Beijing and Guangzhou and four properties under development in Foshan, Tai'an, Tianjin and Tieling.

During the year, this division delivered a revenue of HK$66 million and a gross profit of HK$26 million.

Property Portfolio

Completed properties for investment and/or sale

(i) New Times Plaza, Beijing

At present, New Times Plaza is a famous commercial landmark and top representative of consumption model in Xicheng District. The property is a commercial development, comprising 15 storeys aboveground and 3 storeys of basement. The shopping mall and car park occupy 9 floors of the property (from 3rd floor of the basement to 6th floor) with a total gross floor area ("**GFA**") of approximately 55,798 square metres ("**sqm**"). The apartments are located on the 7th to 15th floors of the property. As at 31 December 2017, the apartments with an area of approximately 11,962 sqm are available for sale or lease.

As of 31 December 2017, the occupancy rate of the shopping mall was more than 95%. The New Times Plaza has generated stable rental and related income for the year and contribution from the property has been stably growing since acquisition.

(ii) Xiyang Computer City (Commercial Portion of Tian Cheng Ming Yuan)

The property with total GFA of 26,306 sqm, consists of commercial property and car park with 325 car parking space, is situated at strategic location of Shipai Xi Road, Tianhe District, Guangzhou City.

Property under development

(i) La Viva, Foshan

La Viva, Foshan project is located at the "Ninety-Ninth Hill" of Dushugang Village, Lubao Town, Sanshui District of Foshan City. The project is 40 kilometers east to the downtown of Guangzhou and close to Hong Kong and Macau in the south. With the established three-dimensional transportation network in the surrounding area, it only takes one hour to get to main cities in the Pearl River Delta Economic Zone, including Guangzhou, Shenzhen, Zhuhai, Dongguan, Zhongshan, Yunfu, Zhaoqing, Huizhou, Qingyuan and Jiangmen, directly covering more than 100 million consumers in Guangdong-Hong Kong-Macau Greater Bay Area.

The planned core layout includes Venice water town, super five-star resort hotel, featured shopping center, children's playground, experience education base, wedding celebration square, hot spring, golf course, regional commercial facilities, service apartment, high-end residential area, egret nature reserve, etc.

The project is positioned as a fashion shopping center and tourist destinations of short vacations in the Pearl River Delta targeted at Guangzhou and Foshan in the short term, and the health preservation resort targeted at Guangdong and the whole country in the medium and long-term (the second residence for improved living conditions in Guangdong, and suitable for health preservation of northern tourists in winter).

The retail outlets with an area of approximately 98,588 sqm was put into trial operation on 28 April 2017, and formally opened for business on 29 May 2017, attracting more than 500,000 customers in the first three days. The wedding plaza and the pet paradise were completed in 2017, and are currently in normal operation. The club, the Phase I of container hotel, and the serviced apartments all have been completed and put into operation. The initial construction of water park has been finished, and water entertainment facilities such as sightseeing boat and fishing have been put into use. The pile foundation construction and municipal supporting project of the commercial residence project with an area of 82,000 sqm have been completed, and the construction engineering planning license and construction license have been obtained. The project has been initially positioned as the first recreation and shopping resort town in Guangzhou-Foshan area.

(ii) Commercial development project, Tai'an

The project is located in the new town in the south of Tai'an city, Shandong Province – Tai'an New and High Tech Industrial Development Zone. It is 70 kilometers from Ji'nan city in its north, approximately 12 kilometers from Dongyue Street in the downtown area of Tai'an city, and 14 kilometers from the trailhead of Mountain Taishan. The project includes commercial properties with a total GFA of approximately 274,977 sqm. The project aims at building an integrated commercial complex featured with tourism and leisure element by integrating traditional business and tourism industry. Based on this comprehensive development framework, the tourism and leisure-oriented project will develop a variety of ancillary facilities integrating various functions such as recreation, leisure, sports, health preservation, catering, and retail, etc. As at the date of this announcement, a total of 34 blocks of two-storey commercial retail outlet mall with a total GFA of over 100,000 sqm are under construction.

(iii) Commercial development project, Tianjin

The project is located in the core area of Tianjin Binhai Free Trade Zone, adjacent to Haihe River on three fronts. The project is planned to have two core themes: the first theme is to build a world-famous cultural relics industry service zone centered on cultural relics exhibition, identification, transaction and supporting finance; the second theme is to build a children's education and entertainment industry base centered on research and development, application, experiment and promotion of augmented reality and virtual reality technology. There are supporting functions such as office, catering, entertainment and business for core themes, all of which are still in the planning stage.

(iv) La Viva, Tieling

La Viva, Tieling is located alongside the south bank of Fanhe River in the Tieling New Town, 8 kilometres north to the old town and over 30 kilometres south to the downtown of Shenyang city. The project includes numerous facilities such as retail, entertainment, tourist attractions, hotel, international school, water park, residence, office buildings and conference and exhibition facilities. It covers an area of 180 hectares and a total GFA of approximately 3 million sqm.

Residential development Phase 1 owns a total saleable area of approximately 225,000 sqm. Upon completion, there will be a total of 2,100 units available for sale, with average size per unit of 107 sqm. The residential sales will be tied with the phased opening of the retail outlets and water park.

Phase 1 of the commercial development of La Viva comprises exhibition centre, banquet hall, club house, outlet mall and a water park which is one of the key components of the unparalleled La Viva experience. It will be the first round-the-year water recreation facility in the northeast region of PRC. The total GFA of the Phase 1 commercial development approximates to 214,743 sqm.

3. <u>Looking Forward</u>

Construction business

With Hsin Chong's leading construction industry position and remarkable track record in Hong Kong, we strive our best to take part in the city's infrastructure and building plans. The Group, in joint venture basis with Build King Holdings Limited, secured the Hong Kong Police Force Kowloon East Regional Headquarters Project contract in the second quarter of last year. Involving both design and construction works, the significant project for Hsin Chong also includes electrical and mechanical engineering works.

In the coming five years from 2019-20 to 2023-24, Hong Kong is expected to have 25 sites available for production of more than 60,000 flats of which more than 80% are for public housing.

The Group's financial situation has been restraining its ability to obtain new projects since the beginning of the year, which resulted in decrease of the Construction Business' turnover. This in turn cause reduction in the Group's cashflow and increase the financing cost.

Hsin Chong has pursued strategic measures include but not limited to disposal of assets and refinance the current facilities to restore the Group's cashflow and liquidity. During such restoration period, the management notice and foresee that (i) the operating progress of various projects may be affected; (ii) short term financing cost may increase; (iii) new tenders will be restricted until the cashflow and liquidity of the Group restored; and (iv) key staffs turnover may increase.

After the Group manages to sort out its current financial issues, Hsin Chong, as one of Asia's longest-standing construction groups with its firm foundation in the industry, will continue to strengthen our solid position to sustain further successes in Hong Kong.

Apart from the public sector, we will also pay our attention to high-end private sector customers with our professionalism and corporate tradition. We have been a major player in Hong Kong's infrastructural development, and will continue to focus our efforts on soliciting new opportunities in the competitive construction market.

PRC Property business

Hsin Chong is experiencing a strategic transformation in diversifying our business segment with the expansion in PRC property development. We hope to grasp the new opportunities in the Mainland China's fast developing property market to form new profit-making points.

(i) New Times Plaza, Beijing and Xiyang Computer City (Commercial Portion of Tian Cheng Ming Yuan)

The Group is actively seeking opportunities to dispose the two projects entirely in 2018 to realise value to stakeholders and improve the Group's cashflow position.

(ii) La Viva, Foshan

The Company is applying for pre-sales license for the low density residence with an area of approximately 24,000 sqm, which is expected to be completely sold in 2018. The commercial residence projects with an area of 82,000 sqm will be available for sales upon satisfaction with pre-sales conditions. It is planned that the construction of the commercial residence project for sales with an area of 300,000 sqm will be commenced in 2018, which will realize considerable cash flow upon satisfaction with pre-sales conditions.

The supporting facilities for Outlets Business will be further improved in 2018 to attract more customers and increase revenue.

