



Chevalier International Holdings Limited

其士國際集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 25)



BUILDING THE FUTURE

2017 ANNUAL REPORT
年報

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FINANCIAL SUMMARY

財務概要

REVENUE 收入

14.1% decrease from 2016
較二零一六年下降14.1%

HK\$ 港幣

4,759

million 百萬元

PROFIT FOR THE YEAR

年度溢利

69.7% increase from 2016
較二零一六年上升69.7%

HK\$ 港幣

611

million 百萬元

TOTAL EQUITY

總權益

3.2% increase from 2016
較二零一六年上升3.2%

HK\$ 港幣

8,503

million 百萬元

EARNINGS PER SHARE

每股盈利

70.5% increase from 2016
較二零一六年上升70.5%

HK\$ 港幣

1.79

元

NET ASSETS PER SHARE

每股資產淨值

2.7% increase from 2016
較二零一六年上升2.7%

HK\$ 港幣

26.4

元

DIVIDENDS PER SHARE

每股股息

14.3% decrease from 2016
較二零一六年下降14.3%

HK\$ 港幣

0.60

元

TOTAL EMPLOYEE NUMBERS

總員工人數

2016: 3,100

3,200

full time staff 全職員工

2017 HIGHLIGHTS 二零一七年撮要

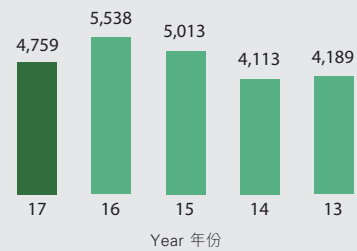
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

本公司股東應佔溢利
(HK\$ million 港幣百萬元)



REVENUE

收入
(HK\$ million 港幣百萬元)



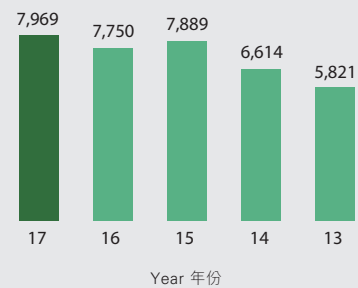
EARNINGS AND DIVIDENDS PER SHARE

每股盈利及股息
(HK\$ 港幣)



SHAREHOLDERS' FUNDS

股東資金
(HK\$ million 港幣百萬元)

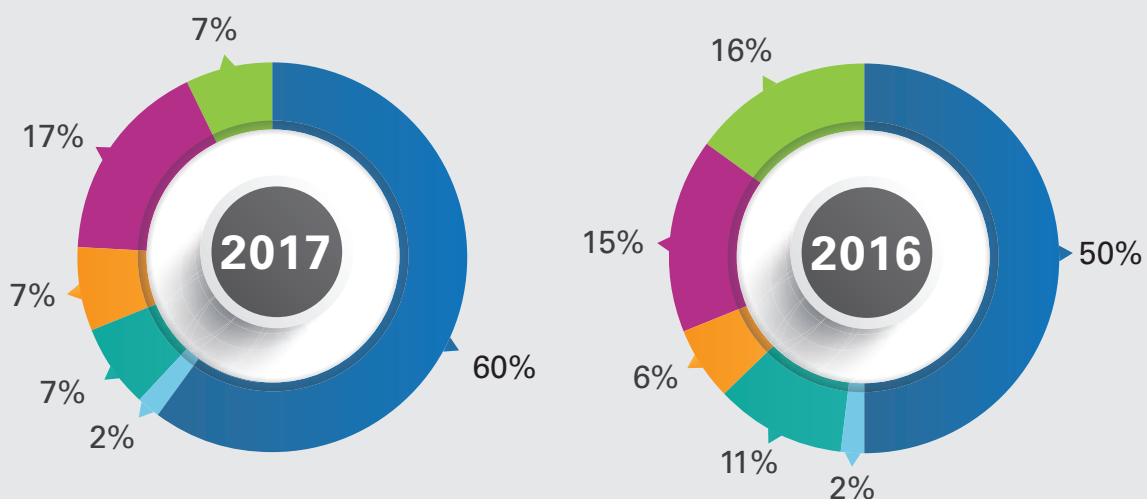


FINANCIAL SUMMARY

財務概要

SEGMENT REVENUE

分類收入

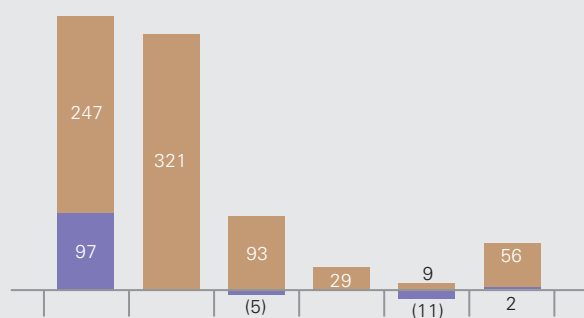


SEGMENT PROFIT/(LOSS)

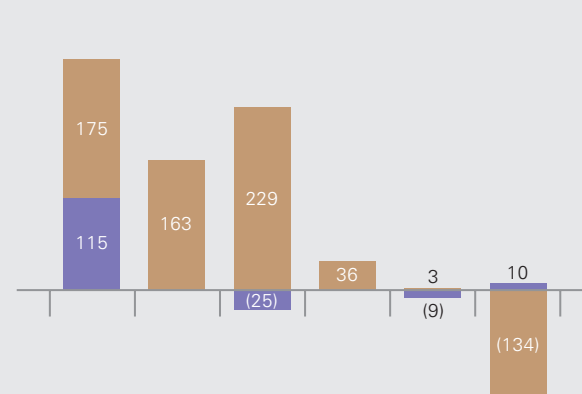
分類溢利/(虧損)

(HK\$ million 港幣百萬元)

2017



2016



■ Construction and engineering
建築及機械工程

■ Property investment
物業投資

■ Property development and operations
物業發展及營運

■ Senior housing
安老院舍

■ Car dealership
汽車代理

■ Others
其他

■ Subsidiaries
附屬公司

■ Associates and joint ventures
聯營公司及合營企業

FINANCIAL SUMMARY

財務概要

The following is a summary of the total assets, total liabilities, results and other financial information of Chevalier International Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as of year ended 31 March for the last five years.

下列為其士國際集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)於過往五年內截至三月三十一日止年度之總資產、總負債、業績及其他財務資料概要。

Financial Information (HK\$ million)	財務資料 (港幣百萬元)	2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
Total assets	總資產	15,064	14,520	15,329	13,926	12,796
Total liabilities	總負債	6,561	6,282	6,930	6,849	6,585
Total equity	總權益	8,503	8,238	8,399	7,077	6,211
Non-controlling interests	非控股權益	534	488	510	463	390
Shareholders' funds	股東資金	7,969	7,750	7,889	6,614	5,821
Share capital	股本					
– in number (million)	– 數目 (百萬股)	302	302	300	293	281
– in value (HK\$1.25 per share)	– 數值 (每股港幣1.25元)	377	377	375	366	352
Revenue	收入	4,759	5,538	5,013	4,113	4,189
Profit attributable to shareholders of the Company	本公司股東應佔溢利	540	315	1,537	470	1,012
Per Share Basis (HK\$)	每股計算 (港幣)					
Earnings – basic	盈利 – 基本	1.79	1.05	5.21	1.65	3.64
Dividends	股息	0.60	0.70	1.20	0.85	0.85
Net assets value	資產淨值					
– excluding non-controlling interests	– 不包括非控股權益	26.4	25.7	26.3	22.6	20.7

		2017 二零一七年 HK\$ million 港幣百萬元	2016 二零一六年 HK\$ million 港幣百萬元
Segment Revenue[#]	分類收入[#]		
■ Construction and engineering	建築及機械工程	4,759	4,658
■ Property investment	物業投資	144	168
■ Property development and operations	物業發展及營運	589	1,045
■ Senior housing	安老院舍	525	528
■ Car dealership	汽車代理	1,317	1,454
■ Others	其他	555	1,476
Total	總額	7,889	9,329
Segment Profit/(Loss)[#]	分類溢利/(虧損)[#]		
■ Construction and engineering	建築及機械工程	344	290
■ Property investment	物業投資	321	163
■ Property development and operations	物業發展及營運	88	204
■ Senior housing	安老院舍	29	36
■ Car dealership	汽車代理	(2)	(6)
■ Others	其他	58	(124)
Total	總額	838	563

[#] Included share of revenue/results of associates and joint ventures
包括所佔聯營公司及合營企業之收入/業績

CORPORATE INFORMATION

企業資料

EXECUTIVE DIRECTORS

Dr CHOW Yei Ching (Co-Chairman)
Mr KUOK Hoi Sang (Co-Chairman and Managing Director)
Mr TAM Kwok Wing (Deputy Managing Director)
Mr HO Chung Leung
Mr MA Chi Wing
Miss Lily CHOW

NON-EXECUTIVE DIRECTORS

Dr KO Chan Gock, William
Mr CHOW Vee Tsung, Oscar

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr CHOW Ming Kuen, Joseph
Mr YANG Chuen Liang, Charles
Professor POON Chung Kwong
Mr Irons SZE

SECRETARY

Mr MUI Chin Leung

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants, Hong Kong
22nd Floor, Prince's Building
Central, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Berkadia Commercial Mortgage LLC
Chong Hing Bank Limited
DBS Bank Ltd., Hong Kong Branch
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Shanghai Commercial Bank Limited

SOLICITORS

Appleby
Robertsons

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton, HM 12, Bermuda

PRINCIPAL PLACE OF BUSINESS

22nd Floor, Chevalier Commercial Centre
8 Wang Hoi Road, Kowloon Bay
Hong Kong
Telephone: (852) 2318 1818
Facsimile: (852) 2757 5138

執行董事

周亦卿博士 (聯席主席)
郭海生先生 (聯席主席兼董事總經理)
譚國榮先生 (副董事總經理)
何宗樑先生
馬志榮先生
周莉莉小姐

非執行董事

高贊覺博士
周維正先生

獨立非執行董事

周明權博士
楊傳亮先生
潘宗光教授
施榮懷先生

秘書

梅展良先生

核數師

羅兵咸永道會計師事務所
香港執業會計師
香港中環
太子大廈二十二樓

主要往來銀行

中國銀行(香港)有限公司
Berkadia Commercial Mortgage LLC
創興銀行有限公司
星展銀行香港分行
恒生銀行有限公司
香港上海滙豐銀行有限公司
上海商業銀行有限公司

律師

毅柏律師事務所
羅拔臣律師事務所

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton, HM 12, Bermuda

主要營業地點

香港
九龍灣宏開道八號
其士商業中心二十二樓
電話：(852) 2318 1818
傳真：(852) 2757 5138

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

**BRANCH SHARE REGISTRAR AND
TRANSFER OFFICE IN HONG KONG**

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

SHARE LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 25

WEBSITE

<http://www.chevalier.com>

主要股份登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

**香港股份登記及
過戶分處**

卓佳標準有限公司
香港皇后大道東一八三號
合和中心二十二樓

股份上市

香港聯合交易所有限公司
股份代號：25

網址

<http://www.chevalier.com>

FINANCIAL CALENDAR**Announcement of Results**

Interim Results	25 November 2016
Final Results	26 June 2017

Book Close Dates

Interim Dividend	14 to 16 December 2016
Annual General Meeting	25 to 30 August 2017
Final Dividend	6 to 8 September 2017

Annual General Meeting 30 August 2017

Payment of Dividends

Interim dividend of HK\$0.20 per share	21 December 2016
Final dividend of HK\$0.40 per share	15 September 2017

財務日誌**業績公佈**

中期業績	二零一六年十一月二十五日
末期業績	二零一七年六月二十六日

截止過戶日期

中期股息	二零一六年十二月十四日至十六日
股東週年大會	二零一七年八月二十五日至三十日
末期股息	二零一七年九月六日至八日

股東週年大會 二零一七年八月三十日

派發股息

中期股息 每股港幣0.20元	二零一六年十二月二十一日
末期股息 每股港幣0.40元	二零一七年九月十五日

LETTER TO SHAREHOLDERS

致股東之函件

Dear Shareholders,

In 2016/17 the Government of the HKSAR auctioned and sold a total of 290,000 square metres of residential land. In his 2017 Policy Address, the Chief Executive reinforced the Government's policy and approach on land and housing supply by announcing that the Government will provide more than 380,000 residential units by changing land use and increasing development intensity in the short to medium term. The Government's announcement, coupled with the various ongoing large-scale infrastructure and residential projects in Hong Kong, will continue to exert pressure on the construction and engineering industry. The construction and engineering industry will continue to struggle to cope with the high work demand in the industry which in turn is overshadowed by issues such as an aging construction workforce and shortage of skillful and non-skillful labour in the different trades of work in the industry. Whilst the Group may benefit from the constant flow of construction and engineering works in the market as a result of the Government's policy, we will need to cautiously strike a balance between new job tenders and reasonable profit margins to ensure sustainable growth for the Group.

The Chinese economy performed well and maintained steady growth during the past year, and the outlook for China's residential property market is robust. Nevertheless, the PRC regulatory environment is dynamic and the real estate property market remains ever competitive. In light of our high hopes and confidence in the future of Hong Kong's real estate market (as proven by the fierce bidding of several plots of land in the Kai Tak area in the last 6 months), we have decided to realise our Chengdu residential development project together with three parcels of land at fair market value in June this year.

Mainland and local developers will continue to actively acquire residential land sites in Hong Kong. Although the increase in stamp duty rate may suppress speculative investment, end-user demand remains strong. A fierce US interest rate rise is not expected and it is unlikely that the demand of the Hong Kong residential market will dampen. In May, we acquired a property in Kennedy Town, followed by a successful tender granted in June by the Urban Renewal Authority ("URA") of Hong Kong in Tai Kok Tsui, both of which are subject to completion. The Group will consider both Government land sales and any other redevelopment opportunities which may arise and will proceed cautiously with the building up of the Group's land bank in Hong Kong.

各位股東：

於二零一六／一七年度，香港特區政府拍賣並出售合共290,000平方米的住宅用地。在其二零一七年的施政報告中，行政長官就土地及房屋供應重申了政府的政策及方向，宣佈政府將透過在短至中期內改變土地用途及加大開發力度，提供逾380,000個住宅單位。政府的公告，加上香港各項正在進行施工的大型基建及住宅項目，將會繼續向建築及工程行業施加壓力。建築及工程行業將繼續艱難面對業內極大的工作量，同時亦受到建築業內不同工種的勞動力年齡老化以及技術及非技術勞工短缺等問題的困擾。儘管本集團因政府的政策而受惠於市場上不斷湧現的建築及工程，惟我們需要審慎地平衡新的工程投標及合理利潤率，以確保本集團的可持續發展。

過去一年，中國經濟表現良好及保持平穩增長，中國住宅物業市場前景樂觀。然而，中國的監管環境瞬息萬變，房地產市場競爭仍然激烈。鑑於我們對香港房地產市場的未來抱有極大的期望及信心（誠如在過去六個月啟德發展區若干幅土地的激烈競價所證實），我們在今年六月決定按公平市值將我們的成都住宅開發項目連同三幅土地出售變現。

內地及本地開發商將繼續積極收購香港的住宅用地。雖然提高印花稅稅率可能會抑制投機性投資，惟最終用家的需求依然強勁。預期美國的利率將不會猛漲，香港住宅市場的需求不大可能會下滑。於五月收購堅尼地城一項物業後，我們亦於六月成功投得大角咀由香港市區重建局（「市區重建局」）批出的項目，該兩個項目均須待交易完成。本集團將透過政府賣地及可能出現的任何其他重建機會謹慎地增加本集團於香港的土地儲備。

The senior housing business consists of three components, namely, real estate, hospitality and needs-driven senior care services. With the population group of the age of 65 or above increasingly on the rise in the US, we see a bright future in this business sector. It is this reason that we increased our senior housing portfolio with the purchase of two additional facilities in the US. In addition to the US, the Group's senior housing project in Hong Kong is also underway and is progressing according to plan. Demand for senior care services, whether in the US or in Hong Kong, will only increase. The Group will continue to source for investments in the market with good opportunities and good returns and will serve the senior housing market with our invaluable experience gained over the years.