Meanwhile, the Company will continue with the application for "Featured Town" in 2018, in order to obtain the special support from the State in terms of policies and financing.

(iii) Commercial development project, Tai'an

The Company plans to launch the commercial operation for the project under construction with an area of over 100,000 sqm in 2018 and commences the construction of saleable residence with an area of 175,000 sqm so as to partially realize the fund withdrawal.

(iv) Commercial development project, Tianjin

A cooperation arrangement has been concluded whereby our partner will contribute funds for development and construction. The arrangement is considered to be beneficial to our cashflow position and should deliver reasonable return.

(v) La Viva, Tieling

The Phase I residence with an area of 225,000 sqm will be available for sale and the commercial water world will be opened for business in 2018. The Company plans to cooperate with powerful institutions to increase the capital investment in projects, liquidize assets and optimize the model of operation in 2018.

Meanwhile, the Company will continue with the application for "Featured Town" in 2018 with an aim to obtain the special support from the State in terms of policies and financing.

International Infrastructure Business – Belt and Road Initiative

Riding on the success in establishing regular business relationships, connections and communications with key ministers and representatives from various countries, such as: The Republic of Chad ("**Chad**") in Africa, The Kingdom of Cambodia ("**Cambodia**") and The Federal Democratic Republic of Nepal ("**Nepal**"), the International Infrastructure Business Division continues to explore and pursue opportunities in Asia, Africa, Europe, Middle East and South America.

In Asia, the Company focuses on Cambodia, Malaysia, Republic of the Union of Myanmar ("**Myanmar**") and Nepal which are relatively close to Hong Kong compared with other continents. In Cambodia, the Company is negotiating several contracts to develop the peripheral establishments of a sporting competition event between Asian countries to be held in 2023. In Malaysia, the Company continues discussions with a major Malaysian-based multinational conglomerate for the construction of infrastructure and building developments. In Myanmar, the Group signed a Memorandum of Understanding ("**MOU**") in early 2017 with an international developer to provide project and construction management services for a 1,800 acre largescale integrated resort project in Ngwe Saung. In Nepal, the Company is in critical discussions with the project developer on the construction of a 25MW hydroelectric power plant in the district of Darbang. The Company will also be invited to submit tenders for tunnels and bridges for a significant highway project from Kathmandu to Terai towards the third quarter of 2018.

In Africa, the Company has extended the validity of its MOU with Chad for one year. Chad's National Assembly President, together with some of his ministers, are planning to visit Hong Kong again in mid-2018. Concurrently, the Company is considering other infrastructure projects, such as: solar energy, railway, civil engineering and mining projects etc, in other African countries, e.g. Morocco, Republic of Côte d'Ivoire, Zimbabwe and Ghana.

In Europe, the Company has commissioned an international property valuation group to prepare a feasibility study on the redevelopment of a major shopping centre and the associated commercial facilities in Istanbul, Turkey. Critical discussions with the project developer are on-going. The Company also focuses on potential infrastructure projects along the Silk Road Economic Belt in Central and Eastern European countries, such as: Hungary and the Republic of Czech.

In the Middle East, the Company is exploring potentials in certain significant construction works in the Kingdom of Bahrain and in the Gulf Railway which connects all six Gulf Cooperation Council member countries.

Leveraging the competitive advantages of Hong Kong and to support its contribution and participation to the Belt and Road Initiative, Hsin Chong continues to perform its role as a Super-Connector and expands its construction expertise by promoting connectivity, integrating and creating a regional economic cooperation framework.

Health Living Concept

The Chinese government has placed high priority on improving the lives of its senior citizens. Based on the statistics released in the Mainland of China, as of end of 2016, senior citizens aged above 60 was over 230 million, representing over 16% of the total population. It is forecast that the elderly population will reach 300 million by 2025. Given the growing needs of aged care services in the Mainland of China, Hsin Chong is actively looking into opportunities to develop quality aged care and healthcare services with focus in Guangdong-Hong Kong-Macao Greater Bay Area.

The Group is also in advanced stages of discussion in the formation of another joint venture with renowned brand in co-developing on the La Viva Foshan site. In anticipation of the potential synergy with our senior care premises on site, a high end spa resort hotel as well as a rehabilitation and spa centre with resort and senior living are now being planned.

Green Building and Sustainability Concept

Green building, which is designing and constructing buildings using eco-friendly materials and techniques, will continue to influence the global construction industry in 2018. The social trends such as sustainable and healthy living are set to shape in future years. As an influential construction industry leader in Hong Kong, we hope to act as a pioneer on sustainable development to maintain our superior position.

4. Financial Position

The Group monitors its liquidity requirements and arranges refinancing of the Group's borrowings when appropriate. During the year ended 31 December 2017, the Group raised an addition of entrusted loans in PRC of HK$4.0 billion of which HK$2.1 billion has maturity over 1 year. As of 31 December 2017, the total debts were HK$13.9 billion of which HK$8.5 billion were from entrusted loans and HK$0.9 billion were from other loans, HK$3.5 billion were from senior notes. Total bank borrowings were at HK$1,039.9 million. There are no outstanding US$100 million 6% convertible bonds due 2017 ("2017 Convertible Bonds") in issue after the redemption of all outstanding 2017 Convertible Bonds in full at the redemption price equal to 100% of the outstanding principal amount of US$2,600,000 plus accrued and unpaid interest of US$30,758 in August 2017.

As of 31 December 2017, cash and bank deposits were HK$1,179.6 million (2016: HK$1,038.6 million).

Net gearing, representing net debt over tangible net assets (net assets less intangible assets) as at 31 December 2017, was 114% (2016: 102%).

Based on the current financial position and debt maturity profile, the primary objective of our prudent financial management is to try to expand the funding sources to improve the Group's cash flow and to lengthen the debt maturity.

5. Funding cost

Bank loans are mainly denominated in Hong Kong Dollar and floating rate interest bearing. Senior notes are denominated in United States Dollar and charged at fixed rate. Interest on the Group's other borrowings including entrusted loans in PRC and other loans is on fixed rate term.

6. Pledge of assets

As at 31 December 2017, the Group pledged its investment properties with carrying amount of HK$9,210 million (2016: HK$7,310 million), property, plant and equipment and leasehold land with carrying amount of HK$1,794 million (2016: HK$2,265 million), properties under development with carrying amount of HK$8,746 million (2016: HK$8,575 million), stocks of properties with carrying amount of HK$562 million (2016: HK$527 million), other receivable with carrying amount of nil (2016: HK$512 million) and bank balances with carrying amount of HK$392 million (2016: HK$627 million), and its equity interest in certain subsidiaries, as collaterals to bank financial institutions and other third parties to secure its borrowings.

7. <u>Exposure to fluctuations in exchange rates and related hedges</u>

The Group operates in Hong Kong, Macau, the PRC, Saipan and Cambodia with most of the transactions denominated and settled in local currencies. Foreign exchange risk exposure arising from the Group's operation in Macau and the PRC is monitored by proper synchronisation of receipts and payments in different operating currencies. For the Group's companies with USD as functional currency, it is not expected that there are any significant movements in the USD/HKD exchange rate as the HKD is pegged to the USD. As at 31 December 2017, the Group did not use any derivative financial instruments to hedge its exposure to foreign exchange risk (2016: nil).

8. <u>Commitments</u>

As at 31 December 2017, the Group had capital commitments in respect of contracted but not provided for capital expenditures on properties under development and other capital investment amounting to HK$2,569 million (2016: HK$2,939 million).

9. <u>Contingent liabilities</u>

At 31 December 2017 and 31 December 2016, the Group is subject to various claims on liquidated damages of certain construction contracts during the normal course of business. The Directors are of the opinion that the Group has applied extension of time to mitigate the liquidated damages and any resulting liability would not materially affect the financial position of the Group.

B. DIVIDEND

The Board did not declare the payment of interim dividend for the six months ended 30 June 2017 (2016: Nil). The Board does not recommend the payment of final dividend for the year ended 31 December 2017 (2016: nil). Accordingly, total dividend for the financial year of 2017 is nil (2016: nil).

C. CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
Continuing operations			
Revenue	*2*	**6,302,374**	9,823,216
Cost of sales	*7*	**(6,137,310)**	(9,366,767)
Gross profit		**165,064**	456,449
Other losses, net	*4*	**(20,278)**	(1,106,159)
Fair value gain/(loss) on investment properties		**707,268**	(883,925)
Provision for impairment of properties under development	*5*	**(361,383)**	(1,924,025)
Net exchange loss		**(25,978)**	(101,899)
Selling and general administrative expenses		**(600,031)**	(507,182)
Amortisation of intangible assets		**(21,040)**	(12,340)
Interest income		**48,845**	12,101
Interest expenses	*6*	**(369,999)**	(154,465)
		(477,532)	(4,221,445)
Share of loss of an associated company		**–**	(52,015)
Loss before taxation	*7*	**(477,532)**	(4,273,460)
Taxation	*8*	**(93,206)**	1,350,866
Loss for the year from continuing operations		**(570,738)**	(2,922,594)
Discontinued operation			
Gain on disposal of a subsidiary	*3*	**–**	185,915
Profit for the year from discontinued operation	*3*	**–**	24,493
		–	210,408
Loss for the year		**(570,738)**	(2,712,186)

	Note	2017 HK$'000	2016 HK$'000
(Loss)/profit attributable to:			
Equity holders of the Company		**(774,382)**	(2,733,500)
Non-controlling interests		**203,644**	21,314
		(570,738)	(2,712,186)
(Loss)/profit attributable to equity holders of the Company:			
Continuing operations		**(774,382)**	(2,936,129)
Discontinued operation		**–**	202,629
		(774,382)	(2,733,500)
Loss per share from continuing operations *(HK cents)*			
Basic	*9*	**(13.6)**	(52.6)
Diluted	*9*	**(13.6)**	(52.6)
Earnings per share from discontinued operation *(HK cents)*			
Basic	*9*	**–**	3.6
Diluted	*9*	**–**	3.6

D. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	2017 HK$'000	2016 HK$'000
Loss for the year	**(570,738)**	(2,712,186)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Actuarial loss on retirement benefit obligations	**(666)**	(101)
Fair value gain on leasehold land and building	**32,924**	117,548
Deferred tax on fair value gain of leasehold land and building	**(5,432)**	(19,395)
Release of deferred tax upon disposal of leasehold land and building	**108,711**	–
Items that may be subsequently reclassified to profit or loss:		
Fair value loss on available-for-sale financial asset	**(1,821)**	(1,877)
Deferred tax on fair value loss of available-for-sale financial asset	**455**	469
Exchange differences arising on translation of foreign operations	**1,034,878**	(1,034,216)
Other comprehensive income for the year, net of tax	**1,169,049**	(937,572)
Total comprehensive income for the year, net of tax	**598,311**	(3,649,758)
Total comprehensive income attributable to:		
Equity holders of the Company	**347,941**	(3,631,959)
Non-controlling interests	**250,370**	(17,799)
	598,311	(3,649,758)

E. CONSOLIDATED BALANCE SHEET

As at 31 December 2017

	Notes	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment and leasehold land	*11*	**2,486,922**	3,010,816
Investment properties		**11,317,718**	9,597,022
Intangible assets		**186,018**	194,200
Available-for-sale financial asset		**27,964**	29,785
Receivables and prepayments	*12*	**534,203**	661,070
Deferred tax assets		**5,044**	9,056
		14,557,869	13,501,949
Current assets			
Properties under development		**15,916,556**	13,429,518
Stocks and contracting work-in-progress		**2,007,585**	2,395,934
Receivables and prepayments	*12*	**2,524,837**	3,063,363
Amounts due from non-controlling interests		**2,250**	267
Amounts due from other partners of joint operations		**8,369**	8,041
Tax recoverable		**7,277**	–
Deposits, cash and cash equivalents		**784,137**	411,147
Restricted cash		**395,454**	627,416
		21,646,465	19,935,686
Current liabilities			
Bank overdrafts		**–**	(25,216)
Bank loans		**(1,039,886)**	(2,329,735)
Convertible bonds	*14*	**–**	(44,696)
Other borrowings		**(7,224,732)**	(4,151,612)
Senior notes		**(2,317,069)**	–
Payables and accruals	*13*	**(5,583,736)**	(6,011,998)
Amounts due to other partners of joint operations		**(44,772)**	(22,847)
Financial derivative liability	*14*	**–**	(183)
Current tax liabilities		**(89,180)**	(81,827)
		(16,299,375)	(12,668,114)
Net current assets		**5,347,090**	7,267,572
Total assets less current liabilities		**19,904,959**	20,769,521

	Notes	**2017**	2016
		HK$'000	*HK$'000*
Non-current liabilities			
Other borrowings		**(2,115,044)**	(1,610,389)
Senior notes		**(1,141,161)**	(3,417,715)
Private bonds		**(21,903)**	–
Long service payment liabilities		**(2,943)**	(2,157)
Deferred tax liabilities		**(4,918,922)**	(4,632,585)
Total non-current liabilities		**(8,199,973)**	(9,662,846)
Net assets		**11,704,986**	11,106,675
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	*15*	**1,141,084**	1,141,084
Other reserves		**9,391,099**	8,937,241
Retained profits		**340,868**	446,785
Proposed dividends	*10*	**–**	–
		10,873,051	10,525,110
Non-controlling interests		**831,935**	581,565
Total equity		**11,704,986**	11,106,675

F. NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. Basis of preparation and accounting policies

The consolidated financial information is extracted from the Company's consolidated financial statements which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and under the historical cost convention, as modified by the revaluation of investment properties, leasehold land and building, available-for-sale financial assets and financial derivatives which are carried at fair value.

The preparation of consolidated financial information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Going concern basis

For the year ended 31 December 2017, the Group reported loss attributable to the owners of the Company of HK$774 million (2016: HK$2,734 million) and had a net operating cash outflow of HK$2,636 million (2016: HK$1,334 million). Total borrowings increased from HK$11,580 million as at 31 December 2016 to HK$13,860 million as at 31 December 2017, of which HK$10,582 million (2016: HK$6,551 million) were classified as current liabilities.

As at 31 December 2017 and up to the date of the approval of these consolidated financial statements, total borrowings of the Group in aggregate of HK$1,167 million and HK$1,932 million were overdue respectively but the Group has not been able to obtain extension of repayment of such balances prior to the date of approval of these consolidated financial statements.

In respect of the borrowings of the Group in aggregate of HK$3,798 million as at 31 December 2017, the Group could not meet certain financial ratios as set out in the covenants in the relevant borrowing agreements.

Should the above-mentioned situations constitute or have become events of default under the respective borrowing agreements, including those under the cross-default terms, these might cause an aggregate amount of borrowings up to HK$6,463 million at 31 December 2017, of which an aggregate amount of HK$3,256 million had original contractual repayment dates beyond 31 December 2018, to become immediately repayable and the said amount of HK$3,256 million might be classified as current liabilities accordingly.

1. Basis of preparation and accounting policies (Continued)

(a) Going concern basis (Continued)

All of the above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position which include, but are not limited to, the following:

(i) The Group has been actively negotiating with a number of commercial banks and other financial institutions for renewal and extension of bank and other borrowings and credit facilities. Specifically, the Group is in active negotiations with the lenders to extend the repayment dates of the overdue borrowings, and to obtain waivers from complying with certain restrictive covenants contained in the loan agreements of certain borrowings;

(ii) In addition, the Group is identifying various options for financing the Group's working capital and commitments in the foreseeable future by obtaining facilities from shareholders, issuance of shares and debt instruments;

(iii) The Group has accelerated its disposal plan of its properties, plant and equipment and leasehold land, investment properties, properties under development and completed properties held for sale ("**Group Properties**"). Apart from selling the Group Properties, the Group expects to launch pre-sales of certain residential units in Foshan, which are expected to improve the Group's operating cash inflow in 2018; and

(iv) The Group will continue to take active measures to control administrative costs through various channels including human resources optimisation and management remuneration adjustment and containment of capital expenditures.

The directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 31 December 2017. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2017. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

1. **Basis of preparation and accounting policies (Continued)**

(a) ***Going concern basis (Continued)***

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

(i) Successful negotiations with the lenders for the renewal of or extensions for repayments of outstanding borrowings, including those with overdue principals and interests;

(ii) Success of additional new sources of financing as and when needed;

(iii) Successful implementation and acceleration of its disposal plans of Group Properties including timely execution of definitive sales agreements and timely collection of the disposal proceeds, and the successful deferral of capital expenditures for the Group's unsold projects;

(iv) Successful pre-sales of certain residential units in Foshan so as to general operating cash inflows;

(v) Successful negotiation with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings in any breach of loan covenants or default, including those with cross-default terms; and

(vi) Successful maintenance of relationship with the suppliers of the Group, in particular those in relation to the Group's construction business and the property development projects such that no actions will be taken by those suppliers against the Group should the Group not be able to meet all the payment obligations on a timely basis.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(b) ***New and amended standards adopted by the Group***

The following standards and amendments are mandatory for the first time for the financial year beginning 1 January 2017.

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Annual improvements to HKFRSs 2014 – 2016 Cycle	Amendments to HKFRS 12, disclosure of interests in other entities

1. **Basis of preparation and accounting policies (Continued)**

(b) ***New and amended standards adopted by the Group (Continued)***

The application of the above amendments in the current year has had no material effect on the Group's reported financial performance and position for the current and prior year and/or disclosures set out in this consolidated financial information.

2. **Segment information**

(a) ***Operating segments***

Revenue comprises gross billing value of contracting work to third parties, sales proceeds from stocks of properties, rental income from stocks of properties and investment properties and rental related income.

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, identified as the Executive Committee, who are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are (1) building construction; (2) civil engineering; (3) electrical and mechanical engineering; and (4) property development and investment.

Year ended 31 December 2017	Continuing operations: Building construction *HK$'000*	Civil engineering *HK$'000*	Electrical and mechanical *HK$'000*	Property development and investment *HK$'000*	Corporate and others *(Note 1)* *HK$'000*	Total *HK$'000*	Discontinued operation *HK$'000*
Revenue (excluding NSC *(Note 2)*)	4,112,604	1,049,411	895,264	65,903	1,267	6,124,449	–
Gross profit	14,465	33,418	90,813	25,990	378	165,064	–
Other gains/(losses), net	9,283	65	83	(33,931)	4,222	(20,278)	–
Fair value gain on investment properties	–	–	–	707,268	–	707,268	–
Provision for impairment of properties under development	–	–	–	(361,383)	–	(361,383)	–
Net exchange gain/(loss)	558	–	9	(49,704)	23,159	(25,978)	–
Selling and marketing expenses	–	–	–	(24,732)	–	(24,732)	–
General and administrative expenses	(96,403)	(36,037)	(23,972)	(268,201)	(150,686)	(575,299)	–
Operating (loss)/profit	(72,097)	(2,554)	66,933	(4,693)	(122,927)	(135,338)	–
Amortisation of intangible assets	–	–	–	(20,893)	(147)	(21,040)	–
Interest income	–	–	–	48,113	732	48,845	–
Interest expenses	–	–	–	(241,009)	(128,990)	(369,999)	–
(Loss)/profit before taxation	(72,097)	(2,554)	66,933	(218,482)	(251,332)	(477,532)	–
Taxation						(93,206)	–
Loss for the year						(570,738)	–
Capital expenditure	(138)	(98)	(118)	(464,365)	(380)	(465,099)	–
Depreciation	(7,712)	(90)	(214)	(77,367)	(7,498)	(92,881)	–
As at 31 December 2017							
Deposits, cash and cash equivalents	–	–	–	447,566	336,571	784,137	
Bank loans	–	–	–	(512,378)	(527,508)	(1,039,886)	
Other borrowings	–	–	–	(8,507,457)	(832,319)	(9,339,776)	
Senior notes	–	–	–	–	(3,458,230)	(3,458,230)	
Private bonds	–	–	–	–	(21,903)	(21,903)	

2. Segment information (Continued)

(a) Operating segments (Continued)

Year ended 31 December 2016	Continuing operations Building construction *HK$'000*	Civil engineering *HK$'000*	Electrical and services *HK$'000*	Property development and investment *HK$'000*	Corporate and others *(Note 1)* *HK$'000*	Total *HK$'000*	Discontinued operation *HK$'000*
Revenue (excluding NSC *(Note2)*)	6,718,426	1,705,406	890,011	64,814	–	9,378,657	2,162,961
Gross profit	311,645	7,038	117,472	20,294	–	456,449	148,516
Other gains/(losses), net	1,380	–	38	(1,173,375)	65,798	(1,106,159)	4,193
Fair value loss on investment properties	–	–	–	(883,925)	–	(883,925)	–
Provision for impairment of properties under development	–	–	–	(1,924,025)	–	(1,924,025)	–
Net exchange (loss)/gain	(1,068)	–	16	(74,011)	(26,836)	(101,899)	(94)
Selling and marketing expenses	–	–	–	(14,620)	(132)	(14,752)	–
General and administrative expenses	(74,725)	(30,194)	(26,484)	(192,921)	(168,106)	(492,430)	(110,223)
Operating profit/(loss)	237,232	(23,156)	91,042	(4,242,583)	(129,276)	(4,066,741)	42,392
Amortisation of intangible assets	–	–	–	(10,111)	(2,229)	(12,340)	(7,238)
Interest income	–	–	–	3,591	8,510	12,101	105
Interest expenses	–	–	–	(94,300)	(60,165)	(154,465)	(2,874)
	237,232	(23,156)	91,042	(4,343,403)	(183,160)	(4,221,445)	32,385
Share of loss of an associated company	–	–	–	(52,015)	–	(52,015)	–
Profit/(loss)before taxation	237,232	(23,156)	91,042	(4,395,418)	(183,160)	(4,273,460)	32,385
Taxation						1,350,866	(7,892)
(Loss)/profit for the year/period						(2,922,594)	24,493
Gain on disposal of a subsidiary							185,915
							210,408
Capital expenditure	(5,792)	–	(233)	(822,365)	(16,874)	(845,264)	(12,279)
Depreciation	(9,462)	(145)	(282)	(57,846)	(12,269)	(80,004)	(5,281)
As at 31 December 2016							
Deposits, cash and cash equivalents	–	–	–	40,258	370,889	411,147	
Bank overdrafts	–	–	–	–	(25,216)	(25,216)	
Bank loans	–	–	–	(1,762,518)	(567,217)	(2,329,735)	
Convertible bonds	–	–	–	–	(44,696)	(44,696)	
Other borrowings	–	–	–	(4,494,073)	(1,267,928)	(5,762,001)	
Financial derivative liability	–	–	–	–	(183)	(183)	
Senior notes	–	–	–	–	(3,417,715)	(3,417,715)	

Notes:

1. Corporate mainly represents corporate and administrative activities, and shared services; others represent international infrastructure business and international real estate, hospitality business and retailing business.

2. Nominated subcontractors' works of Macau Galaxy Resort Phase 2 project ("**NSC**").

2. Segment information (Continued)

(b) Geographical analysis

	2017	2016
	HK$'000	*HK$'000*
Revenue		
Continuing operations		
Hong Kong	**5,623,642**	8,123,618
Macau	**612,393**	1,587,620
The People's Republic of China ("**PRC**")	**62,392**	66,805
Others	**3,947**	45,173
	6,302,374	9,823,216
Discontinued operation		
Hong Kong	**–**	2,070,129
Macau	**–**	20,049
PRC	**–**	72,783
	–	2,162,961
	6,302,374	11,986,177

	2017	2016
	HK$'000	*HK$'000*
Non-current assets		
Hong Kong	**23,416**	585,447
Macau	**16**	23
PRC	**13,967,226**	12,216,568
	13,990,658	12,802,038
Available-for-sale financial asset	**27,964**	29,785
Receivables and prepayments	**534,203**	661,070
Deferred tax assets	**5,044**	9,056
Total non-current assets	**14,557,869**	13,501,949

(c) Customer base analysis

The Group's customer base is diversified and includes two (2016: two) customers with transaction exceeding 10% of the Group's total revenue. Aggregate revenue from those customers amounted to HK$2,620.6 million and was derived from building construction (2016: HK$3,880.9 million from building construction).