Dr Chow Yei Ching founded Chevalier Group in 1970 with only 10 employees. He served for the past 33 years as Chairman of the Group since Chevalier (HK) Limited (the predecessor of Chevalier International Holdings Limited) first listed in Hong Kong in 1984. Over the last 47 years, under his leadership, the Company grew and became a diversified global conglomerate. Due to health reasons, Dr Chow will not stand for re-election in the coming Annual General Meeting of the Company and will accordingly retire as a Director and cease to act as the Co-Chairman of the Group. Members of the Board, our management and staff would like to express our deepest gratitude to Dr Chow for his vision, guidance and advice over the years, without which the Group would not have attained its solid position today. I will, together with the Group's committed, professional and diligent management team, continue to lead the Group and will see that the Group excel and grow even further.

Lastly, on behalf of the Board, I would like to thank our management and staff for their efforts and dedication during the year. I would also like to thank our shareholders and business partners for their invaluable support and trust.

KUOK Hoi Sang

Co-Chairman and Managing Director

安老院舍業務由三個部分組成：物業、住宿款待及針對長者需要的護理服務。隨著美國65歲以上的人口日益增長，預期該行業前景一片光明。正因如此，我們於美國增購兩個設施以增強安老院舍組合。除美國外，本集團於香港的安老院舍項目亦有進展，並按計劃如期進行。長者護理服務無論在美國或香港的需求有增無減，本集團將繼續在市場上尋求機會及可觀回報的投資，並利用多年所得的寶貴經驗服務安老院舍市場。

周亦卿博士於一九七零年創立其士集團時僅有十名僱員。自其士(香港)有限公司(其士國際集團有限公司的前身)於一九八四年於香港首次上市以來，彼於過去三十三年擔任本集團主席。於過去四十七年來，在其領導下，公司發展壯大，成為多元化全球性綜合企業。由於健康理由，周博士將不會在本公司來屆股東週年大會上膺選連任，並將退任董事，及不再擔任本集團聯席主席。董事會各成員、管理層及員工衷心感謝周博士多年來的遠見卓識、指導及建議。本集團能夠取得今日的穩固地位，周博士的奉獻實在功不可沒。本人與本集團忠誠、專業及勤勉竭誠的管理團隊將上下一心，帶領本集團繼續向前邁進，不斷發展。

最後，本人謹代表董事會摯誠感謝本集團之管理層及各員工於過去一年對本集團之辛勤工作。本人亦感激股東及業務夥伴寶貴的支持及信任。

聯席主席兼董事總經理

郭海生

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Having assessed the Group's internal performance reports, the Board reclassified the Group's segments into Construction and Engineering, Property Investment, Property Development and Operations, Senior Housing, Car Dealership and Others in order to re-allocate resources effectively within the Group. The Property Investment, Property Development and Operations and Senior Housing segments all split from the Property segment and formed independent segments whilst the Insurance and Investment and the Food and Beverage segments merged together and formed the Others segment. Car Dealership was detached from the Others segment after acquisition of the control in Qi Yang Chevalier Investment Company Limited ("Qi Yang"), stands as a new segment for the year.

The Group's consolidated revenue was HK\$4,759 million (2016: HK\$5,538 million), representing a decrease of 14% when compared with the last financial year. Taking into account its share of revenue in its associates and joint ventures, total segment revenue was HK\$7,889 million (2016: HK\$9,329 million), representing a decrease of 15%. Although the construction and engineering segment recorded an increase in revenue, the Group's consolidated revenue decreased mainly due to the absence of the revenue in last year recognised from the aggregated sale and pre-sale of residential units in property development in Changchun and the disposal of the Group's interest in the food and beverage business. Notwithstanding the foregoing, profit for the year ended 31 March 2017 boosted substantially by 70% to HK\$611 million, when compared to HK\$360 million in 2016 mainly due to fair value increase arising from the revaluation of the Group's investment properties. Profit attributable to the Company's shareholders for the year ended 31 March 2017 increased substantially to HK\$540 million (2016: HK\$315 million), and earnings per share to HK\$1.79 (2016: HK\$1.05).

CONSTRUCTION AND ENGINEERING

The Construction and Engineering segment's revenue for the year ended 31 March 2017 recorded an increase to HK\$4,759 million from HK\$4,658 million in last year. The profit of this segment increased by 18% from HK\$290 million in last year to HK\$344 million in current year. The growth in profit mainly derived from the building construction and electrical and mechanical engineering divisions.

The building construction division focused on private and public sectors projects and implemented effective cost control measures so as to enhance operation efficiency in coping with the stringent competition in the construction market.

經評估本集團內部表現報告後，為使本集團有效地重新分配資源，董事會將本集團分類重新分類為建築及機械工程、物業投資、物業發展及營運、安老院舍、汽車代理及其他。物業投資、物業發展及營運及安老院舍分類均拆分自物業分類並成為獨立分類，而保險及投資與餐飲分類合併並成為其他分類。於獲得Qi Yang Chevalier Investment Company Limited (「啓陽」)的控制權後，汽車代理自其他分類分離出來，於本年度成為一個新的分類。

本集團的綜合收入為港幣47.59億元(二零一六年：港幣55.38億元)，較上個財政年度減少14%。經計入其所佔聯營公司及合營企業收入後，總分類收入為港幣78.89億元(二零一六年：港幣93.29億元)，減少15%。儘管建築及機械工程分類錄得收入增長，本集團的綜合收入仍然有所減少，主要由於並無確認上年度在長春進行物業開發的住宅單位的銷售及預售的總收入及出售本集團於餐飲業務的權益所致。儘管如此，截至二零一七年三月三十一日止年度的溢利由二零一六年的港幣3.60億元大幅增加70%至港幣6.11億元，主要由於本集團投資物業重估導致公允值增加。截至二零一七年三月三十一日止年度的本公司股東應佔溢利大幅增至港幣5.40億元(二零一六年：港幣3.15億元)，而每股盈利則增至港幣1.79元(二零一六年：港幣1.05元)。

建築及機械工程

截至二零一七年三月三十一日止年度，建築及機械工程分類收入錄得增長，由上年度的港幣46.58億元增至港幣47.59億元。該分類的溢利亦由上年度港幣2.90億元增加18%至本年度的港幣3.44億元。溢利增長主要來自樓宇建築及機電工程部門。

樓宇建築部門專注於私營及公營機構項目，並已實施有效的成本控制措施以便應對建築市場的激烈競爭的情況下提高營運效率。

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The electrical and mechanical engineering division offers a full building service package for various types of buildings in Hong Kong, Macau and China and it maintained steady growth and contribution. With the completion of sizable contracts in Macau, the division shifted its focus back to Hong Kong during the year under review.

The aluminium windows and curtain walls division recorded a decrease in profit during the year due to the increase in cost resulted by the shortage of skillful labour available in the market. Given our competitive edge and good relationship with property developers, professional consultants and contractors, this division is still optimistic about the performance in the coming year.

The building supply division supplies a wide range of quality kitchen cabinets and installs glass reinforced plastic water tanks for the public and private sectors. It recorded a slight decrease in profit during the year due to the keen market competition.

The environmental engineering division had a turbulent year as a result of a decrease in public works projects during the financial year. The division is actively looking for environmental projects from both the private and public sectors and other environmental related projects in the sewage and water segment.

The lift and escalator division experienced a decrease in turnover and contribution due to the setback from the sales of the equipment and installation in the Mainland China market. In Hong Kong, due to the problem of aging buildings, the Group is optimistic that the revitalisation process will provide opportunities in sales and installation of lifts and escalators business for this division.

As at 31 March 2017, the total value of all outstanding construction and engineering contracts of the Group's subsidiaries amounted to HK\$4,105 million. Major contracts include:

1. Construction of a government complex at Tuen Mun, New Territories;
2. Construction of the expansion of the blood transfusion service headquarters of the Red Cross at Homantin, Kowloon;
3. Construction of a residential development at Shatin Town Lot No. 587, New Territories;
4. Expansion of the Tai Po Water Treatment Works Stream II, Tai Po, New Territories;

機電工程部門為香港、澳門及中國的多種類型樓宇提供全方位樓宇服務組合，且該部門保持穩定增長及收入回報。於完成澳門大型合約後，該部門已於本回顧年度將其業務轉回香港。

鋁窗及幕牆部門於本年度的溢利錄得減少，乃由於市場缺乏熟練勞工導致成本增加所致。鑑於競爭優勢及與物業開發商、專業顧問及承包商之間的良好關係，該部門於來年的表現仍保持樂觀。

建材供應部門供應多種優質櫥櫃及為公營及私營機構安裝玻璃強化塑膠水箱。由於激烈的市場競爭，該部門於本年度的溢利錄得輕微減少。

由於本財政年度公營工作項目減少導致環境工程部門經歷了動盪的一年。該部門正積極尋找私營及公營機構環境項目及其他污水及水務分類的環境相關項目。

由於在中國大陸市場設備銷售及安裝下降導致升降機及電扶梯部門經歷營業額及收入回報減少。在香港，由於樓宇老化問題，本集團對活化過程將為該部門提供銷售及安裝升降機及電扶梯業務的商機保持樂觀。

於二零一七年三月三十一日，本集團附屬公司之所有未完成建築及機械工程合約價值總額為港幣41.05億元。主要合約包括：

1. 承建新界屯門的政府綜合大樓；
2. 承建九龍何文田紅十字會輸血服務總部之擴建工程；
3. 承建新界沙田市地段第587號之住宅發展項目；
4. 擴建新界大埔瀘水廠二號水道；

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5. HVAC installation works for a hotel development at Lot 1950, D.D. 221, Wai Man Road, Sai Kung, New Territories; and
6. Design, supply and installation of curtain wall and aluminium window for Australia Technology Park in Sydney, Australia.

PROPERTY INVESTMENT

During the year under review, the Property Investment segment primarily comprised of properties rental business. Although segment revenue decreased by 14% to HK\$144 million, segment profit increased by 97% to HK\$322 million due to fair value increase in revaluation of investment properties. Given the size of the Group's rental portfolio of approximately 660,000 square feet and 163,000 square feet in Hong Kong and the Mainland China remained unchanged during the year under review, it is anticipated that performance of this segment will be reduced as certain areas of Chevalier Commercial Centre will be occupied for self-use by the Group in the coming financial year.

Subsequent to the financial year end, the Group entered into a provisional agreement to acquire a property at 1B and 1C Davis Street, Hong Kong at the consideration of HK\$228 million. The property is for residential and commercial use and has a total gross floor area of about 9,100 square feet. After completion of the acquisition, the property will provide stable rental income and will also offer potential capital appreciation to the Group.

PROPERTY DEVELOPMENT AND OPERATIONS

During the year under review, the Property Development and Operations segment revenue decreased by 44% from HK\$1,045 million to HK\$589 million. Segment profit recorded a significant drop by 57% from HK\$203 million to HK\$88 million. The decrease was mainly due to the absence of the revenue in last year recognised from the aggregated sale and pre-sale of residential units in the property development in Changchun.

The occupancy of the cold storage and logistics business was maintained at over 90 percent. During the year under review, the division also focused on potential SME clients and provided extra services to foster their growth. The management is confident that its performance will continue to be stable and will expand the business carefully when the time is appropriate.

The property management division provided comprehensive and high quality property management services to a wide range of customers with a portfolio of over 30 million square feet comprising of commercial, industrial and residential buildings, shopping arcades, car parks and other communal facilities.

5. 為位於新界西貢惠民路丈量約份221第1950地段酒店發展項目提供暖通空調安裝工程；及
6. 為澳洲悉尼Australia Technology Park設計、供應及安裝幕牆及鋁窗。

物業投資

於本回顧年度，物業投資分類主要包括物業租賃業務。儘管分類收入減少14%至港幣1.44億元，分類溢利增加97%至港幣3.22億元，由於投資物業重估公允值增加所致。雖然本集團於香港及中國大陸面積分別約660,000平方呎及163,000平方呎的租賃物業組合於本回顧年度保持不變，由於下個財政年度其士商業中心的若干面積將由本集團佔用及自用，預期該分類表現將有所下降。

於本財政年度末之後，本集團訂立臨時協議收購位於香港爹核士街1B號及1C號的物業，代價為港幣2.28億元。該物業為住宅及商業用途，總樓面面積約為9,100平方呎。於收購事項完成後，該物業將為本集團提供穩定租金收入，且亦將為本集團帶來潛在的資本增值。

物業發展及經營

於本回顧年度，物業發展及經營分類之收入由港幣10.45億元減少44%至港幣5.89億元。分類溢利錄得由港幣2.03億元大幅減少57%至港幣8,800萬元。該減少乃主要由於並無確認上一年度出售及預售長春物業開發住宅單位之總收入。

冷藏倉庫及物流業務之佔用率維持在90%以上。於本回顧年度，該部門亦鎖定潛在的中小企業客戶並提供額外服務以助其增長。管理層對該部門的表現充滿信心並將繼續保持穩定及在時機適當之時繼續審慎地擴展業務。

物業管理部門向廣大客戶提供全面及優質物業管理服務，物業組合超過3,000萬平方呎，包括商業、工業及住宅樓宇、購物商場、停車場及其他公共設施。

Construction of URA project at Chi Kiang Street and Ha Heung Road, City Hub (a 50-50 joint venture of the Group), which comprises 175 residential flats and commercial portion, is due to complete in the fourth quarter of 2017 and it is expected the pre-sale will be launched in the third quarter of 2017.

Subsequent to the financial year end, the Group entered into an agreement to dispose the entire issue share capital in Chinaford Investment Limited (“Chinaford”) and Dolce Field Limited (“Dolce Field”) to Yango International Investment Group Limited and Yango City Group Co., Ltd at a net consideration of RMB1,570 million (equivalent to approximately HK\$1,773 million). Chinaford and Dolce Field are the investment holding companies of 成都其士房地產發展有限公司 which is principally engaged in the Group’s property development projects in Chengdu.

Subsequent to the financial year end, the Group was awarded the development right by URA in respect of the development of a site located at Fuk Chak Street and Li Tak Street at Tai Kok Tsui, Kowloon at the consideration of HK\$680 million. The project, covers a site area of approximately 8,200 square feet, is planned to be developed into small to medium sized residential units with a total residential gross floor area of about 55,000 square feet and 7,000 square feet of commercial gross floor area. Development of the project is expected to be completed by 2020/2021.

SENIOR HOUSING

In view of its significant in revenue and its contribution to the Group, the senior housing business was detached from the Property segment and formed a new Senior Housing segment. This segment revenue decreased slightly by less than 1% to HK\$524 million and profit dropped by 20% to HK\$29 million. Such soft result was primarily due to changes in the reimbursement process in North Carolina which resulted in lower average reimbursement and an increase in bad debt provision. Measures have been taken to further control costs and negotiation with the operator in securing a minimum net operating income. It is conservatively expected that the performance will return to normal in the coming year and we are still optimistic about the prospect of the business. The Group owned 23 senior housing facilities as at 31 March 2017 providing 1,017 assisted living beds, 733 memory care beds and 119 skilled nursing beds to serve different needs of the aged population in the US.

During the year, the Group agreed to grant a loan in the amount of not exceeding HK\$800 million and an estimated working capital of HK\$50 million to Hong Kong-Macao Conference Limited and Hong Kong-Macao Conference Holding Limited for its participation in the redevelopment of a piece of land into a church and facility building. The project is located at Ventris Road, Happy Valley, Hong Kong. Upon completion, it will be used as the senior housing facility and residential care home for the elderly. The development is expected to be completed in 2020.

本集團以其一間50-50合營企業於浙江街及下鄉道之市區重建局物業發展「津匯」的建築工程（包括175套住宅公寓及商業部份）於二零一七年第四季度竣工，並預計將於二零一七年第三季度進行預售。

於本財政年度末之後，本集團訂立協議將長暉投資有限公司（「長暉」）及都思有限公司（「都思」）之全部已發行股本出售予陽光城集團國際投資有限公司及陽光城集團股份有限公司，代價淨額為人民幣15.70億元（相等於約港幣17.73億元）。長暉及都思為成都其士房地產發展有限公司之投資控股公司，後者主要於成都從事本集團之物業發展項目。

於本財政年度末之後，本集團以代價港幣6.80億元獲市區重建局授予開發權，開發一幅位於九龍大角咀福澤街及利得街的地塊。該項目之地盤面積約8,200平方呎，計劃開發為總住宅建築面積約55,000平方呎及商業建築面積7,000平方呎的中小型住宅單位。該項目之開發預計於二零二零年／二零二一年完成。

安老院舍

鑑於安老院舍業務為本集團帶來重大收入及貢獻，該業務從物業分類分離出來並成為一個新的安老院舍分類。該分類之收入輕微減少不足1%至港幣5.24億元及溢利減少20%至港幣2,900萬元。錄得該溫和業績乃主要由於北卡羅來納州之償付程序變動導致平均償付額減少及壞賬撥備增加所致。本集團已採取措施進一步控制成本並與營運商磋商以確保最低淨營運收入。保守預計業務表現將於來年回歸正常，而我們仍對業務前景保持樂觀。本集團於二零一七年三月三十一日擁有23個安老院舍設施，提供1,017個安養床位、733個失智護理床位及119個專業護理床位，以服務美國不同長者的需要。

於本年度，本集團同意授出貸款不超過港幣8億元及估計營運資金港幣5,000萬元予基督復臨安息日會港澳區會有限公司及基督復臨安息日會港澳區會控股有限公司，供彼等參與將一幅地塊重新發展為教會及設施大樓。該項目位於香港跑馬地雲地利道。於完成後，該項目將用作安老院舍設施及安老院舍。預期該開發將於二零二零年完成。

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Subsequent to the financial year end, the Group acquired two additional senior housing properties located in Michigan, US, at an aggregate consideration of US\$33 million. The properties provided an aggregate of 299 units with a total rentable area of over 170,000 square feet.

CAR DEALERSHIP

After acquisition of the control in Qi Yang, Car Dealership segment was detached from Others segment as a new segment for the year. The segment turnover decreased by HK\$138 million to HK\$1,317 million while the segment result increased by HK\$4 million as compared with last year.

In Chengdu, a group of companies providing 8 import and domestic car brands operated a total of 13 4S shops. Over 16,000 units of car were sold during the year putting us in a leading position in Chengdu domestic car market.

In Canada, the performance of our two automobile dealerships, Action Honda and Aurora Chrysler was satisfactory for the year under review. Our Canada team is confident that both dealerships will continue to excel and meet performance in the coming year.

OTHERS

During the year under review, as a result of the realignment of the Group's income resources with growth strategies, the Group merged the insurance and investment business and food and beverage business into this segment while car dealership segment was detached from it. Segment revenue dropped by HK\$920 million to HK\$555 million mainly due to the share of lesser revenue from food and beverage business after Cafe Deco Holdings Limited was diluted from 60% to 25.28% in December 2015. Notwithstanding the drop in segment revenue, with the positive contribution from the investment portfolio of the insurance and investment business, the segment result rebounded by 147% from segment loss HK\$124 million to segment profit HK\$58 million.

Revenue for the insurance division dropped in 2016/2017 primarily due to intense competition in the Employees' Compensation business. Despite a decline in gross premium, the insurance division managed to achieve a satisfactory combined ratio in its underwriting business. Both the insurance and the investment divisions recorded an increase in profit as a result of a decrease in claim incurred and gain in fair values of financial instruments and in mutual/hedge funds, respectively. The division will continue to adopt a prudent underwriting approach to strengthen its competitiveness whilst maintaining sustainable growth.

於財政年度末之後，本集團增購兩間位於美國密歇根州的安老院舍物業，總代價為美金3,300萬元。該等物業提供合共299個單位，總租賃面積超過170,000平方呎。

汽車代理

於獲得啓陽之控制權後，本年度內汽車代理分類從其他分類中分離出來作為一個新分類。該分類營業額減少港幣1.38億元至港幣13.17億元而該分類業績較去年增加港幣4百萬元。

一系列公司在成都經營合共13間4S店舖，提供8個進口及國內汽車品牌。於本年度售出超過16,000輛汽車，令我們在成都國內汽車市場處於領先地位。

於本回顧年度，加拿大兩間汽車代理 Action Honda及Aurora Chrysler表現理想。在加拿大的團隊對該兩間汽車代理於來年繼續表現卓越及達至目標充滿信心。

其他

於本回顧年度，由於按照增長策略重新調整本集團之收入來源，本集團將保險及投資業務與餐飲業務整合至本分類，而汽車代理分類則從本分類中分離出來。分類收入減少港幣9.20億元至港幣5.55億元，此乃主要由於二零一五年十二月Cafe Deco Holdings Limited由60%攤薄至25.28%後分佔餐飲業務之收入減少所致。儘管分類收入減少，鑑於保險及投資業務之投資組合帶來正面回報，分類業績由錄得分類虧損港幣1.24億元回升147%至分類溢利港幣5,800萬元。

於二零一六／二零一七年，保險部門之收入減少乃主要由於僱員補償保險業務競爭激烈所致。儘管保險費總額減少，保險部門的承保業務取得了令人滿意的綜合成本率。保險及投資部門錄得溢利增加，乃由於發生之索償減少及分別錄得財務工具公允值收益以及互惠／對沖基金收益。該部門將繼續採取審慎的承保方式增強其競爭力，同時保持穩定增長。

CONSOLIDATED INCOME STATEMENT

Revenue

Revenue of the Group decreased from HK\$5,538 million in the year 2015/16 to HK\$4,759 million in the year 2016/17. The decrease was mainly due to the absence of last year's revenue recognised from the aggregated sale and pre-sale of residential units in the property development in Changchun and the disposal of the Group's interest in the food and beverage business.

Gross profit

Gross profit decreased from HK\$1,212 million in the year 2015/16 to HK\$744 million in the year 2016/17 and gross profit margin decreased from 21.9% to 15.6%. The decrease was mainly due to the disposal of the Group's interest in food and beverage business.

Other income, net

Other income, net of HK\$106 million was recorded in the year 2016/17 (2015/16: HK\$63 million). The increase was mainly due to turnaround of investments at fair value through profit or loss and derivative financial instruments from loss HK\$25 million in the year 2015/16 to gain HK\$16 million in the year 2016/17.

Other gains, net

Other gains, net of HK\$203 million were recorded in the year 2016/17 (2015/16: Other losses, net of HK\$131 million). The significant increase was primarily due to the increase in fair value of investment properties of HK\$226 million (2015/16: HK\$32 million), mainly arose from Hong Kong and Mainland China and last year's impairment loss on amount due from an associate of HK\$119 million no longer exist in current year.

Selling and distribution costs

The disposal of the Group's interest in the food and beverage business constituted the decrease in selling and distribution costs from HK\$452 million in the year 2015/16 to HK\$101 million in the year 2016/17.

Share of results of associates

The Group's share of results of associates dropped from HK\$117 million in the year 2015/16 to HK\$88 million in the year 2016/17, mainly due to the setback from the sales of the equipment and installation on lift and escalator division in Mainland China.

綜合收益表

收入

本集團的收入由二零一五／一六年度港幣55.38億元減少至二零一六／一七年度港幣47.59億元。減少乃主要由於並無確認上年度在長春進行物業開發的住宅單位的銷售及預售的總收入及出售本集團於餐飲業務的權益所致。

毛利

毛利由二零一五／一六年度港幣12.12億元減少至二零一六／一七年度港幣7.44億元，而毛利率由21.9%降至15.6%。該減少乃主要由於出售本集團於餐飲業務的權益所致。

其他收入，淨額

於二零一六／一七年度，其他收入，淨額錄得港幣1.06億元（二零一五／一六年度：港幣6,300萬元）。該增加乃主要由於按公允值列入損益處理之投資及衍生財務工具由二零一五／一六年度錄得虧損港幣2,500萬元轉為於二零一六／一七年度錄得收益港幣1,600萬元所致。

其他收益，淨額

於二零一六／一七年度，其他收益，淨額錄得港幣2.03億元（二零一五／一六年度：其他虧損，淨額港幣1.31億元）。該大幅增加乃主要由於香港及中國內地的投資物業公允值增加港幣2.26億元（二零一五／一六年度：港幣3,200萬元）及本年度已不存在去年度有關應收一間聯營公司款項之減值虧損為港幣1.19億元所致。

銷售及經銷成本

出售本集團於餐飲業務的權益導致銷售及經銷成本由二零一五／一六年度之港幣4.52億元減少至二零一六／一七年度之港幣1.01億元。

所佔聯營公司業績

本集團所佔聯營公司業績由二零一五／一六年度之港幣1.17億元減少至二零一六／一七年度之港幣8,800萬元，主要由於中國內地的升降機及電扶梯部門的設備銷售及安裝受挫所致。

FINANCIAL REVIEW

財務評述

Share of results of joint ventures

The Group's share of results of joint ventures recorded a loss of HK\$5 million in the year 2016/17 (2015/16: HK\$25 million). The improvement was mainly contributed by the property development business in Beijing, Mainland China.

Finance costs, net

Finance costs, net decreased by HK\$7 million as the management satisfactorily made savings on the finance costs during the refinancing of the existing term loan facility in September 2016.

Profit attributable to shareholders of the Company

Profit attributable to shareholders of the Company of HK\$540 million was achieved in the year 2016/17 (2015/16: HK\$315 million), a substantial increase of HK\$225 million mainly accounted for aforementioned increase in fair value of investment properties.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Investment properties

The carrying value of investment properties increased by HK\$169 million to HK\$3,833 million as at 31 March 2017 (2016: HK\$3,664 million), representing the fair value gain amounted to HK\$226 million and partially adjusted by depreciation in Renminbi when translated into Hong Kong dollar.

Property, plant and equipment

The carrying value of property, plant and equipment was substantially increased by HK\$431 million to HK\$2,330 million as at 31 March 2017 (2016: HK\$1,899 million) which resulted from the deemed acquisition of Qi Yang Group and fair value increase of staff quarters.

Interests in associates

Interests in associates dropped by HK\$402 million to HK\$519 million as at 31 March 2017 (2016: HK\$921 million) representing the deemed acquisition of Qi Yang Group of HK\$355 million and the full consolidation of its results and financial position into the Group's consolidated financial statements and disposal of Wonder of HK\$53 million.

所佔合營企業業績

本集團於二零一六／一七年度所佔合營企業業績錄得虧損港幣500萬元（二零一五／一六年度：港幣2,500萬元）。該改善乃主要由於中國內地北京的物業發展業務帶來回報所致。

財務費用，淨額

由於在二零一六年九月管理層再融資現有定期貸款融資成功節省財務費用，財務費用，淨額因而減少港幣700萬元。

本公司股東應佔溢利

於二零一六／一七年度，本公司股東應佔溢利為港幣5.40億元（二零一五／一六年度：港幣3.15億元），大幅增加港幣2.25億元，主要因為上述投資物業公允值增加。

綜合財務狀況表

投資物業

投資物業賬面值增加港幣1.69億元至二零一七年三月三十一日之港幣38.33億元（二零一六年：港幣36.64億元），相當於公允值收益達港幣2.26億元及部份因人民幣兌港幣貶值作出調整。

物業、廠房及設備

因視為收購啓陽集團及員工宿舍公允值增加，物業、廠房及設備之賬面值因而大幅增加港幣4.31億元至二零一七年三月三十一日之港幣23.30億元（二零一六年：港幣18.99億元）。

聯營公司之權益

聯營公司之權益減少港幣4.02億元至二零一七年三月三十一日之港幣5.19億元（二零一六年：港幣9.21億元），相當於錄得視為收購啓陽集團港幣3.55億元，而其業績及財務狀況全面併入本集團綜合財務報表內及出售Wonder港幣5,300萬元。

Properties under development (under non-current assets, current assets and assets held-for-sale)

Properties under development (under non-current assets, current assets and assets held-for-sale) increased by HK\$140 million representing the development costs incurred in properties development projects in Chengdu and Changchun, Mainland China during the year and partially adjusted by the depreciation in Renminbi when translated into Hong Kong dollar. On 1 June 2017, the Group entered into a framework agreement to dispose the property development project in Chengdu, Mainland China, the relevant properties under development carrying value of HK\$533 million was then classified as assets held-for-sale as at 31 March 2017.

Properties for sale (under current assets and assets held-for-sale)

Properties for sale (under current assets and assets held-for-sale) decreased by HK\$275 million mainly due to sales of properties in Chengdu and Changchun, Mainland China and depreciation in Renminbi when translated into Hong Kong dollar during the year. On 1 June 2017, the Group entered into a framework agreement to dispose the property development project in Chengdu, Mainland China, the relevant properties for sale carrying value of HK\$580 million was then classified as assets held-for-sale as at 31 March 2017.

Debtors, deposits and prepayments

Debtors, deposits and prepayments increased significantly by HK\$306 million to HK\$1,393 million as at 31 March 2017 (2016: HK\$1,087 million) which composed of deemed acquisition of Qi Yang Group and deposits and advances paid for investment projects.

Bank balances and cash

Bank balances and cash decreased by HK\$247 million to HK\$1,762 million (2016: HK\$2,009 million) mainly due to partial settlement of bank and other borrowings during the year as the Group maintained a strong cash position, of which 80.5% (2016: 91.7%) of bank balances and cash were denominated in Hong Kong dollar and US dollar while 13.9% (2016: 4.2%) were denominated in Renminbi.

Creditors, bills payable, deposits and accruals

Creditors, bills payable, deposits and accruals increased by HK\$624 million to HK\$1,922 million as at 31 March 2017 (2016: HK\$1,298 million) which composed of deemed acquisition of Qi Yang Group, deposits received on pre-sale of properties under development in Changchun, Mainland China and accrued contract costs.

發展中物業 (列為非流動資產、流動資產及持作出售資產)

發展中物業 (列為非流動資產、流動資產及持作出售資產) 增加港幣1.40億元，相當於本年度中國內地成都及長春之物業發展項目產生發展成本且部分因人民幣兌港幣貶值作出調整。於二零一七年六月一日，本集團已訂立框架協議出售中國內地成都的物業發展項目，相關發展中物業賬面值為港幣5.33億元，其後於二零一七年三月三十一日分類為持作出售資產。

待售物業 (列為流動資產及持作出售資產)

待售物業 (列為流動資產及持作出售資產) 減少港幣2.75億元，主要由於本年度中國內地成都及長春的物業銷售及人民幣兌港幣貶值所致。於二零一七年六月一日，本集團已訂立框架協議出售中國內地成都的物業發展項目，相關待售物業賬面值為港幣5.80億元，其後於二零一七年三月三十一日分類為持作出售資產。

應收賬款、存出按金及預付款項

於二零一七年三月三十一日，應收賬款、存出按金及預付款項大幅增加港幣3.06億元至港幣13.93億元 (二零一六年：港幣10.87億元)，當中包括視為收購啓陽集團以及就投資項目支付之存出按金及貸款。

銀行結存及現金

銀行結存及現金減少港幣2.47億元至港幣17.62億元 (二零一六年：港幣20.09億元)，乃主要由於本集團因現金狀況充裕而於年內償還部分銀行及其他借款，其中80.5% (二零一六年：91.7%) 的銀行結存及現金以港幣及美元為單位，而13.9% (二零一六年：4.2%) 以人民幣為單位。

應付賬款、應付票據、存入按金及預提費用

於二零一七年三月三十一日，應付賬款、應付票據、存入按金及預提費用增加港幣6.24億元至港幣19.22億元 (二零一六年：港幣12.98億元)，當中包括視為收購啓陽集團、就於中國內地長春之發展中物業預售收取之存入按金及預提合約成本。

FINANCIAL REVIEW

財務評述

Bank and other borrowings (under current liabilities and non-current liabilities)

Bank and other borrowings decreased by HK\$323 million to HK\$2,790 million as at 31 March 2017 (2016: HK\$3,113 million) due to settlement made during the year as our Group maintains a strong cash position and management satisfactorily made saving in finance costs. 88.2% and 10.8 % (2016: 90.8% and 8.3%) of bank and other borrowings were denominated in Hong Kong and US dollar, and Renminbi respectively.