2. Segment information (Continued)

(d) Reconciliation of reportable segment revenue

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Reportable segment revenue	**6,124,449**	9,378,657
Revenue – NSC	**177,925**	444,559
	6,302,374	9,823,216
Discontinued operation		
Reportable segment revenue	**–**	2,162,961
	6,302,374	11,986,177

3. Discontinued operation

The discontinued operation represented interiors & special projects and property & facility management business upon the disposal of Synergis Holdings Limited, which ceased to be a subsidiary on 21 November 2016. The results of Synergis Holdings Limited for the period from 1 January 2016 to 20 November 2016 was presented as discontinued operation accordingly.

	2016
	HK$'000
Revenue	2,162,961
Cost of sales and operating expenses	(2,130,576)
Profit before taxation	32,385
Taxation	(7,892)
Profit for the year	24,493
Gain on disposal of a subsidiary	185,915
	210,408
Profit attributable to:	
Equity holders of the Company	202,629
Non-controlling interests	7,779
	210,408
Operating cash flows	61,398
Investing cash flows	(31,121)
Financing cash flows	(71,195)
Net decrease in cash and cash equivalents	(40,918)

3. Discontinued operation (Continued)

	2016
	HK$'000
Net assets disposed of:	
Intangible assets	64,400
Stocks and contracting work-in-progress	414,942
Receivables and prepayments	479,015
Cash and cash equivalents	88,923
Other assets	100,148
Bank loans	(239,048)
Payables and accruals	(734,623)
Other liabilities	(45,563)
Non-controlling interests	(53,843)
Goodwill	18,753
Release of reserves upon disposal	(8)
Gain on disposal of a subsidiary	185,915
Total consideration	279,011

4. Other losses, net

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Net gain on disposal of property, plant and equipment and leasehold land	**112**	31
Adjustment for tax indemnification asset	**–**	(983,861)
Gain on disposal of a leasehold land and building	**167,333**	–
Provision for impairment of amount due from a shareholder of an associate[1]	**–**	(156,044)
Provision for impairment of amount due from an associate	**–**	(11,179)
Provision for impairment of goodwill[2]	**–**	(23,249)
Provision for impairment of property, plant and equipment and leasehold land	**(200,116)**	–
Provision for impairment of stock	**(4,359)**	–
Change in fair value in financial derivatives *(Note 14)*	**(991)**	194,168
Gain/(loss) on redemption of convertible bonds	**1,174**	(129,976)
Government grant	**1,504**	–
Miscellaneous	**15,065**	3,951
	(20,278)	(1,106,159)

4. Other losses, net (Continued)

	2017 *HK$'000*	2016 *HK$'000*
Discontinued operation		
Net gain on disposal of property, plant and equipment and leasehold land	**–**	138
Provision for impairment of receivables	**–**	(16)
Miscellaneous	**–**	4,071
	–	4,193

Notes:

1. The amount represents the registered capital injection paid by the Company on behalf of another shareholder of an associate. The amount of registered capital was used for a potential acquisition of property projects through an associate. As at 31 December 2016, the transaction was expired and the deposit paid was non-refundable pursuant to the sales and purchase agreement. Due to the absence of progress after repeated requests for settlement, management considered the recoverability of the balance from the shareholder of the associate was highly uncertain in the near future and therefore full provision of impairment had been made accordingly.

2. The goodwill arose from Hsin Chong Property Development Limited in 2011 allocated to the "Property development and investment segment". Management carried out impairment assessment of the goodwill and concluded a full provision is required as at 31 December 2016.

5. Provision for impairment of properties under development

Management carried out impairment assessment with reference to valuation performed by independent external valuer, B.I. Appraisals Limited. Estimations of net realisable value of the Group's properties under development are dependent on certain key assumptions that require significant management judgement, including current schedules of the projects, construction progress by contractors, estimated costs to completion, intended use and management's expectation on future property market. Following the delays of the development in certain property projects, potential changes in management's development plans and decrease in expected selling price, management considered a decrease in net realisable value of its properties under development. As at 31 December 2017, provision of HK$361 million (2016: HK$1,924 million) has been provided in light of such delayed development status and latest market condition on certain property projects in the PRC.

6. Interest expenses

	2017 *HK$'000*	2016 *HK$'000*
Interest on bank loans and overdrafts	**61,784**	99,426
Interest expense on convertible bonds *(Note 14)*	**10,298**	136,092
Interest expense on other borrowings	**1,808,752**	695,039
Interest expense on senior notes	**342,764**	335,649
Interest expense on private bonds	**1,372**	–
Others	**3,172**	–
	2,228,142	1,266,206
Less: amounts capitalised on qualifying assets	**(1,858,143)**	(1,108,867)
	369,999	157,339
Representing:		
Continuing operations	**369,999**	154,465
Discontinued operation	**–**	2,874
	369,999	157,339

7. Loss before taxation from continuing operations and discontinued operation

	2017		2016	
	Continuing operations	**Discontinued operation**	Continuing operations	Discontinued operation
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Cost of sales				
Cost of construction				
– Staff costs	**720,886**	**–**	1,052,581	122,375
– Other construction costs	**5,375,622**	**–**	8,269,666	1,331,128
	6,096,508	**–**	9,322,247	1,453,503
Cost of property and facility management services				
– Staff costs	**–**	**–**	–	442,367
– Others	**–**	**–**	–	118,575
	–	**–**	–	560,942
Cost of property development and investment				
– Staff costs	**6,534**	**–**	3,758	–
– Stock of properties sold	**7,950**	**–**	12,906	–
– Others	**25,429**	**–**	27,856	–
	39,913	**–**	44,520	–
Cost of retailing				
– Others	**889**	**–**	**–**	**–**
	6,137,310	**–**	9,366,767	2,014,445
Depreciation of property, plant and equipment and leasehold land	**92,881**	**–**	80,004	5,281
Auditor's remuneration	**7,680**	**–**	7,269	1,547
Operating lease rentals for land and buildings	**45,967**	**–**	33,791	8,061
Outgoings in respect of				
– investment properties	**22,356**	**–**	19,995	–
– owner occupied property	**2,845**	**–**	4,534	–
Staff costs, included in general administrative expenses	**269,830**	**–**	273,990	66,193

8. Taxation

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year after application of available tax losses brought forward for both years. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of tax charged/(credited) to the consolidated income statement represents:

	2017		2016	
	Continuing operations	**Discontinued operation**	Continuing operations	Discontinued operation
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Provision for the year				
– Hong Kong profits tax	**29,252**	**–**	34,136	9,067
– PRC income tax and Macau profits tax	**6,365**	**–**	15,508	–
– Overseas profits tax	**144**	**–**	2,851	–
(Over)/under provision in respect of prior years	**(2,597)**	**–**	12,999	–
Deferred tax charge/(credit)	**60,042**	**–**	(1,416,360)	(1,175)
	93,206	**–**	(1,350,866)	7,892

9. (Loss)/earnings per share

Basic and diluted (loss)/earnings per share is calculated by dividing the Group's (loss)/profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Continuing operations		**Discontinued operation**	
	2017	2016	**2017**	2016
(Loss)/profit attributable to equity holders *(HK$'000) (Note 1)*	**(774,382)**	(2,936,129)	**–**	202,629
Weighted average number of ordinary shares issued *('000)*	**5,706,671**	5,586,379	**5,706,671**	5,586,379
Basic and diluted (loss)/earnings per share *(HK cents)*	**(13.6)**	(52.6)	**–**	3.6

Notes:

1. Pursuant to the terms of the convertible preference shares, the holders are at all times entitled to dividends or other distributions of the same amount with respect to the Company's ordinary shares. There was no dividend declared by the board for the years ended 31 December 2017 and 2016 and accordingly no adjustment has been made in the calculation of the basic (loss)/earnings per share for the years.