The Group's within one year bank and other borrowings portion largely decreased from 30.9% as at 31 March 2016 to 18.6% as at 31 March 2017 due to the refinancing of the existing term loan facility in September 2016.

Majority of the borrowings in Hong Kong and Mainland China carry floating interest rates, of which most of them are based on Hong Kong or London Interbank Offered Rates or the People's Bank of China Benchmark Loan Rate, while majority of the borrowings in the US carry fixed interest rates insured by the US Government.

SHAREHOLDERS' FUNDS

As at 31 March 2017, the Group's net assets attributable to shareholders of the Company amounted to HK\$7,969 million, an increase of HK\$219 million when compared with 31 March 2016 of HK\$7,750 million. Such increase mainly resulted from the profit attributable to shareholders of the Company of HK\$540 million, revaluation surplus of properties for own use under revaluation model of HK\$94 million, offset by dividend payment of HK\$211 million and exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures of HK\$225 million.

LEVERAGE RATIOS

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong, Mainland China and the US.

As at 31 March 2017, the Group's total debt amounted to HK\$2,790 million (2016: HK\$3,113 million), HK\$955 million (2016: HK\$846 million) was attributable to senior housing business and without recourse to the Company.

銀行及其他借款 (列為流動負債及非流動負債)

於二零一七年三月三十一日，銀行及其他借款減少港幣3.23億元至港幣27.90億元（二零一六年：港幣31.13億元），乃由於本集團因現金狀況充裕而於年內還款及管理層已順利節省財務費用。88.2%及10.8%（二零一六年：90.8%及8.3%）的銀行及其他借款分別以港幣及美金以及人民幣為單位。

本集團一年內到期之銀行及其他借款所佔部分由二零一六年三月三十一日之30.9%大幅減少至二零一七年三月三十一日之18.6%，乃由於二零一六年九月再融資現有定期貸款融資所致。

大多數於香港及中國內地之借款按浮動利率計息，其中大部分根據香港或倫敦銀行同業拆息或中國人民銀行貸款基準利率計息，而大多數於美國之借款則按固定利率計息並獲美國政府承保。

股東資金

於二零一七年三月三十一日，本集團之本公司股東應佔資產淨值為港幣79.69億元，較二零一六年三月三十一日港幣77.50億元增加港幣2.19億元。有關增加主要由於本公司股東應佔溢利港幣5.40億元、按重估模式計量之自用物業重估盈餘港幣9,400萬元惟被分派股息港幣2.11億元，以及換算海外附屬公司、聯營公司及合營企業之業務所產生之外匯兌換差額港幣2.25億元抵銷所致。

槓桿比率

本集團一般以內部產生之現金流量及其於香港、中國內地及美國的主要往來銀行提供之信貸融資撥付營運所需資金。

於二零一七年三月三十一日，本集團的總債務為港幣27.90億元（二零一六年：港幣31.13億元），其中安老院舍業務佔港幣9.55億元（二零一六年：港幣8.46億元）及並無向本公司追索的權利。

Analysis of the net debt is set out below:

淨債務之分析載列如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Unsecured:	無抵押：		
– senior housing business	– 安老院舍業務	523	662
– other business	– 其他業務	1,380,644	1,293,943
		1,381,167	1,294,605
Secured:	有抵押：		
– senior housing business	– 安老院舍業務	954,260	845,640
– other business	– 其他業務	455,012	972,291
		1,409,272	1,817,931
Total debts	總債務	2,790,439	3,112,536
Bank balances and cash	銀行結存及現金	(1,761,632)	(2,009,282)
Net debt	淨債務	1,028,807	1,103,254

As at 31 March 2017, with the decrease in bank and other borrowings, total debt to equity ratio decreased to 32.8% (2016: 37.8%), which was expressed as a percentage of bank and other borrowings over the Group's net assets of HK\$8,503 million (2016: HK\$8,238 million). Net debt to equity ratio dropped to 12.1% (2016: 13.4%), which was expressed as a percentage of net bank and other borrowings (representing total bank and other borrowings net of bank balances and cash) over the Group's net assets. Ratio of total debt to total assets of HK\$15,064 million (2016: HK\$14,520 million) decreased from 21.4% to 18.5% as at 31 March 2017.

With the existing banking facilities and the recurrent cash generation from its operation, the Group has sufficient financial resources to meet the funding requirements for its ongoing operation as well as its future expansion.

於二零一七年三月三十一日，隨著銀行及其他借款減少，總債務與權益比率下降至32.8%（二零一六年：37.8%），此乃按銀行及其他借款與本集團資產淨值港幣85.03億元（二零一六年：港幣82.38億元）之百分比列示。淨債務與權益比率下降至12.1%（二零一六年：13.4%），此乃按銀行及其他借款淨額（即銀行及其他借款總額扣除銀行結存及現金）與本集團資產淨值之百分比列示。總債務與總資產港幣150.64億元（二零一六年：港幣145.20億元）之比率由21.4%下降至二零一七年三月三十一日的18.5%。

憑藉本集團現有之銀行信貸及經常性營運現金，本集團具備足夠之財務資源以應付日常營運及未來業務擴展之資金需求。

FINANCIAL REVIEW

財務評述

TREASURY POLICIES

The Group adopts conservative treasury policies in cash and financial management. The Group's treasury activities are centralised in order to achieve better risk control and minimise cost of funds. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollar, Renminbi or US dollar. The Group's liquidity and financing requirements are frequently reviewed. In anticipating new investments or maturity of bank and other borrowings, the Group will consider new financing while maintaining an appropriate level of gearing.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND INTEREST RATES

The major currencies used to operate the businesses are Hong Kong dollar, Renminbi and US dollar. As at 31 March 2017, the Group had arranged foreign currency swap contracts amounting to HK\$111 million (2016: HK\$239 million) to hedge part of its foreign currency risk from various foreign currencies used for business operations. The Group had outstanding interest rate swap contracts which amounted to HK\$800 million (2016: HK\$800 million) in total as at 31 March 2017, enabling the Group to manage its interest rate exposure.

CHARGE ON ASSETS

As at 31 March 2017, bank and other borrowings of HK\$1,409 million (2016: HK\$1,818 million) and other unutilised banking facilities were secured by charges on investment properties of HK\$1,282 million (2016: HK\$2,196 million), property, plant and equipment of HK\$747 million (2016: HK\$1,282 million), other non-current assets of HK\$22 million (2016: HK\$22 million), inventories of HK\$73 million (2016: HK\$82 million), debtors, deposits and prepayments of HK\$59 million (2016: HK\$63 million) and deposits at bank of HK\$406 million (2016: HK\$333 million).

CONTINGENT LIABILITIES

Details of the contingent liabilities are set out in note 39 to the consolidated financial statements.

COMMITMENT

Details of the commitment are set out in note 40 to the consolidated financial statements. The commitment is to be financed by borrowings and internal funds.

庫務政策

本集團對現金及財務管理採取審慎之庫務政策。為達到更好的風險管理及降低資金成本，本集團中央處理庫務事宜。目前現金一般會存放為主要以港幣、人民幣或美金為單位之短期存款。本集團經常檢討其流動性及融資要求，並不時因應新投資項目或銀行及其他借款之還款期，在維持恰當的負債比率下，考慮新的融資安排。

外匯匯率及利率浮動之風險

業務營運所用之主要貨幣為港幣、人民幣和美金。於二零一七年三月三十一日，本集團已安排外匯掉期合約港幣1.11億元（二零一六年：港幣2.39億元），以對沖來自經營業務所用各類外幣所產生之部分外幣風險。於二零一七年三月三十一日，本集團持有之未到期利率掉期合約為港幣8億元（二零一六年：港幣8億元），用以管理利率風險。

資產抵押

於二零一七年三月三十一日，銀行及其他借款港幣14.09億元（二零一六年：港幣18.18億元）及其他未動用銀行信貸均以投資物業港幣12.82億元（二零一六年：港幣21.96億元）、物業、廠房及設備港幣7.47億元（二零一六年：港幣12.82億元）、其他非流動資產港幣2,200萬元（二零一六年：港幣2,200萬元）、存貨港幣7,300萬元（二零一六年：港幣8,200萬元）、應收賬款、存出按金及預付款項港幣5,900萬元（二零一六年：港幣6,300萬元），以及銀行存款港幣4.06億元（二零一六年：港幣3.33億元）之抵押作為擔保。

或然負債

或然負債之詳情載於綜合財務報表附註39。

承擔

承擔之詳情載於綜合財務報表附註40。承擔將通過借款及內部資金撥付。

MANAGEMENT PROFILE

管理層簡介

DR CHOW YEI CHING *G.B.S., O.B.E.*, Executive Director, Co-Chairman of the Board and Chairman of the Executive Committee, aged 81, founded Chevalier Group in 1970. Dr Chow was re-designated from Chairman to Co-Chairman of the Company on 12 January 2016. In 1995, Dr Chow was awarded with an Honorary Degree of Doctor of Business Administration by The Hong Kong Polytechnic University and an Honorary University Fellow by The University of Hong Kong. In 1997, he was conferred the degree of Doctor of Laws honoris causa by The University of Hong Kong. He is also a Consultative Professor of Zhejiang University and a Lecture Professor of Sichuan Union University in Mainland China. In 2008, Dr Chow was awarded with an Honorary Degree of Doctor of Social Science by City University of Hong Kong. In 2013, Dr Chow was also awarded Doctor of Social Science honoris causa by Hong Kong University of Science and Technology. Dr Chow's enthusiasm in public services is evidenced by his appointment in 2001 as the Vice Patron of The Community Chest in Hong Kong. He was also appointed as the Honorary Consul of the Kingdom of Bahrain in Hong Kong in 2001. Dr Chow also actively participates in various professional bodies and associations on fraternal and Chinese affairs. To name a few, he is the Founding President of International Ningbo Merchants Association Company Limited, the Vice Patron of The Japan Society of Hong Kong and the Permanent Honorary President of the National Taiwan University – HK Alumni Association. In recognition of his contributions to local and overseas societies alike, Dr Chow was awarded honorable decorations from Britain, Belgium, France and Japan. Furthermore, Dr Chow was also awarded the Gold Bauhinia Star from the HKSAR Government in 2004. He is the father of Mr Chow Vee Tsung, Oscar, Non-Executive Director of the Company and Miss Lily Chow, Executive Director of the Company.

MR KUOK HOI SANG, *M.H.*, Executive Director, Co-Chairman and Managing Director, chairman of the Nomination Committee, a member of the Executive Committee and the Remuneration Committee, aged 67, joined Chevalier Group in 1972. Mr Kuok was appointed as Co-Chairman of the Company on 12 January 2016. Mr Kuok has extensive experience in business development and is responsible for the strategic planning and management of the operations of lift and escalator, building construction, building supplies, aluminium windows and curtain walls, electrical and mechanical engineering, civil engineering, property investment and development as well as investment projects of Chevalier Group. Mr Kuok is the President of The Lift and Escalator Contractors Association in Hong Kong, the Vice-Chairman of the Hong Kong – China Branch of The International Association of Elevator Engineers, Vice President of The Hong Kong Federation of Electrical and Mechanical Contractors Limited and a Registered Lift and Escalator Engineer in Hong Kong.

周亦卿博士 *G.B.S., O.B.E.*，執行董事，董事會聯席主席及執行委員會主席，現年八十一歲，於一九七零年創立其士集團。周博士於二零一六年一月十二日由本公司主席調任為聯席主席。於一九九五年，周博士分別榮獲香港理工大學頒授榮譽工商管理博士學位及香港大學頒授名譽大學院士銜，並於一九九七年獲香港大學頒授名譽法學博士學位。彼並為中國內地浙江大學之顧問教授及四川聯合大學之講座教授。於二零零八年，周博士榮獲香港城市大學頒授榮譽社會科學博士。於二零一三年，周博士更榮獲香港科技大學榮譽社會科學博士。周博士一向熱心慈善公益事務，於二零零一年獲選為香港公益金名譽副會長。彼亦於二零零一年獲委任為巴林王國駐香港名譽領事。周博士亦一直致力積極推動有關專業團體事務，及在個別宗親同鄉會及關心中國事務等機構擔任要職，貢獻良多，其中包括世界中華寧波總商會有限公司創會會長、香港日本文化協會副贊助人及台灣大學香港校友會永遠榮譽會長。此外，英、比、法、日四國先後頒授勳銜予周博士，以表揚及認同彼對本地及海外社會之貢獻。再者，周博士更於二零零四年獲香港特區政府頒授金紫荊星章。彼為本公司非執行董事周維正先生及本公司執行董事周莉莉小姐之父親。

郭海生先生 *M.H.*，執行董事，聯席主席兼董事總經理，並為提名委員會主席，執行委員會及薪酬委員會成員，現年六十七歲，於一九七二年加入其士集團。郭先生於二零一六年一月十二日被委任為本公司聯席主席。郭先生對業務發展擁有豐富經驗，並負責其士集團升降機及電扶梯、樓宇建築、建材供應、鋁窗及幕牆、機電工程、土木工程、物業投資及發展及投資項目之策略性籌劃及營運管理。郭先生為香港電梯業協會會長、國際電梯工程師協會香港—中國分會副主席及香港機電工程商聯會副會長，並為香港註冊升降機及自動梯工程師。

MANAGEMENT PROFILE

管理層簡介

Mr Kuok is a member of the Guangzhou Committee of the Chinese People's Political Consultative Conference from the 9th to 12th sessions. He has served on a number of HKSAR Government Boards and Committees, including the Election Committee, the Examination Committee (Registration of lift engineers and escalator engineers) and the Lift and Escalator Safety Advisory Committee of the Electrical and Mechanical Services Department. Mr Kuok was awarded the Medal of Honour by the HKSAR Government in 2016 for his dedicated public service, particularly for his contributions to the development of the electrical and mechanical services industry.

MR TAM KWOK WING, Executive Director, Deputy Managing Director and a member of the Executive Committee, aged 56, joined Chevalier Group in 1986. Mr Tam oversees all legal affairs of the Group and he is responsible for the operations of cold storage and logistics; insurance services; property investment and development; property management; and travel agency businesses.

Mr Tam holds a Bachelor Degree in Laws from Peking University of the People's Republic of China; a Master of Arts Degree from City University of Hong Kong; and a Postgraduate Diploma in Corporate Administration from the Hong Kong Polytechnic University. Mr Tam is a Fellow Member of each of the Chartered Institute of Arbitrators; the Royal Institution of Chartered Surveyors; the Institute of Chartered Secretaries and Administrators in the United Kingdom; and the Hong Kong Institute of Chartered Secretaries. Mr Tam is also a Chartered Member of the Chartered Institute of Housing.

At present, Mr Tam is the elected President of the Hong Kong Institute of Chartered Secretaries; a Councilor of the General Insurance Council in the Hong Kong Federation of Insurers; and the Immediate Past President of the Hong Kong Association of Property Management Companies. He is also an appointed Member of each of the Property Management Services Authority; the Occupational Safety and Health Council; the Employees' Compensation Insurance Levies Management Board; the Property Management Industry Training Advisory Committee of the Education Bureau; the Advisory Committee on Water Supplies; and the Steering Committee on the Promotion of Electric Vehicles. In addition, he is an Honorary Secretary of the Insurance Claims Complaints Bureau. Mr Tam is also a member of The Board of Directors of Bao Minh Insurance Corporation in Vietnam.

Mr Tam is also appointed as the Honorary Vice Consul of the Kingdom of Bahrain to Hong Kong. He also serves as the Secretary General of the Hong Kong Bahrain Business Association. In China, Mr Tam is appointed as a Standing Committee Member of the 13th Changchun Committee of the Chinese People's Political Consultative Conference. Mr Tam is also a Council Member of the Guangdong Chamber of Foreign Investors.

郭先生獲委任為中國人民政治協商會議廣州市委員會委員(由第九屆至第十二屆)。彼亦為香港特區政府轄下之委員團及委員會擔任公職，包括選舉委員會，考試委員會(註冊成為升降機工程師／自動梯工程師)，及機電工程處轄下之升降機及自動梯安全諮詢委員會。郭先生於二零一六年獲香港特區政府頒授榮譽勳章以表揚彼積極參與公共服務，尤其致力推動機電業的發展。

譚國榮先生，執行董事，副董事總經理及執行委員會成員，現年五十六歲，於一九八六年加入其士集團。譚先生負責本集團之法律事務，亦管理冷藏倉庫及物流、保險服務、物業投資及發展、物業管理及旅遊代理業務。

譚先生持有中國北京大學法律學士學位、香港城市大學文學碩士學位及香港理工大學企業管理深造文憑。譚先生為英國特許仲裁學會、英國皇家特許測量師學會、英國特許秘書及行政人員公會、以及香港特許秘書公會之資深會士。譚先生亦是英國特許房屋經理學會特許會員。

譚先生為現任香港特許秘書公會會長、香港保險業聯會之一般保險總會委員及香港物業管理公司協會上任會長。彼亦被委任為物業管理業監管局成員；職業安全健康局成員；僱員補償保險徵款管理局委員；教育局屬下物業管理業行業培訓諮詢委員會委員；水務諮詢委員會委員及推動使用電動車輛督導委員會委員。彼亦為保險索償投訴局名譽顧問。譚先生亦是越南Bao Minh Insurance Corporation董事會成員。

譚先生獲委任為中東巴林王國駐香港名譽副領事，亦兼任香港巴林商會總幹事。在中國內地，譚先生為中國人民政治協商會議長春市第十三屆委員會常務委員。譚先生亦擔任中國廣東省外商公會理事之職務。

MR HO CHUNG LEUNG, Executive Director and a member of the Executive Committee, aged 67, joined Chevalier Group in 1985. He is responsible for the internal audit of Chevalier Group. Mr Ho is a fellow member of the Association of Chartered Certified Accountants in the U.K. and a member of the Hong Kong Institute of Certified Public Accountants.

MR MA CHI WING, Executive Director and a member of the Executive Committee, aged 48, joined Chevalier Group in 1993. Mr Ma has extensive experience in project management and is currently in charge of the senior housing, car dealership, hotel investment and trading businesses of the Group. Mr Ma holds a Master Degree in Business Administration from The University of Warwick, U.K., a Bachelor Degree in International Business Studies from City University of Hong Kong, a Corporate Finance Certificate from UC Berkeley, the US, and a Professional Certificate in China Construction from Tsinghua University, Mainland China.

MISS LILY CHOW, Executive Director and a member of the Executive Committee, aged 54, joined Chevalier Group in 1990. She is responsible for strategic planning and business development of the Group. Miss Chow holds a Bachelor of Arts degree from the University of British Columbia, Canada. Miss Chow is currently a Standing Committee member of the Ningbo Committee of the Chinese People's Political Consultative Conference. Miss Chow is the daughter of Dr Chow Yei Ching, the Co-Chairman of the Company and a sister of Mr Chow Vee Tsung, Oscar, Non-Executive Director of the Company.

DR KO CHAN GOCK, WILLIAM S.B.S., Ph.D., Non-Executive Director, aged 71, joined the Company in 2009. Dr Ko graduated from The University of Hong Kong in 1968. He served in the HKSAR Government for more than 38 years, having worked in a wide range of departments including the Water Supplies Department, the Highways Department, the Civil Engineering and Development Department and the Works Branch. In 2001, he was appointed as the Director of Water Supplies. Dr Ko retired from the civil service in January 2007.

MR CHOW VEE TSUNG, OSCAR, Non-Executive Director, aged 43, joined Chevalier Group in 2000. He holds a degree in Master of Engineering from The University of Oxford, U.K. and is currently a General Committee Member of the Hong Kong General Chamber of Commerce and a General Committee Member of The Chinese Manufacturers' Association of Hong Kong. Mr Chow is a Vice Chairman of Hong Kong Bahrain Business Association. He is also a member of the Shanghai Committee of the Chinese People's Political Consultative Conference. Mr Chow is also a court member of The Hong Kong Polytechnic University and The University of Hong Kong. Mr Chow is the son of Dr Chow Yei Ching, the Co-Chairman of the Company and brother of Miss Lily Chow, Executive Director of the Company.

何宗樑先生，執行董事及執行委員會成員，現年六十七歲，於一九八五年加入其士集團。彼負責其士集團的內部審核事務。何先生為英國特許公認會計師公會資深會員及香港會計師公會會員。

馬志榮先生，執行董事及執行委員會成員，現年四十八歲，於一九九三年加入其士集團。馬先生擁有廣泛的項目管理經驗，現時並負責本集團之安老院舍、汽車代理、酒店投資及貿易等業務。馬先生持有英國華威大學工商管理碩士學位、香港城市大學國際商業學士學位、美國加州大學柏克萊分校企業財務證書及中國內地清華大學中國建築業務專業證書。

周莉莉小姐，執行董事及執行委員會成員，現年五十四歲，於一九九零年加入其士集團。彼負責本集團之策略性籌劃及業務發展。周小姐持有加拿大溫哥華哥倫比亞大學頒授文學士學位。周小姐現為中國人民政治協商會議寧波市委員會常務委員。周小姐為本公司聯席主席周亦卿博士之千金及為本公司非執行董事周維正先生之姊。

高贊覺博士 S.B.S., Ph.D.，非執行董事，現年七十一歲，於二零零九年加入本公司。高博士於一九六八年畢業於香港大學。他曾服務於多個香港特區政府部門超過三十八年，包括水務署、路政署、土木工程拓展署及工務科。彼於二零零一年獲委任為水務署署長。高博士於二零零七年一月退任公務員。

周維正先生，非執行董事，現年四十三歲，於二零零零年加入其士集團。彼持有英國牛津大學工程碩士學位，現亦為香港總商會理事會會員及香港中華廠商聯合會會董。周先生為香港巴林商會副會長。彼亦為中國人民政治協商會議上海市委員會委員。周先生亦為香港理工大學及香港大學顧問委員會成員。周先生為本公司聯席主席周亦卿博士之兒子及為本公司執行董事周莉莉小姐之弟。

MANAGEMENT PROFILE

管理層簡介

DR CHOW MING KUEN, JOSEPH *O.B.E., J.P.*, Independent Non-Executive Director, chairman of the Remuneration Committee, a member of each of the Audit Committee and the Nomination Committee, aged 75, joined the Company in 2002. He is the Independent Non-Executive Chairman of Joseph Chow & Partners Ltd., an independent non-executive director of Build King Holdings Limited, Road King Infrastructure Limited, and Harbour Centre Development Limited. Dr Chow is a civil and structural engineer by profession. He has over 40 years of experience in the planning, design and construction of many major engineering projects in the U.K., Middle East, Mainland China and Hong Kong. He was formerly the Chairman of the Hong Kong Construction Workers Registration Authority and Honorary Senior Superintendent of the Hong Kong Auxiliary Police Force. He was previously the President of The Hong Kong Institution of Engineers, Chairman of Hong Kong Engineers' Registration Board, Hong Kong Examinations and Assessment Authority and Pamela Youde Nethersole Eastern Hospital Governing Committee, as well as a Member of the Hong Kong Housing Authority and Hospital Authority.

MR YANG CHUEN LIANG, CHARLES *B.B.S., J.P.*, Independent Non-Executive Director, chairman of the Audit Committee, a member of each of the Remuneration Committee and the Nomination Committee, aged 58, joined the Company in 2008. Mr Yang obtained a Master Degree in Business Administration from Cass Business School London, U.K. in 1983 and is currently a partner at S. Y. Yang & Company, Practising firm of Accountants and member of the Institute of Chartered Accountants in England and Wales as well as the Hong Kong Institute of Certified Public Accountants. His community duties include the Director and Fourth Vice President & Admissions, Budgets & Allocations Committee chairman of the Community Chest, member of the Insurance Appeals Tribunal, member of the Occupational Safety & Health Council, an independent director of the Travel Industry Council of Hong Kong, member of Hospital Governing Committee of Caritas Medical Centre and member of the Council Committee of The Hong Kong Academy for Performing Arts. Mr Yang was selected as "Outstanding Accountant Ambassador" by the Hong Kong Institute of Certified Public Accountants. He was appointed as Justice of Peace by the HKSAR Government in 2004 and awarded the Bronze Bauhinia Star by the HKSAR Government in 2011.

周明權博士 *O.B.E., J.P.*，獨立非執行董事，並為薪酬委員會主席、審核委員會及提名委員會成員，現年七十五歲，於二零零二年加入本公司。彼為周明權工程顧問有限公司之獨立非執行主席、利基控股有限公司、路勁基建有限公司及海港企業有限公司之獨立非執行董事。周博士為專業土木及結構工程師。彼擁有超過四十年於英國、中東、中國內地及香港籌劃、設計及興建多個工程項目之經驗。彼曾任香港建造業工人註冊管理局主席及香港輔助警察隊之榮譽高級警司。彼曾出任香港工程師學會會長、香港工程師註冊局、香港考試及評核局及東區尤德夫人那打素醫院管理委員會之主席，並曾任香港房屋委員會及醫院管理局之委員。

楊傳亮先生 *B.B.S., J.P.*，獨立非執行董事，並為審核委員會主席、薪酬委員會及提名委員會成員，現年五十八歲，於二零零八年加入本公司。楊先生於一九八三年於倫敦Cass Business School獲工商管理碩士學位，現為楊錫禹會計師行之合夥人，並為英格蘭及威爾斯特許會計師公會及香港會計師公會會員。彼亦擔任多項公職事務，包括公益金董事暨第四副會長兼入會、預算及分配委員會主席、保險事務上訴審裁處成員、職業安全健康局成員、香港旅遊業議會之獨立理事、明愛醫院管治委員會委員及香港演藝學院校董會委員會之成員。楊先生曾獲選為香港會計師公會「傑出會計師大使」。彼於二零零四年獲香港特區政府委任為太平紳士，亦於二零一一年獲香港特區政府頒授銅紫荊星章。

PROFESSOR POON CHUNG KWONG *G.B.S., J.P., Ph.D., D.Sc.*, Independent Non-Executive Director and a member of the Audit Committee, aged 77, joined the Company in 2012. Professor Poon obtained a Bachelor of Science (Honours) degree from the University of Hong Kong, a Doctor of Philosophy degree and a Higher Doctor of Science degree from the University of London, U.K.. He was a postdoctoral fellow at the California Institute of Technology and University of Southern California. He also held the Honorary Degree of Doctor of Humanities from The Hong Kong Polytechnic University in 2009. Professor Poon is currently the chairman of Virya Foundation Limited (a registered non-profit charitable organisation). He is an Emeritus Professor and the President Emeritus of The Hong Kong Polytechnic University and had devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at The Hong Kong Polytechnic University. Professor Poon was appointed a non-official Justice of the Peace in 1989 and received the OBE award in 1991, the Gold Bauhinia Star award in 2002, and the "Leader of the Year Awards 2008 (Education)". In addition, Professor Poon was appointed as a member of the Legislative Council (1985-1991) and a member of the National Committee of the Chinese People's Political Consultative Conference (1998-2013). Professor Poon is a non-executive director of Lee & Man Paper Manufacturing Limited and an independent non-executive director of Henderson Land Development Company Limited, The Hong Kong and China Gas Company Limited and Hopewell Highway Infrastructure Limited. All of those companies are public companies listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

MR IRONS SZE *B.B.S., J.P.*, Independent Non-Executive Director, aged 55, joined the Company in November 2016. Mr Sze graduated with a Bachelor's degree in Science from University of Wisconsin-La Crosse, United States in 1985. Mr Sze has extensive experience in investment and corporate management. Mr Sze is an independent non-executive director of Continental Holdings Limited and a non-executive director of China Weaving Materials Holdings Limited. He was appointed as a non-executive director of Bel Global Resources Holdings Limited on 1 February 2017, all of which are listed on the Main Board of the Stock Exchange. He is also an executive director of a private company, Hang Tung Resources Holding Limited, and holds directorship in various private companies. Mr Sze is a member of the National Committee and an executive member of the Beijing Municipal Standing Committee of the Chinese People's Political Consultative Conference, and currently the Permanent Honorary President of the Chinese Manufacturers' Association of Hong Kong. He was also elected as a member of Election Committee of the Chief Executive of the HKSAR in 2016. Mr Sze was appointed the Justice of the Peace and awarded the Bronze Bauhinia Star by the Government of the HKSAR in 2011 and 2015 respectively.