9. (Loss)/earnings per share (Continued)

Notes: (Continued)

2. The diluted loss per share for continuing operations for the year ended 31 December 2017 and 2016 is the same as the basic loss per share because the exercise of the Group's share options, convertible preference shares and convertible bonds would result in a decrease in loss per share for the years. For the year ended 31 December 2016, the basis for diluted earnings per share for discontinued operation was the same as the basis used in continuing operations.

10. Dividends

The Group did not propose any interim and final dividend for the year ended 31 December 2017 (2016: nil)

11. Property, plant and equipment and leasehold land

Upon the finalisation of development plan of certain property projects, a certain portion of its properties under development and investment properties were determined to be for self-use by the Group and have been transferred to property, plant and equipment and leasehold land accordingly. During the year ended 31 December 2017, nil (2016: HK$2,015 million) from properties under development and HK$41 million (2016: HK$372 million) from investment properties under development have been transferred to property, plant and equipment and leasehold land.

12. Receivables and prepayments

	2017	2016
	HK$'000	*HK$'000*
Trade receivables		
– third parties	**622,098**	856,613
– provision for impairment	**–**	(423)
	622,098	856,190
Retention receivables		
– third parties	**961,352**	1,213,917
– provision for impairment	**–**	(125)
	961,352	1,213,792
	1,583,450	2,069,982
Other receivables		
– third parties[1]	**271,258**	623,910
– related companies[2]	**507,691**	285,307
	778,949	909,217
Deposits and prepayments		
– third parties	**696,641**	745,234
	3,059,040	3,724,433
Less: non-current portion	**(534,203)**	(661,070)
	2,524,837	3,063,363

Notes:

1. Balance includes deposits of nil (2016: HK$512 million) made to a third party as collateral to secure the other borrowings from the corresponding party.

2. Related companies represented two companies incorporated in the PRC, which are owned by a former director of the Company, who resigned on 8 June 2017, and/or close member of his family. Balances represent two borrowings granted to two related companies which carry interest at 12% per annum and at 0.91667% per month and are repayable by 21 August 2024 and 12 November 2018 respectively.

12. Receivables and prepayments (Continued)

The aging analysis of trade receivables by due date is as follows:

	2017	2016
	HK$'000	*HK$'000*
Not yet due	**584,107**	758,437
1 to 30 days	**187**	85,011
31 to 90 days	**2,514**	2,586
91 to 180 days	**17,564**	6,710
Over 180 days	**17,726**	3,446
	622,098	856,190

The Group's credit terms for its contracting business and property rental services are negotiated with and entered into under normal commercial terms with its trade customers. The credit period for the trade receivables for contracting business generally ranges from 30 to 60 days (2016: 30 to 60 days). Retention receivables in respect of the contracting business are settled in accordance with the terms of the respective contracts. Rental income is billed in advance of the rental period.

13. Payables and accruals

	2017	2016
	HK$'000	*HK$'000*
Trade payables – third parties	**1,207,937**	1,311,707
Retention payables – third parties	**743,119**	918,800
Accruals for builders' work	**1,276,571**	2,249,265
	3,227,627	4,479,772
Other payables, deposits and accruals		
– third parties	**2,039,982**	1,207,039
– accruals for tax liabilities on acquisition of land parcels in Tieling	**316,127**	325,187
	5,583,736	6,011,998

13. Payables and accruals (Continued)

The aging analysis of trade payables by due date is as follows:

	2017	2016
	HK$'000	*HK$'000*
Not yet due	**402,184**	668,127
1 to 30 days	**72,456**	307,600
31 to 90 days	**124,497**	145,571
91 to 180 days	**99,813**	77,539
Over 180 days	**508,987**	112,870
	1,207,937	1,311,707

14. Convertible bonds and financial derivative liability

On 20 November 2015, the Group issued 6.0% convertible bonds at a par value of USD100 million. The bonds mature two years from the issue date at their nominal value of USD100 million or can be converted into shares at the holder's option within the conversion period at the rate of HK$1.00 per share. On 20 May 2016, the conversion price was adjusted downwards to HK$0.78 per share. The values of the liability component and the embedded derivative component were determined at the issuance of the bonds. During the year ended 31 December 2016, principal amount of HK$734 million was early redeemed by the Company.

During the year ended 31 December 2017, the Company redeemed all outstanding 6.0% convertible bonds in full at the redemption price equal to 100% of the outstanding principal amount of USD2,600,000.

On 19 May 2016, the Group issued zero coupon convertible bonds at a par value of HK$34 million. The bonds mature on the 18th month from the issue date at their nominal value of HK$34 million or can be converted into shares at the holder's option from the date of issue up to the maturity date at the rate of HK$1.00 per share. The values of the liability component and the equity component were determined at the issuance of the bonds. Upon the maturity of these convertible bonds, all the outstanding liability component was extinguished as other borrowing.

14. **Convertible bonds and financial derivative liability (Continued)**

The movements of the liability component of the 6.0% convertible bonds and zero coupon convertible bonds are set out below:

	6.0% convertible bonds 20 November 2015 *HK$'000*	**Zero coupon convertible bonds 19 May 2016** *HK$'000*	**Total** *HK$'000*
At 1 January 2016	544,199	–	544,199
Issue of zero coupon convertible bonds	–	24,126	24,126
Interest expense *(Note 6)*	132,439	3,653	136,092
Conversion to ordinary shares of the Company	(15,764)	–	(15,764)
Coupon interest paid	(46,478)	–	(46,478)
Early redemption	(597,479)	–	(597,479)
At 31 December 2016	16,917	27,779	44,696
Interest expense *(Note 6)*	**4,077**	**6,221**	**10,298**
Coupon interest paid	**(843)**	**–**	**(843)**
Early redemption	**(20,151)**	**–**	**(20,151)**
Debt extinguished to other borrowing	**–**	**(34,000)**	**(34,000)**
At 31 December 2017	**–**	**–**	**–**

The movements of the embedded derivative component of the 6.0% convertible bonds are set out below:

	2017 ***HK$'000***	2016 *HK$'000*
At 1 January	**183**	206,412
Change in fair value in financial derivatives *(Note 4)*	**991**	(194,168)
Conversion to ordinary shares of the Company	**–**	(5,573)
Early redemption	**(1,174)**	(6,488)
At 31 December	**–**	183

15. Share capital

	2017		2016	
	Number of shares		Number of shares	
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised, ordinary shares of HK$0.1 each:				
At 1 January and 31 December	**30,000,000**	**3,000,000**	30,000,000	3,000,000
Authorised, preference shares of HK$0.1 each:				
At 1 January and 31 December	**15,000,000**	**1,500,000**	15,000,000	1,500,000
Ordinary shares, issued and fully paid:				
At 1 January	**5,706,671**	**570,667**	5,188,577	518,858
Issue of shares upon conversion of convertible preference shares	**–**	**–**	505,702	50,570
Issue of shares upon conversion of convertible bonds	**–**	**–**	26,828	2,683
Cancellation on repurchase of shares	**–**	**–**	(14,436)	(1,444)
At 31 December	**5,706,671**	**570,667**	5,706,671	570,667
Preference shares, issued and fully paid:				
At 1 January	**5,704,166**	**570,417**	5,654,772	565,477
Exercise of conversion right attached to convertible preference shares	**–**	**–**	(505,702)	(50,570)
Issue of consideration preference shares	**–**	**–**	555,096	55,510
	5,704,166	**570,417**	5,704,166	570,417
At 31 December	**11,410,837**	**1,141,084**	11,410,837	1,141,084

16. Event after the reporting period

On 23 March 2018, the Company and its subsidiary entered into an agreement (the "Agreement") with two companies related to a former director, Mr. Zhou Wei (the "Two Companies"), regarding the arrangement for settlement of balances due from the Two Companies which has to carried out within 4 months from the date of signing of the Agreement.

G. HUMAN RESOURCES

As at 31 December 2017, the total number of employees in the Group was 2,111 full time staff, which included staff in different business segments, such as construction, property development, international business and related services. They are employed in Hong Kong, Macau and Chinese Mainland, and overseas countries.

The Group adopts sound policies of management incentives and competitive remuneration, which aligns the interests of management, employees and shareholders. The chief asset of the Group remains the skills and expertise of our loyal staff and we have rightly invested much time and effort in the selection, training and personal improvement of our staff.