潘宗光教授 *G.B.S., J.P., Ph.D., D.Sc.*，獨立非執行董事，並為審核委員會成員，現年七十七歲，於二零一二年加入本公司。潘教授早年考獲香港大學理學學士（榮譽）學位，英國倫敦大學哲學博士及高級理學博士，並在美國加州理工學院及南加州大學從事博士後研究。彼亦於二零零九年獲香港理工大學頒授榮譽人文博士學位。潘教授現為精進基金有限公司（註冊非牟利慈善組織）會長。彼為香港理工大學榮休教授及榮休校長，彼於二零零九年一月退休前，擔任香港理工大學校長之職達十八年，並在香港一直致力推動大學教育四十年。潘教授於一九八九年獲委任為非官守太平紳士，於一九九一年獲頒英國官佐勳章勳銜，於二零零二年獲香港特區政府頒授金紫荊星章及於二零零八年獲頒「傑出領袖獎（教育）」此外，潘教授曾於一九八五至一九九一年被委任為立法局議員，及於一九九八年至二零一三年擔任中國人民政治協商會議全國委員會委員。潘教授現任理文造紙有限公司之非執行董事，恒基兆業地產有限公司、香港中華煤氣有限公司及合和公路基建有限公司之獨立非執行董事。該等公司均為在香港聯合交易所有限公司（「聯交所」）主板上市之公眾公司。

施榮懷先生 *B.B.S., J.P.*，獨立非執行董事，現年五十五歲，於二零一六年十一月加入本公司。施先生於一九八五年畢業於美國威斯康辛大學拉克羅斯分校，取得理學士學位。施先生於投資及企業管理方面擁有豐富經驗。施先生現為於聯交所主板上市公司恒和珠寶集團有限公司之獨立非執行董事及中國織材控股有限公司之非執行董事。彼於二零一七年二月一日獲百營環球資源控股有限公司委任為非執行董事。彼亦為私人公司恒通資源集團有限公司之執行董事，並於多家私人公司出任董事。施先生為中國人民政治協商會議全國委員會委員、北京市政協常務委員，及現任香港中華廠商聯合會永遠名譽會長。彼亦於二零一六年獲選為香港特區行政長官選舉委員會委員。施先生分別於二零一一年及二零一五年獲香港特區政府委任為太平紳士及頒授銅紫荊星章。

SCHEDULE OF MAJOR PROPERTIES

主要物業表

Particulars of major properties held by the Group as at the date of this report are as follows:

本集團於本報告日期之主要物業詳列如下：

(I) HELD AS INVESTMENT PROPERTIES/PROPERTIES FOR OWN USE

(I) 持作投資／自用物業

Location 地點	Usage 用途	Approximate gross floor area* 樓面面積約數* sq. ft. 平方呎	Lease term 契約年期	The Group's interest 本集團所佔權益 %
Hong Kong 香港				
Units 1011 to 1019 on 10th Floor, 19th to 23rd Floors and one-third interest in 201 car parking spaces of Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay 九龍灣宏開道八號其士商業中心十樓一零一一至一零一九室、十九至二十三樓及佔三分之一權益之201個停車位	Office premise and carpark 辦公室及停車場	174,600	Medium 中期	100
Chevalier Warehouse Building, 3 On Fuk Street, On Lok Tsuen, Fanling 粉嶺安樂邨安福街三號其士貨倉大廈	Industrial 工業	118,300	Medium 中期	100
Ground Floor of Blocks A and B, East Sun Industrial Centre, 16 Shing Yip Street, Kwun Tong 觀塘成業街十六號怡生工業中心A座及B座地下	Industrial 工業	14,900	Medium 中期	100
29-33 Tsing Yi Road, Tsing Yi 青衣青衣路二十九至三十三號	Industrial 工業	253,500	Medium 中期	87.5
8 Kwai Hei Street, Kwai Chung 葵涌葵喜街八號	Cold storage warehouse 冷藏倉庫	380,000	Medium 中期	75
124-130 Kwok Shui Road and 79-85 Yau Ma Hom Road, Kwai Chung 葵涌國瑞路一百二十四至一百三十號及油麻地路七十九至八十五號	Cold storage warehouse 冷藏倉庫	427,500	Medium 中期	75
9 Henderson Road, Jardine's Lookout 渣甸山軒德菴道九號	Residential 住宅	9,500	Long 長期	100
No. 20, Shek O Road 石澳道二十號	Residential 住宅	5,300	Long 長期	100

SCHEDULE OF MAJOR PROPERTIES

主要物業表

(I) HELD AS INVESTMENT PROPERTIES/PROPERTIES FOR OWN USE (CONTINUED) (I) 持作投資／自用物業（續）

Location 地點	Usage 用途	Approximate gross floor area* 樓面面積約數* sq. ft.平方呎	Lease term 契約年期	The Group's interest 本集團所佔權益 %
Singapore 新加坡				
Chevalier House, 23 Genting Road, Singapore 349481	Industrial 工業	106,500	Freehold 永久業權	100
The Blue Building, 10 Genting Road, Singapore 349473	Industrial 工業	16,900	Freehold 永久業權	100
Canada 加拿大				
838 Hamilton Street, Vancouver, B.C.	Hotel 酒店	66,000	Freehold 永久業權	100
4334-4340 Kingston Road, Ontario, M1F 2M8	Office and workshop for automobile dealership 用作汽車經銷之辦公室及工場	20,200	Freehold 永久業權	100
14535-14583 Yonge Street, Aurora, Ontario	Office and workshop for automobile dealership 用作汽車經銷之辦公室及工場	25,000	Freehold 永久業權	100
US 美國				
430 East Grand Avenue, South San Francisco, CA 94080	Industrial/ Warehouse 工業／倉庫	37,000	Freehold 永久業權	100
13258 Nelson Avenue, City of Industry, Los Angeles, CA 91746	Industrial/ Warehouse 工業／倉庫	31,400	Freehold 永久業權	100
4510 Duraleigh Road, Raleigh, NC 27612	Senior Housing 安老院舍	52,700	Freehold 永久業權	98.6
1700 Montana Drive, Charlotte, NC 28216	Senior Housing 安老院舍	34,400	Freehold 永久業權	100
3060 SE Stark Street, Portland, OR 97214	Senior Housing 安老院舍	150,500	Freehold 永久業權	100
14420 SW, Farmington Road, Beaverton, OR 97005	Senior Housing 安老院舍	35,000	Freehold 永久業權	100
535 U.S Highway 158W, Yanceyville, NC 27379	Senior Housing 安老院舍	38,900	Freehold 永久業權	98.6
2560 Willard Road, Winston-Salem, NC 27107	Senior Housing 安老院舍	33,300	Freehold 永久業權	98.6

SCHEDULE OF MAJOR PROPERTIES

主要物業表

(I) HELD AS INVESTMENT PROPERTIES/PROPERTIES FOR OWN USE (CONTINUED) (I) 持作投資／自用物業 (續)

Location 地點	Usage 用途	Approximate gross floor area* 樓面面積約數* sq. ft.平方呎	Lease term 契約年期	The Group's interest 本集團所佔權益 %
Thailand 泰國				
Chevalier House, 540 Bamrungmuang Road, Debsirin Sub-district, Pomprab District, Bangkok Metropolis	Office premise and showroom 辦公室及陳列室	21,300	Freehold 永久業權	100
Mainland China 中國內地				
Chevalier Place, 168 An Fu Road, Xuhui District, Shanghai 上海市徐匯區安福路一百六十八號亦園	Residential, shop and carpark 住宅、商舖及停車場	142,600	Long 長期	80
Units 3-9 of 18th Floor, Dongshan Plaza, 69 Xianlie Zhong Road, Guangzhou 廣州市先烈中路六十九號東山廣場 十八樓三至九室	Office premise 辦公室	13,000	Medium 中期	100

(II) PROPERTIES FOR SALE

(II) 待售物業

Location 地點	Approximate gross floor area* 樓面面積約數* sq. ft.平方呎	Lease term 契約年期	The Group's interest 本集團所佔權益 %
Hong Kong 香港			
Units 1601-1603 on 16th Floor, Chevalier House, 45-51 Chatham Road South, Tsim Sha Tsui 尖沙咀漆咸道南四十五至五十一號其士大廈 十六樓一六零一至一六零三室	3,800	Medium 中期	100
Mainland China 中國內地			
Phase I of Chevalier City – 240 apartment units, 79 residential units and 134 shop units, Luyuan District, Changchun 長春市綠園區香港城1期240個公寓·79個住宅及134個商舖	656,000	Medium 中期	96
My Villa – 12 villas and 7 shop units, Huairou District, Beijing 北京市懷柔區歐郡12個別墅單位及7個商舖	162,000	Medium 中期	44

SCHEDULE OF MAJOR PROPERTIES

主要物業表

(III) PROPERTIES UNDER DEVELOPMENT

(III) 發展中物業

Location 地點	Stage of completion 進度	Expected date of completion 預算完工日期	Major usage 主要用途	Approximate site area 地盤土地面積約數 sq. ft. 平方呎	Estimated gross floor area after completion ⁺ 完成後樓面面積約數 ⁺ sq. ft. 平方呎	The Group's interest 本集團所佔權益 %
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Mainland China

中國內地

Luyuan District, Changchun 長春市綠園區	In progress 工程進行中	2017 to 2027 二零一七年至 二零二七年	Residential and commercial 住宅及商業	2,550,000	5,863,000	96
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* Excluding car parks

* 不包括停車場

+ Excluding the floor areas of basements, car parks, public amenities and resettlement buildings

+ 不包括地下室、停車場、公建配套及回遷建築之樓面面積

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is committed to maintaining a high standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining and promoting investors' confidence and maximising shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of stakeholders and comply with the increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

The Code on Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange sets out two levels of corporate governance code, namely code provisions that a listed company must comply with or explain its non-compliance, and recommended best practices that a listed company is encouraged to comply with but need not disclose in the case of non-compliance. The Company is in compliance with the code provisions of the CG Code except for the following deviations:

Code Provision A.4.1 stipulates that Non-Executive Directors should be appointed for a specific term and subject to re-election. All the Non-Executive Directors of the Company are not appointed for a specific term but subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Company's Bye-Laws.

Code Provision A.6.7 stipulates that the Independent Non-Executive Directors and other Non-Executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr Sun Kai Dah, George, an Independent Non-Executive Director, was unable to attend the annual general meeting of the Company held on 2 September 2016 due to an overseas commitment.

Pursuant to Rule 3.10A and Rule 3.21 of the Listing Rules, the Company is required to appoint independent non-executive directors representing at least one-third of the Board and the audit committee must comprise a minimum of three members. Pursuant to Code Provision A.5.1 of the CG Code, the nomination committee should be chaired by the chairman of the Board or an independent non-executive director of the Company. Following the retirement of Mr Sun Kai Dah, George at the annual general meeting of the Company held on 2 September 2016, both the number of independent non-executive directors and the members of the Audit Committee had fallen below the minimum, and the chairman of the Nomination Committee had been vacant and did not meet the requirements under the Listing Rules. Following the announcement of the Company made on 25 November 2016 regarding the appointment of Mr Irons Sze as Independent Non-Executive Director of the Company, Professor Poon Chung Kwong as a member of the Audit Committee of the Company and Mr Kuok Hoi Sang as the chairman of the Nomination Committee, the Company is now in compliance with Rule 3.10A, Rule 3.21 of the Listing Rules and Code Provision A.5.1 of the CG Code.

董事會致力維持高水平的企業管治常規及商業道德標準的承諾，並堅信此對於維持及提高投資者的信心和增加股東的回報至為重要。為了達到與公司有相關利益者對企業管治常規水平不斷提升的期望和符合日趨嚴謹的法規要求，以及實踐董事會對堅守優越企業管治的承諾，董事會不時檢討企業管治常規。

聯交所證券上市規則（「上市規則」）附錄十四所載《企業管治守則》（「企業管治守則」）訂明兩個層次的企業管治守則，包括：守則條文－上市公司必須遵守，或對任何偏離守則條文的情況作出解釋；及建議最佳常規－鼓勵上市公司加以遵守但毋需披露偏離常規的情況。本公司已遵守企業管治守則中的守則條文，惟以下之守則條文除外：

第A.4.1之條文規定非執行董事的委任應有指定任期，並須接受重新選舉。本公司所有非執行董事均沒有指定任期，惟須根據本公司細則於本公司股東週年大會上輪值告退，並膺選連任。

第A.6.7之條文規定獨立非執行董事及其他非執行董事應出席股東大會，對公司股東的意見有公正的了解。獨立非執行董事孫開達先生因需要處理海外事務，故未能出席本公司於二零一六年九月二日舉行之股東週年大會。

根據上市規則第3.10A條及第3.21條訂明本公司委任獨立非執行董事必須佔董事會成員人數至少三分之一及審核委員會必須包括最少三名成員。根據企業管治守則第A.5.1條所訂明提名委員會主席須為董事會主席或本公司獨立非執行董事。繼孫開達先生於二零一六年九月二日舉行的本公司股東週年大會退任後，獨立非執行董事及審核委員會成員的人數已低於最低人數及提名委員會主席的空缺未能填補以致未符合上市規則的規定。繼本公司於二零一六年十一月二十五日發出的公告後，就本公司委任施榮懷先生為本公司之獨立非執行董事、委任潘宗光教授為本公司審核委員會成員及委任郭海生先生為提名委員會主席，本公司現已遵守上市規則第3.10A條、第3.21條及企業管治守則第A.5.1條。

BOARD OF DIRECTORS

The Board is charged with providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders. The Board sets the Group's overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the corporate governance standard of the Company. It also decides on matters such as annual and interim results, notifiable transactions, director appointments or re-appointments, and dividend and accounting policies. Management profile of the Company as at the date of this report is set out on pages 21 to 25.

The Board comprises six Executive Directors, two Non-Executive Directors and four Independent Non-Executive Directors. The Board met four times during the year under review. The attendance of Directors at the Board Meetings, the Board Committees Meetings and General Meeting is set out in the table below:

Directors 董事	Meetings Attended/Held 會議出席／舉行次數					Annual General Meeting 股東週年大會
	Board Meeting 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會		
Executive Directors 執行董事						
Dr Chow Yei Ching (Co-Chairman) 周亦卿博士 (聯席主席)	0/4 ^a	-	-	-	-	0/1 ^a
Mr Kuok Hoi Sang (Co-Chairman and Managing Director) 郭海生先生 (聯席主席兼董事總經理)	4/4	-	1/1	2/2	-	1/1
Mr Tam Kwok Wing (Deputy Managing Director) 譚國榮先生 (副董事總經理)	4/4	-	-	-	-	1/1
Mr Ho Chung Leung 何宗樑先生	4/4	-	-	-	-	1/1
Mr Ma Chi Wing 馬志榮先生	4/4	-	-	-	-	1/1
Miss Lily Chow 周莉莉小姐	4/4	-	-	-	-	1/1

董事會

董事會肩負向本公司整體提供有效率和負責任的領導。各董事，無論個別及共同地，都必須真誠以本公司及其股東的最佳利益為前提行事。董事會訂立本集團之整體策略和方向，及監管和評估本集團其營運與財務上之表現，並檢討本公司之企業管治水平。董事會亦須決定各項公司事宜，其中包括全年及中期業績、須予公佈的交易、董事聘任或續聘、及股息分派與會計政策。於本報告之日，本公司管理層簡介載於第21頁至25頁。

董事會由六名執行董事、兩名非執行董事及四名獨立非執行董事組成。董事會於本回顧年度內共舉行了四次會議，各董事在董事會會議、董事委員會會議及股東大會會議的出席率如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (CONTINUED)

董事會 (續)

Directors 董事	Meetings Attended/Held 會議出席／舉行次數				Annual General Meeting 股東週年大會
	Board Meeting 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
Non-Executive Directors 非執行董事					
Dr Ko Chan Gock, William 高贊覺博士	4/4	-	-	-	1/1
Mr Chow Vee Tsung, Oscar 周維正先生	4/4	-	-	-	1/1
Independent Non-Executive Directors 獨立非執行董事					
Dr Chow Ming Kuen, Joseph 周明權博士	4/4	3/3	1/1	2/2	1/1
Mr Yang Chuen Liang, Charles 楊傳亮先生	4/4	3/3	1/1	2/2	1/1
Professor Poon Chung Kwong 潘宗光教授	4/4	1/1 ^b	-	-	1/1
Mr Irons Sze 施榮懷先生	2/2 ^c	-	-	-	-
Mr Sun Kai Dah, George 孫開達先生	1/1 ^d	1/1 ^d	1/1	1/1 ^d	0/1

a. On medical leave since January 2016.

b. Appointed a member of the Audit Committee with effect from 25 November 2016.

c. Appointed an Independent Non-Executive Director with effect from 25 November 2016.

d. Retired as an Independent Non-Executive Director, ceased to be the chairman of the Nomination Committee and a member of both the Audit Committee and Remuneration Committee with effect from 2 September 2016.

a 於二零一六年一月起放病假

b 於二零一六年十一月二十五日獲委任為審核委員會成員

c 於二零一六年十一月二十五日獲委任為獨立非執行董事

d 於二零一六年九月二日退任獨立非執行董事；亦不再擔任提名委員會主席、審核委員會及薪酬委員會成員的職務

BOARD OF DIRECTORS (CONTINUED)

The Board members have no financial, business, family or other relationships with each other except that Dr Chow Yei Ching is the father of Mr Chow Vee Tsung, Oscar and Miss Lily Chow; while Miss Chow is a sister of Mr Chow.

Throughout the year ended 31 March 2017, the Company met at all times the requirements of the Listing Rules to have at least three Independent Non-Executive Directors or representing at least one-third of the Board (except for the period from 2 September 2016 to 24 November 2016, the number of independent non-executive directors fell below the minimum) and with at least one Independent Non-Executive Director possessing appropriate accounting and financial management expertise and professional qualifications.

The Company received from its Independent Non-Executive Directors annual confirmation of independence in accordance with Rule 3.13 of the Listing Rules. The Board assessed their independence and concluded that all the Independent Non-Executive Directors are independent.

Pursuant to Code Provision A.6.5, all directors should participate in continuous professional development to refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company also provides reading materials and updates to the Directors on the latest developments and changes to the Listing Rules, applicable laws and regulations relating to directors' duties and responsibilities.

During the year under review, the Company arranged a seminar for the Directors given by PricewaterhouseCoopers on matters relating to the PRC business tax/VAT policy reform and its impact on our business in the PRC. All Directors attended and/or received the materials at the seminar. Directors' training is an ongoing process and all Directors are encouraged to attend relevant training courses at the Company's expenses. Directors are requested to provide records of training they received to the Company Secretary of the Company for records.

董事會 (續)

除周亦卿博士為周維正先生及周莉莉小姐之父親及周小姐是周先生之姊外，各董事會成員之間概無財務、業務、親屬或其他關係。

於截至二零一七年三月三十一日止年度，本公司一直遵守上市規則內訂明上市公司須至少設有三名獨立非執行董事或至少佔董事會人數三分之一（除於二零一六年九月二日至二零一六年十一月二十四日期間獨立非執行董事的人數少於最低要求），且其中至少一名獨立非執行董事須具備會計及財務方面的適當管理專長及專業資格之規定。

本公司接獲獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。董事會評估彼等之獨立性，並確定全體獨立非執行董事均屬獨立人士。

根據企業管治守則之守則條文A.6.5，所有董事應參加持續專業發展，更新其知識及技能，以確保彼等向董事會作出知情及恰當之貢獻。本公司亦向董事提供閱讀材料並向彼等提供有關上市規則、董事職責及責任相關適用法律及法規的最新發展及變動之最新資訊。

於本回顧年度，本公司為董事安排一個由羅兵咸永道會計師事務所提供，有關中國「營改增」政策及對於本集團在中國的業務影響的研討班。全體董事均已參加研討班或取得其資料。董事培訓將持續舉行，及本公司鼓勵所有董事參加相關培訓課程，費用由本公司支付。董事須向本公司之公司秘書提供其接受培訓的記錄以供存檔。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board shall have power to appoint any person as a director either to fill a vacancy or for expansion of the Board. The Company has set up a Nomination Committee for formulating nomination policy for consideration by the Board and making recommendations to the Board on the selection, appointment and re-appointment of directors. All candidates must also meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an Independent Non-Executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

In accordance with the Bye-Laws of the Company, all Directors are subject to retirement by rotation and re-election at annual general meetings of the Company. New directors appointed by the Board during the year are required to retire and submit themselves for re-election at the annual general meeting or general meeting immediately following their appointments. Further, at each annual general meeting, one-third of the Directors, or, if their number is not a multiple of three, then the number nearest to but not less than one-third are required to retire from office by rotation and no later than the third annual general meeting since the last re-election or appointment of such Director.

Dr Chow Yei Ching, Mr Kuok Hoi Sang, Mr Ma Chi Wing, Mr Yang Chuen Liang, Charles and Mr Irons Sze shall retire from office at the forthcoming annual general meeting of the Company to be held on Wednesday, 30 August 2017 (the "AGM") in accordance with the Company's Bye-laws. Dr Chow Yei Ching will not stand for re-election and accordingly will retire as a Co-Chairman and Executive Director and cease to be the chairman of the Executive Committee of the Company after the conclusion of the AGM. Save for Dr Chow, the other retiring Directors, being eligible, shall offer themselves for re-election at the AGM.

The following appointments were recommended by Nomination Committee to the Board for consideration and confirmed by the Board of the Company on 25 November 2016:

- (i) Mr Irons Sze be appointed as an independent non-executive director of the Company;
- (ii) Mr Kuok Hoi Sang be appointed as the chairman of the Nomination Committee of the Company; and
- (iii) Professor Poon Chung Kwong be appointed as a member of the Audit Committee of the Company.

董事之委任及重選

董事會有權委任任何人士為董事，以填補空缺或增加董事會成員人數。本公司設立提名委員會，負責制定提名政策給予董事會作考慮，以及就董事挑選、委任或重新委任向董事會提出建議。所有候選人均須符合上市規則第3.08及3.09條之要求，而在委任獨立非執行董事時，候選人亦必須符合上市規則第3.13條所載之指引之獨立性。

根據本公司細則，所有董事須於本公司之股東週年大會上輪值告退，並膺選連任。於本年度獲董事會委任之新董事亦須在獲委任後之首屆股東週年大會或股東大會上退任，並可膺選連任。再者，於每屆股東週年大會上須有三分之一或（如董事退任人數不是三的倍數）最接近但不少於三分之一的董事退任，而每位董事均須在其上次當選或重選後不超過三屆之股東週年大會上退任。

根據本公司細則，周亦卿博士、郭海生先生、馬志榮先生、楊傳亮先生及施榮懷先生須於即將於二零一七年八月三十日（星期三）召開之本公司股東週年大會（「股東週年大會」）上告退。周亦卿博士將不膺選連任，因此彼將於股東週年大會完結時辭任聯席主席及執行董事及不再擔任本公司執行委員會主席。除周博士外，其他退任董事願於股東週年大會上膺選連任。

提名委員會向董事會推薦考慮下列職位的委任人選，並於二零一六年十一月二十五日確認：

- (i) 施榮懷先生獲委任為本公司之獨立非執行董事；
- (ii) 郭海生先生獲委任為本公司提名委員會主席；及
- (iii) 潘宗光教授獲委任為本公司審核委員會成員。

CHAIRMAN AND CHIEF EXECUTIVE

The code provision of CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same person. The Chairman is responsible for overseeing the functioning of the Board while the Managing Director is responsible for managing the Group's businesses. The Co-Chairmen of the Company are Dr Chow Yei Ching and Mr Kuok Hoi Sang and Mr Kuok also acts as the Managing Director of the Company. The role of the Chairman is separate from that of the Managing Director of the Company.

Dr Chow Yei Ching was unable to perform his duties as Chairman due to an unexpected medical condition, and as a result Mr Kuok Hoi Sang was appointed as the Co-Chairman of the Company with effect from 12 January 2016 in addition to his position of Managing Director of the Company. The Board considers this a temporary arrangement and appropriate for the Company as it can preserve the consistent leadership culture of the Company whilst allowing efficient discharge of the executive functions of the chief executive. Meanwhile, the day-to-day management and operation of the Group are delegated to divisional management under the leadership of Mr Kuok Hoi Sang in the role of Managing Director who is supported by the Executive Directors and senior management.

AUDIT COMMITTEE

Written terms of reference, which describe the authority and duties of the Audit Committee, have been adopted and posted on the websites of the Company and the Stock Exchange, and are regularly reviewed and updated by the Board. Mr Yang Chuen Liang, Charles, Independent Non-Executive Director, is the chairman of the committee. He has extensive experience in financial reporting and controls. Other members include Independent Non-Executive Directors, namely Dr Chow Ming Kuen, Joseph and Professor Poon Chung Kwong. The Audit Committee is responsible for, among others, reviewing the nature and scope of audit performed by external auditors and their appointments, reviewing the Group's financial information and overseeing the Group's financial reporting system, risk management and internal control systems, and reviewing and monitoring the effectiveness of the internal audit function. It is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval.

主席及行政總裁

企業管治守則條文規定主席及行政總裁之角色必須分開及不能由同一人兼任。主席負責監督董事會職能運作，董事總經理則負責管理本集團的業務。本公司的聯席主席為周亦卿博士及郭海生先生，而郭先生亦為本公司董事總經理。本公司主席與董事總經理的職務明確劃分。

周亦卿博士基於突發的健康狀況而無法履行他作為主席的職責，因此郭海生先生除擔任本公司的董事總經理外，亦獲委任為本公司的聯席主席，由二零一六年一月十二日起生效。董事會認為此項臨時安排對本公司而言屬合適，因可為本公司保持一貫的領導文化，同時亦可讓行政總裁有效履行行政職務。與此同時，本集團的日常管理及營運指派予郭海生先生以董事總經理身份領導的部門管理層，並得到執行董事及高級管理人員的支持。

審核委員會

本公司採納的書面職權範圍列明審核委員會的職權，並已載於本公司及聯交所網站，而董事會亦會定期審議及更新。獨立非執行董事楊傳亮先生為該委員會之主席。彼於處理財務報告及監控方面具資深經驗。其他成員包括獨立非執行董事周明權博士及潘宗光教授。審核委員會負責（其中包括）審議外聘核數師進行的審核的性質及範圍及其委任、審閱本集團之財務資料及監察本集團之財務報告系統、風險管理及內部監控系統，以及監管內部審核部門的有效性。該委員會負責審閱本集團中期及末期業績後並建議董事會批核。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (CONTINUED)

The Audit Committee held three meetings during the year ended 31 March 2017. At the meetings, they reviewed the connected transactions (if any), last year's final results and accounts for the year ended 31 March 2016, the interim results and financial statements for the six months ended 30 September 2016 and reviewed with management the accounting policies and practices adopted by the Group and discussed the auditing, financial reporting, risk management and internal control systems of the Group. The final results and financial statements for the year ended 31 March 2017 were reviewed by the Audit Committee in the meeting held on 20 June 2017. They also reviewed and approved the engagement of external auditors for providing non-audit services, the remuneration in respect of audit and non-audit services provided by external auditors, risk management and internal control systems and the effectiveness of the internal audit function.

REMUNERATION COMMITTEE

Written terms of reference, which describe the authority and duties of the Remuneration Committee have been adopted and posted on the websites of the Company and the Stock Exchange, and are regularly reviewed and updated by the Board. The Remuneration Committee currently comprises two Independent Non-Executive Directors, namely Dr Chow Ming Kuen, Joseph (chairman of the committee) and Mr Yang Chuen Liang, Charles; and one Executive Director, namely Mr Kuok Hoi Sang. The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure on the remuneration of all Directors and senior management of the Company, and on the establishment of a formal and transparent procedure for developing remuneration policy for approval by the Board. The Remuneration Committee has adopted the operation model where it has the responsibility, powers and discretion to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management of the Company.

The Remuneration Committee held a meeting during the year ended 31 March 2017 to review the remuneration packages paid to Directors and senior management for the year ended 31 March 2017. Details of the emoluments of Directors and senior management by bands are set out in note 38 to the consolidated financial statements.

審核委員會 (續)

審核委員會於截至二零一七年三月三十一日止年度內共舉行了三次會議，並於會上審閱關連交易(如有)，截至二零一六年三月三十一日止年度的去年末期業績及賬目、截至二零一六年九月三十日止六個月的中期業績及財務報表，與管理層審閱本集團所採納的會計政策及實務及討論核數、財務報告事宜、本集團之風險管理及內部監控系統。截至二零一七年三月三十一日止年度之末期業績已經由審核委員會於二零一七年六月二十日召開之會議上審閱。彼等亦會審議及批准提供非審核服務的外聘核數師的委聘、外聘核數師提供審核及非審核服務的薪酬、風險管理及內部監控系統，以及內部審核部門的有效性。

薪酬委員會

本公司採納的書面職權範圍列明薪酬委員會的職權，並已載於本公司及聯交所網站，而董事會亦會定期審議及更新。薪酬委員會現時由兩名獨立非執行董事周明權博士(委員會主席)及楊傳亮先生及一名執行董事郭海生先生組成。薪酬委員會負責就本公司全體董事及高級管理人員的薪酬政策及結構，以及為薪酬政策的發展制訂正式及具透明度的程序，提供意見以供董事會批准。薪酬委員會已採納一套運作模式，獲授予責任的薪酬委員會有責任、權力及酌情權決定本公司個別執行董事及高級管理人員的薪酬待遇。

薪酬委員會於截至二零一七年三月三十一日止年度內舉行了一次會議，並審閱截至二零一七年三月三十一日止年度支付予董事及高級管理人員之薪酬待遇。董事及高級管理人員按薪酬等級劃分的酬金詳情載於綜合財務報表附註38。

NOMINATION COMMITTEE

Written terms of reference, which describe the authority and duties of the Nomination Committee, have been adopted and posted on the websites of the Company and the Stock Exchange, and are regularly reviewed and updated by the Board. The Nomination Committee currently comprises Mr Kuok Hoi Sang (chairman of the committee) and two Independent Non-Executive Directors, namely Dr Chow Ming Kuen, Joseph and Mr Yang Chuen Liang, Charles. The Nomination Committee is responsible for reviewing and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive. The Nomination Committee has the responsibility to consider, identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. The Nomination Committee has discussed and reviewed annually the structure, size and composition of the Board and agreed on measurable objectives for achieving diversity on the Board and made relevant recommendations to the Board for adoption with reference to the Board Diversity Policy of the Company.

The Nomination Committee held two meetings during the year ended 31 March 2017 to review the structure, size and composition of the Board, to assess the independence of all the Independent Non-Executive Directors, to recommend the re-election of directors who would retire from office at the annual general meeting of the Company and to make recommendations on new appointment or any proposed changes to the Board to complement the Company's corporate strategy.

MANAGEMENT COMMITTEE

The Board has delegated the authority and responsibility for implementing business strategies and managing the daily operations of the Group's business to an Executive Committee which was established in 1991. Written terms of reference, which describe the authority and duties of the Executive Committee, have been adopted and are regularly reviewed and updated by the Board. Members of the Executive Committee comprise six Executive Directors, namely Dr Chow Yei Ching (chairman of the committee), Messrs Kuok Hoi Sang, Tam Kwok Wing, Ho Chung Leung, Ma Chi Wing and Miss Lily Chow.

提名委員會

本公司採納的書面職權範圍列明提名委員會的職權，並已載於本公司及聯交所網站，而董事會亦會定期審議及更新。提名委員會現時由郭海生先生（委員會主席）及兩名獨立非執行董事周明權博士及楊傳亮先生組成。提名委員會負責審議有關董事的委任或重新委任，以及董事繼任計劃（尤其是主席及行政總裁）的相關事宜，並向董事會作出推薦。提名委員會負責考慮、識別符合董事會成員資格的人士，並選擇及向董事會推薦其選擇提名出任董事職務的人士。經參考董事會成員多元化政策後，提名委員會將每年討論及檢討董事會的架構、人數及其組成以及同意董事會多元化而制定的可計量目標，並向董事會提出有關建議以供採納。

提名委員會於截至二零一七年三月三十一日止年度內舉行兩次會議，以評估所有獨立非執行董事的獨立性、推薦於本公司股東週年大會上退任膺選連任的董事人選，並就任何為配合本公司的企業策略而作出的新委任或擬對董事會作出的任何變動提出建議。

管理委員會

董事會已授權於一九九一年成立之執行委員會負責推行其商業策略及管理本集團的日常業務運作。本公司採納的書面職權範圍列明執行委員會的職權，而董事會亦會定期審議及更新。執行委員會由周亦卿博士（該委員會之主席）、郭海生先生、譚國榮先生、何宗樑先生、馬志榮先生及周莉莉小姐六位執行董事所組成。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems and reviewing their effectiveness. The Board is also responsible for overseeing the design, implementation and monitoring of the risk management and internal control systems. The risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operating systems or in achievement of the Group's business objectives.

The Board, through the Audit Committee, conducts a review of the effectiveness of the Group's risk management and internal control systems, which covers all material controls, including financial, operational and compliance controls, on an annual basis. It also considers the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting function. Significant issues in the management letters from both internal and external auditors will be brought to the attention of the Audit Committee to ensure that prompt remedial action is taken. All recommendations will be properly followed up to ensure they are implemented within a reasonable period of time.