The Group sets its remuneration policy by making reference to the prevailing market conditions and a performance-based reward system. It is to ensure that the Group is able to attract, retain and motivate executives of the highest caliber, essential to the successful leadership and effective management of the Group. The performance measures are balanced between financial and industrial comparatives. The components of the remuneration package consisted of base salary, allowances, benefits-in-kind, fringe benefits including medical insurance and contributions to pension funds, as well as incentives like discretionary bonus, participation in share options scheme and long-term rewards.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2017.

I. REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprises four members, namely Mr. CHENG Sui Sang (Chairman of the Audit Committee), Mr. CHUI Kwong Kau, Mr. KWOK Shiu Keung Ernest (resigned with effect from 5 May 2017), Mr. George YUEN Kam Ho and Mr. LAI Chik Fan (appointed with effect from 8 June 2017). The Audit Committee, together with management and the external auditor of the Company, BDO Limited, have reviewed the audited consolidated financial statements of the Group for the financial year ended 31 December 2017.

J. REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in this annual results announcement, from pages 13 to 34, have been agreed by the Company's external auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2017. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and, consequently, no assurance has been expressed by BDO Limited on this annual results announcement.

K. AUDITOR'S DISCLAIMER OF OPINION

As disclosed in sections headed "Basis for Disclaimer of Opinion" and "Disclaimer of Opinion" in extract of independent auditor's report contained on pages 39 to 43 of this announcement, the auditor of the Company (the "Auditor") did not express an audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2017 as a result of certain matters, including: (1) multiple uncertainties relating to going concern; and (2) transactions and balances relating to Mr. Zhou Wei and his related entities.

L. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (as amended from time to time by the Stock Exchange) as its own code of conduct for regulating securities transactions by Directors. Having made specific enquiry by the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the financial year ended 31 December 2017.

M. PROSPECTS

The Board will closely work with professional parties on the application for the resumption of trading of the Company's shares on the Stock Exchange in the near future and strive for the best return to the shareholders of the Company.

N. COMPLIANCE WITH CORPORATE GOVERNANCE CODE AND LISTING RULES

Corporate Governance Code

The Company has applied the principles of the code provisions and certain recommended best practices contained in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules. During the financial year ended 31 December 2017, the Company complied with all code provisions of the CG Code except for the following deviation:

Code provision A.6.7 of the CG Code provides that Independent Non-executive Directors and other Non-executive Directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Save for three Non-executive Directors who were not able to attend the annual general meeting held on 2 June 2017, due to their own other important business engagements, all other Non-executive Directors (including Independent Non-executive Directors) attended the annual general meeting held on 2 June 2017.

Connected transactions

As stated in the 2016 Annual Report, the Group entered into a series of transactions and provide financial assistance to entities associated with a former executive director, Mr. Zhou Wei, which constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

The Company had omitted to comply with the reporting, announcement and independent Shareholders' approval requirements of Rule 14A.35 of the Listing Rules and failed to announce the provisions of financial assistance to the connected entities at the time of the execution of the relevant agreements at the material time.

As additional time is required to prepare and finalise the contents of the Circular and the letter of advice from the independent financial adviser, the Company expects that the despatch of the Circular will be postponed to a later date.

Details of the connected transactions with respect to the provision of financial assistance by the Company mentioned above are set out in the announcements of the Company dated 30 March 2017, 24 April 2017, 28 June 2017, 28 August 2017, 30 October 2017, 28 December 2017 and 28 February 2018 in respect of the delay in despatch of the circular in relation to the aforesaid connected transaction.

The Issues of the Independent Investigations Report

As stated in the 2016 independent auditor's report, in which the auditor of the Company at that time, being PricewaterhouseCoopers ("**PwC**"), did not express an audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2016 as a result of certain matters, including:

(1) multiple uncertainties relating to going concern ("**Audit Issue 1**");

(2) transactions and balances relating to Mr. Zhou and his related entities ("**Audit Issue 2**");

(3) payments made to a construction company ("**Audit Issue 3**"); and

(4) payments made to certain financial consultancy companies ("**Audit Issue 4**", together with Audit Issue 1, Audit Issue 2, Audit Issue 3, collectively referred to as "**Audit Issues**").

For the Audit Issues 2, 3 and 4, the Board of Directors established the Independent Investigation Committee in late March 2017 and authorised it to conduct independent investigations thereon.

The Independent Investigation Committee comprises three Independent Non-executive Directors and it engages P. C. Woo & Co. to provide the Independent Non-executive Directors with relevant legal advice in respect of the independent investigations. Subsequently, P. C. Woo & Co. engaged Deloitte Advisory (Hong Kong) Limited ("**Deloitte**") to conduct independent investigations on each of the Audit Issues 2, 3 and 4.

On 10 January 2018, Deloitte issued the investigation report. For the summary of their major findings and the corresponding recommendations, details of the above mentioned issues are set out in the announcements of the Company dated 9 January 2018 and 19 January 2018 respectively.

The Independent Investigation Committee accepted the factual findings made by Deloitte as documented in the investigation report, based on which the Independent Investigation Committee have issued its report on 15 January 2018 and in which it has made a number of recommendations to the Board of Directors for resolving the Audit Issues 2, 3 and 4. Details of the recommendations and the status of the implementation are set out in the announcement of the Company dated 19 January 2018.

O. COMPOSITION OF THE BOARD OF DIRECTORS

Pursuant to Rule 3.10A of the Listing Rules, the Company must appoint Independent Non-executive Directors representing at least one-third of the Board. Upon the appointment of Mr. Eric TODD as the Executive Director with effect from 9 March 2017, and with the resignation of Independent Non-executive Director of Mr. KWOK Shiu Keung Ernest on 5 May 2017, the Company did not fulfill the Rule 3.10A of the Listing Rules. However, on 8 June 2017, with the resignation of Mr. ZHOU Wei from the position of Executive Director and the appointment of Mr. LAI Chik Fan as the Independent Non-executive Director respectively, the number of the Independent Non-executive Directors has fulfilled with the minimum number required under Rule 3.10(1) and Rule 3.10A of the Listing Rule. As the resignation of Independent Non-executive Director of Ms. LEE Jai Ying on 13 March 2018, the number of Independent Non-executive Directors of the Board has fallen below the minimum number required under Rule 3.10A of the Listing Rule.

The Company will seek suitable candidates to fill the expected replacement to be appointed within three months from 13 March 2018 pursuant to Rule 3.11 of the Listing Rules. The Company will make further announcement as and when appropriate.

P. EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Basis for Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group due to the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements and because we have not been able to obtain sufficient appropriate audit evidence as described in the "Basis for Disclaimer of Opinion" section of our report. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

(1) Multiple uncertainties relating to going concern

As described in Note 2 to the consolidated financial statements, the Group reported loss attributable to the owners of the Company of HK$774 million and had a net operating cash outflow of approximately HK$2,636 million for the year ended 31 December 2017. As at the same date, the Group's total borrowings amounted to HK$13,860 million, of which HK$10,582 million were classified as current liabilities, while its unrestricted cash and cash equivalents amounted to HK$784 million only.

As at 31 December 2017 and up to the date of this report, total borrowings of the Group of HK$1,167 million and HK$1,932 million were overdue respectively but the Group has not been able to obtain extensions of repayments of such balances prior to the date of this report. These overdue borrowings without extension would be immediately repayable if and when requested by the lenders. Furthermore, in respect of the total borrowings of the Group in aggregate of HK$3,798 million as at 31 December 2017, the Group did not meet certain financial ratios as set out in the covenants in the relevant borrowing agreements. Should the above-mentioned situations constitute or have become events of default under the respective borrowing agreements, including those under the cross-default terms, these might cause an aggregate amount of borrowings up to HK$6,463 million at 31 December 2017, of which an aggregate amount of HK$3,256 million had original contractual repayment dates beyond 31 December 2018, to become immediately repayable and the said amount of HK$3,256 million might be classified as current liabilities accordingly. These conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The directors of the Company have been undertaking a number of measures to improve the Group's liquidity and financial position, and to remediate certain delayed repayments to financial institutions, which are set out in Note 2 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including (i) the successful negotiations with the lenders for the renewal of or extensions for repayments of outstanding borrowings, including those with overdue principals and interests; (ii) the success of additional new sources of financing as and when needed; (iii) the successful implementation and acceleration of its disposal plans of its property, plant and equipment and leasehold land, investment properties, properties under development and completed properties held for sale, including timely execution of definitive sales agreements and timely collection of the disposal proceeds, and the successful deferral of capital expenditures for the Group's projects held on hand; (iv) the successful pre-sales of certain residential units in Foshan so as to generate operating cash inflows; (v) the successful negotiation with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayments of the borrowings in any breach of loan covenants or default, including those with cross-default terms; and (vi) the successful maintenance of relationship with the suppliers of the Group, in particular those in relation to the Group's construction business and property development projects such that no actions will be taken by those suppliers against the Group should the Group not be able to meet all the payment obligations on a timely basis.

The Company's ex-auditor did not express audit opinion on the Company's consolidated financial statements for the year ended 31 December 2016 (the "Company's 2016 financial statements") due to the potential interaction of the above-mentioned multiple uncertainties relating to going concern and the possible cumulative effect on the Company's 2016 financial statements, and the other limitations on their scope of audit procedures. The Group's financial position as of 31 December 2017 and up to the date of this report, and the measures undertaken by the directors of the Company to improve the Group's financial position as summarised above are substantially the same as that existing as of 31 December 2016 and as of date of the auditor's report on the Company's 2016 financial statements. The multiple uncertainties remain unresolved as of 31 December 2017 and their possible cumulative effects on the consolidated financial statements could be both material and pervasive.

Should the Group fail to achieve the above mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in the consolidated financial statements.

(2) Transactions and balances relating to Mr. Zhou Wei, former executive director of the Company and his related entities

In response to the following matters, we have encountered various limitations during the course of our audit of the consolidated financial statements for the year ended 31 December 2017.

(i) Funding arrangements in relation to certain properties in Beijing

A set of agreements ("Agreement A"), which was not complete and fully executed, was entered into by a wholly-owned subsidiary of the Group ("Subsidiary A"), Mr. Zhou Wei ("Mr. Zhou"), and a People's Republic of China (the "PRC") incorporated company indirectly owned by Mr. Zhou and his relative ("Mr. Zhou's Company A"). Pursuant to Agreement A, Mr. Zhou's Company A sold certain properties in Beijing, the PRC (the "BJ Properties") to the Group at a consideration of RMB500 million. According to Agreement A, the Group made a first instalment of RMB130 million upon fulfilling certain conditions, of which RMB129 million had been paid by Subsidiary A to Mr. Zhou's Company A in August 2016.

Another set of agreements ("Complete Agreement A") were entered by Subsidiary A, Mr. Zhou and Mr. Zhou's Company A which was the same as Agreement A except that they were complete and fully executed. Pursuant to further documents entered into by Subsidiary A, another wholly-owned subsidiary of the Group ("Subsidiary B") and Mr. Zhou's Company A ("Further Documents"), Agreement A was terminated as Subsidiary A did not provide the remaining funding of RMB370 million under that agreement. Furthermore, the balance of RMB129 million advanced by Subsidiary A was treated as an unsecured loan to Mr. Zhou's Company A, which carries interest at 12% per annum and is repayable before 21 August 2024.

This balance of RMB129 million was recorded as "Receivables and Prepayments" under non-current assets in the Group's consolidated balance sheet as at 31 December 2016.

The loan of RMB129 million was carried forward as "Receivables and Prepayments" under non-current assets in the Group's consolidated balance sheet as at 31 December 2017. Interest income of RMB16 million was recognised in the Group's consolidated income statement for the year ended 31 December 2017 and interest receivables of RMB16 million was recorded as "Receivables and Prepayments" under current assets in the Group's consolidated balance sheet as at 31 December 2017.

(ii) Cooperation agreement in relation to the BJ Properties

A cooperation agreement was entered into between another wholly-owned subsidiary of the Group ("Subsidiary C") and another PRC incorporated company owned by Mr. Zhou's relatives ("Mr. Zhou's Company B") together with a guarantee agreement entered into amongst Subsidiary C, Mr. Zhou's Company A and Mr. Zhou (collectively, "Agreement B"). Pursuant to Agreement B, as considerations for certain services provided by Mr. Zhou's Company B, Subsidiary C should pay a total amount of RMB247.5 million to Mr. Zhou's Company B. Payments of RMB126.2 million and RMB121.3 million were made by Subsidiary C to another company indirectly owned by Mr. Zhou on 29 December 2016 and 13 January 2017, respectively, which were financed by a long-term loan facility of RMB420 million provided by a financial institution in the PRC to the Group on 28 December 2016. Pursuant to the relevant loan agreement, Mr. Zhou's Company A agreed to pledge the BJ Properties to the financial institution as a security to the loan facility of RMB420 million provided to Subsidiary C.

Pursuant to another agreement ("Agreement C"), Agreement B was subsequently terminated and a loan agreement ("Agreement D") was entered into, pursuant to which total payments of RMB247.5 million, made on 13 January 2017 in accordance with Agreement B, are treated as a loan from Subsidiary C to Mr. Zhou's Company B for a term of period from 28 December 2016 to 12 November 2018, which carries interest at 0.91667% per month.

As at 31 December 2016, the first payment of RMB126.2 million was recorded as "Receivables and Prepayments" under non-current assets in the Group's consolidated balance sheet as at 31 December 2016. No profit or loss was recognised in the consolidated income statement for the year ended 31 December 2016 in this connection.

As at 31 December 2017, the total payments of RMB247.5 million was recorded as "Receivables and Prepayments" under current assets in the Group's consolidated balance sheet. Interest income of RMB27 million was recognised in the Group's consolidated income statement for the year ended 31 December 2017 and interest receivables of RMB27 million was recorded as "Receivables and Prepayments" under current assets in the Group's consolidated balance sheet as at 31 December 2017.

However, the directors of the Company were unable to provide us with adequate documentary evidence to support the proper approval of these transactions at or prior to the transaction dates, nor were they able to provide satisfactory and consistent explanations about their business rationale and commercial substance. We were also not able to obtain all the necessary corroborative evidence from the counterparties to substantiate the nature of these transactions and the related outstanding balances. Because of the above scope limitations, and there were no alternative audit procedures that we could perform, we are unable to satisfy ourselves as to:

(i) ascertain the business rationale and commercial substance, occurrence, accuracy, completeness and presentation of these transactions and the related balances as at and during the year ended 31 December 2017; and

(ii) whether the effects of these transactions have been properly accounted for and disclosed, including the accuracy and completeness of any related party transaction disclosures.

The Company's ex-auditor did not express audit option on the Company's 2016 financial statements due to, among other matters, limitations on their scope of audit procedures in relation to these transactions and balances with Mr. Zhou and entities related to him.

Q. PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (http://www.hsinchong.com). The annual report of the Company will be despatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

R. CONTINUED SUSPENSION OF TRADING IN THE SHARES AND DEBT SECURITIES

Trading in the ordinary shares and debt securities of the Company has been suspended since 3 April 2017 and will continue to be suspended until further notice. Conditions of the resumption of trading have been set out in the Company's announcement dated 12 June 2017.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

By order of the Board of
Hsin Chong Group Holdings Limited
LIN Zhuo Yan
Non-executive Chairman and Non-executive Director

Hong Kong, 23 March 2018

As at the date of this announcement, the Board comprises Mr. LIN Zhuo Yan as the Non-executive Chairman and Non-executive Director; Ir Dr Joseph CHOI Kin Hung (Chief Executive Officer), Mr. Wilfred WU Shek Chun (Chief Risk Officer) and Mr. Eric TODD as Executive Directors; Mr. YAN Jie, Mr. CHEN Lei, Mr. CHUI Kwong Kau and Mr. LUI Chun Pong as Non-executive Directors; and Mr. CHENG Sui Sang, Mr. George YUEN Kam Ho and Mr. LAI Chik Fan as Independent Non-executive Directors.