Under the enterprise risk management framework, policies and procedures are in place to identify, assess, manage, control and report risks. Such risks include strategic, credit, operational (administrative, system, human resources, tangible and reputation), market, liquidity, legal and regulatory risks. Exposure to these risks is continuously monitored by the Board through the Audit Committee.

The internal control system includes a defined management structure with specified limits of authority. The Board has clearly defined the authorities and key responsibilities of each division to ensure adequate checks and balances. The internal control system has been designed to safeguard the Group's assets against unauthorised use or disposition, to ensure the maintenance of proper accounting records for producing reliable financial information; and to ensure compliance with applicable laws, regulations and industry standard.

風險管理及內部監控

董事會負責評估及釐定在達致本集團的策略目標時其願意承擔的風險性質及程度，以及確保本集團建立及維持合適及有效的風險管理及內部監控系統並檢討其有效性。董事會亦負責監督風險管理及內部監控系統的設計、執行及監察情況。風險管理及內部監控系統旨在提供對重大錯誤陳述或虧損的合理（但並非絕對）的保證，並管理（而非消除）營運系統失效或達致本集團業務目標時產生的風險。

董事會透過審核委員會每年檢討本集團涵蓋所有重大監控措施的風險管理及內部監控系統的有效性，包括財務、營運及合規監控措施；亦會考慮資源是否充足、員工的資歷及經驗、訓練計劃及本集團會計、內部審核及財務報告部門的預算。內部及外部核數師管理函件內的重大的事項須提呈審核委員會垂注，以確保採取恰當的補救行動。所有推薦意見將會妥善跟進，以確保於合理時間內執行。

根據企業風險管理框架，現時設有識別、評估、管理、控制及報告風險的政策及程序。有關風險包括策略、信貸、營運（行政管理、系統、人力資源、有形及聲譽）、市場、流動資金、法律及監管風險。董事會透過審核委員會持續監察該等風險。

內部監控系統包括以特定的權限範圍界定管理架構。董事會已清晰界定各部門的權限及主要職責，確保有足夠的檢查及平衡。內部監控系統旨在保障本集團的資產不受未經授權使用及處置；確保存置恰當的會計記錄，以供編製可靠的財務資料；確保遵守適用法律、法規及行業標準。

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

During the year under review, there were no major issue but areas for improvement have been identified by the Audit Committee and both the internal and external auditors with appropriate measures taken. The Board is of the view that the risk management and internal control systems in place for the year and up to the date of issuance of the annual report is effective and adequate.

The Company's Internal Audit Department monitors the Group's internal governance and strives to provide objective assurance to the Board that appropriate, adequate and effective risk management and internal control systems are in place. It has unrestricted access to review all aspects of the Group's activities and internal controls. It also conducts special audits of areas of concern identified by management or the Audit Committee. The Internal Audit Department adopts a risk-based audit approach. All audit reports are circulated to the Audit Committee and key management. The Internal Audit Department is also responsible for following up the implementation of recommendations and corrective actions.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements for the year ended 31 March 2017, which give a true and fair view of the financial position of the Company and its subsidiaries and of the Group's financial performance and cash flows. In preparing the consolidated financial statements, the Directors have adopted generally accepted accounting standards in Hong Kong and suitable accounting policies and applied them consistently, made judgments and estimates that are fair and reasonable and prepared the consolidated financial statements on a going concern basis. The Auditor of the Company acknowledge their reporting responsibilities in the Independent Auditor's Report on the consolidated financial statements for the year ended 31 March 2017 as set out in the Independent Auditor's Report on pages 59 to 66.

風險管理及內部監控（續）

於本回顧年度，審核委員會概無發現任何重大事件，但發現可改進的範疇，而內部及外部核數師已採取適當的措施。董事會認為年內及截至年度報告發行日期的風險管理及內部監控系統均屬有效及足夠。

本公司的內部審核部門監察本集團的內部管治，並致力向董事會確保設有合適、足夠及有效的風險管理及內部監控系統。該部門可不受限制地取得本集團活動及內部監控事宜，亦會就審核委員會的管理層識別的特別範圍進行審核。內部審核部門採納以風險為基準的方法。所有審核報告均會交予審核委員會及主要管理人員傳閱。內部審核部門亦會負責跟進推薦建議及糾正行動的執行情況。

董事和核數師對綜合財務報表的責任

董事知悉彼等須負責編製截至二零一七年三月三十一日止年度綜合財務報表，以真實及公平地反映本公司及其附屬公司之業務狀況以及本集團之財務狀況及現金流量。編製綜合財務報表時，董事已採納並持續應用香港公認會計準則及適當之會計政策，作出公平及合理之判斷及評估，並按持續經營基準編製綜合財務報表。本公司之核數師確認彼等對本公司截至二零一七年三月三十一日止年度綜合財務報表獨立核數師報告的申報責任載於第59頁至66頁的獨立核數師報告中。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITORS' REMUNERATION

For the year ended 31 March 2017, the fees paid/payable to the auditors in respect of the audit and non-audit services provided by the auditors to the Group were as follows:

Nature of services 服務性質		Amount (HK\$'000) 金額 (港幣千元)
Audit services 核數服務	– PricewaterhouseCoopers and other firms of the worldwide network of PricewaterhouseCoopers 羅兵咸永道會計師事務所及其他屬於羅兵咸永道全球網絡中的事務所	6,918
	– other auditors 其他核數師	4,105
Non-audit services 非核數服務	– PricewaterhouseCoopers and other firms of the worldwide network of PricewaterhouseCoopers 羅兵咸永道會計師事務所及其他屬於羅兵咸永道全球網絡中的事務所	488
	– other auditors 其他核數師	1,500

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") as set out in Appendix 10 of the Listing Rules. Following a specific enquiry of all Directors, each of the Directors confirmed that he/she has complied with the Model Code throughout the year.

COMPANY SECRETARY

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. During the year under review, the Company Secretary had duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening a general meeting

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition. The requisition must be signed by the requisitionist(s) and deposited at the principal place of business of the Company in Hong Kong.

核數師之酬金

截至二零一七年三月三十一日止財政年度內，就本集團核數師提供之核數及非核數服務已支付／應付核數師酬金如下：

證券交易的標準守則

本公司已採納上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》(「標準守則」)。經向所有董事作出具體查詢後，各董事均確認於整個年度內已遵守標準守則的規定。

公司秘書

公司秘書為本公司之全職員工，並熟悉本公司之日常事務。於本回顧年度，公司秘書已符合上市規則第3.29條有關專業培訓的要求。

股東權利

召開股東大會

於遞呈要求日期持有不少於本公司繳足股本(附有於本公司股東大會投票之權利)十分之一之任何股東隨時有權透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明之任何事項。該等要求須由呈請者簽署並交回本公司之香港主要營業地點。

SHAREHOLDERS' RIGHTS (CONTINUED)

Convening a general meeting (continued)

The meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) themselves, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Putting enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the Company Secretary and deposit the same at the Company's principal place of business in Hong Kong or by e-mail to enquiry@chevalier.com.

Putting forward proposal at general meeting ("GM")

Shareholders can submit a written requisition to move a resolution at GM. The number of shareholders shall represent not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the GM, or shall not be less than one hundred shareholders.

The written requisition must state the resolution, accompanied by a statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at the GM. It must also be signed by all of the shareholders concerned and be deposited at Company's principal place of business in Hong Kong for the attention of the Company Secretary.

The shareholders concerned must deposit a sum of money reasonably sufficient to meet the Company's expenses in giving the notice of the resolution and circulating the statement submitted by the shareholders concerned under applicable laws and rules.

The procedures for shareholders of the Company to propose a person for election as a director is posted on the website of the Company.

股東權利 (續)

召開股東大會 (續)

大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則呈請者或持有超過全部呈請者總投票權半數的任何呈請者，可自行召開該大會，惟任何由此召開的會議不能於所述日期屆滿三個月後召開。

向董事會作出查詢

股東可透過向公司秘書寄發郵件至本公司之香港主要營業地點或發送電郵至 enquiry@chevalier.com向董事會作出查詢及提問。

於股東大會 (「股東大會」) 提呈建議

股東可提出書面請求於股東大會上動議決議案。股東人數須佔於提出請求日期有權於股東大會上投票之所有股東之總投票權不少於二十分之一之股東，或不少於一百名股東。

有關書面請求須列明有關決議案，連同一份聲明，內容有關任何所建議決議案提述之事宜或將在股東大會上處理之事務。該書面請求亦須由全體有關股東簽署，並交回本公司於香港主要營業地點，註明收件人為公司秘書。

有關股東須寄存一筆合理及足夠款項，用以支付本公司根據適用法例及規則發出決議案通知及傳閱有關股東提交之聲明所需之開支。

本公司股東提名候選董事之程序已刊登於本公司網站。

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR AND SHAREHOLDER RELATIONS

The Group's Board and senior management maintains close communications with investors, analysts, fund managers and the media through various channels including individual interviews and meetings. The Group also responds promptly to request for information and queries from the investors.

The Board welcomes the views of shareholders on matters affecting the Group and encourages them to attend shareholders' meetings to communicate any concerns they might have with the Board or senior management directly.

The Company provides extensive information of the Group to the shareholders and the public through the publication of interim and annual reports, circulars, notices and announcements. The financial and other information relating to the Group is disclosed on the Company's website at <http://www.chevalier.com>.

MEMORANDUM OF ASSOCIATION AND BYE-LAWS OF THE COMPANY

During the reporting period, no amendment had been made to the Memorandum of Association and Bye-Laws of the Company.

與投資者及股東之關係

本集團之董事會及高級管理人員透過多樣化的方式如個別訪問及會議與投資者、分析員、基金經理及傳媒保持緊密之溝通。本集團亦對投資者索取資料之要求和提問作出即時回應。

董事會歡迎股東對影響本集團的事項提出意見，並鼓勵彼等出席股東大會，藉以直接地向董事會或管理層反映彼等關注的事項。

本公司透過刊發中期及年度報告、通函、通告及公告致力按時為股東及公眾人士提供全面的集團資料，而有關本集團的財務及其他資料亦載於本公司網站<http://www.chevalier.com>內。

本公司組織章程大綱及細則

於報告期內，本公司之組織章程大綱及細則並無作出修訂。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION

This is the Environmental, Social and Governance Report prepared by the Group pursuant to the Environmental, Social and Governance Reporting Guide provided in Appendix 27 to the Listing Rules of the Stock Exchange.

Unless otherwise stated, this report focuses on our Hong Kong operations which represent the core businesses of the Group.

Sustainability is essential to the Group's development, as well as for the viability of its business and for the benefit of the community. We are dedicated to offering premium products and services to achieve all round customer satisfaction. The Group believes in environmental protection and cares for the community through engaging in various charitable initiatives to make positive contributions to society. We also nurture our staff and offer career development opportunities to further ensure business continuity.

During the year under review, the Group committed itself to a high standard of corporate social responsibility and strictly complied with relevant laws and regulations reporting. The two key subject areas for reporting are: (A) Environmental and (B) Social.

(A) ENVIRONMENTAL

Emissions

The major source of our carbon emissions is the use of energy. We have implemented various energy saving measures to help reduce our carbon emissions (please refer to the "Use of Resources" and "The Environment and Natural Resources" below).

Use of Resources

Our commitment to protect the environment is well reflected by our continuous efforts in promoting green measures and awareness in all business practices. To contribute to the sustainable development of our environment, the Group joined the Silver Corporate Membership Programme of World Wildlife Fund Hong Kong (WWF) and actively participated in events organised by WWF.

The Group also took part in various large-scale projects related to water and wastewater, as well as solid waste treatment and disposal, including but not limited to, the construction of the Tai Po Water Treatment Works Stream II, the upgrading of DSD Ma Wan Sewage Treatment Works and CLP Black Point Power Station Sewage Treatment Plant, and the maintenance of electrical and mechanical control systems at various sewage treatment works and their outstations.

緒言

此乃由本集團根據聯交所上市規則附錄二十七所載環境、社會及管治報告指引所編製的環境、社會及管治報告。

除另有訂明外，本報告集中本集團於香港之業務，即代表本集團的核心業務。

可持續發展對本集團發展、業務可行性及社會利益而言尤為重要。本集團致力提供優質產品及全面性服務以滿足客戶需求。本集團注重環境保護與社區關愛，透過各種慈善活動為社會作出正面貢獻。本集團亦培訓員工，提供事業發展機會，以進一步確保業務延續性。

於本回顧年度，本集團致力實踐高水平企業社會責任，並嚴格遵守相關法律及法規報告，所報告的兩項主要範圍包括：(A)環境及(B)社會。

(A) 環境

排放物

碳排放主要源自能源使用。本集團已實施各種節約能源的措施，以協助減低碳排放請參閱下述「資源使用」及「環境及天然資源」。

資源使用

本集團對環境保護的承諾在整體業務運作中所提倡的環保措施及意識中得以持續充分反映。本集團已參加世界自然基金會的純銀公司會員計劃，並積極參與其所舉辦的各項活動，以貢獻對環境的持續發展。

本集團亦參與多項與供水、污水及固體廢物處理及棄置有關的大型工程，包括但不限於為大埔濾水廠建造二號水道；為渠務署馬灣污水處理廠及中華電力龍鼓灘發電廠污水系統進行改善工程；及為多個污水處理廠及其分站保養機電控制系統。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

(A) ENVIRONMENTAL (CONTINUED)

The Environment and Natural Resources

The Group introduced a green policy to enhance the awareness of environmental protection among staff with the aim of saving energy, fully utilising resources and recycling wastes in our daily office operation.

The Group took measures to reduce paper usage including usage of electronic devices, and encouraged the use of websites and online version of corporate communications. Since 2008, Forest Stewardship Council-certified papers have been used for the production of our annual and interim reports to reduce the impact on the environment and community.

To reduce the power consumption of our lighting systems, the Group has replaced all lighting basins continuously throughout our offices with T5 florescent tube, saving 20% of electricity energy as compared with T8 florescent tube. Most of our office equipment carries Energy Label issued by the Electrical and Mechanical Services Department which helped further decrease energy consumption in our offices.

Our construction and engineering segment puts much effort into protecting the environment at project sites. Measures implemented, to name a few, included controls over noise, waste water discharge, dust control, controlled chemical waste disposal, use of recyclable waste materials and prevention of chemical leakage. Another example was the use of biodiesel in some of our machineries on site. Environmental protection policies and plans were set up for different projects. Some of our group companies have obtained the ISO14001 certification awarded by the Hong Kong Quality Assurance Agency which also demonstrates our commitment to environmental protection.

Our property management business has obtained the ISO14001 certification since 2006. Activities were held for recycling and for the promotion of green living lifestyle for residents and/or tenants of properties managed by the Group. In order to further save on energy and expenditure, the Group has set a target for its audited sites to reduce electricity consumption by 5% in the next 5 years by changing light tubes from T8 to T5 and by turning off certain low-usage lifts during non-peak hours. In some of our managed sites, we have in place recycling programs for the collection of second hand clothes, moon cake containers, lai see envelopes, toner cartridges, batteries, electric bulbs/tubes and glass bottles to promote recycling to our residents and/or tenants. Upon the implementation of the Municipal Solid Waste Charging Scheme, the property management business will make every endeavour to support the implementation of such scheme.

(A) 環境 (續)

環境及天然資源

本集團在日常辦公室運作方面已制訂綠色政策，以節約能源、充分利用資源及廢物循環使用，提升員工的環保意識。

本集團已採取措施減少用紙量，包括使用電子設備以及鼓勵使用網站及在網上發佈公司資訊。自二零零八年以來，本集團一直使用森林管理委員會認證紙張印製年報及中期報告以降低對環境及社區的影響。

為降低照明系統的耗電量，本集團所有辦公室已相繼改用T5光管照明，與T8光管相比可節省20%的電力。本集團的大部分辦公室設備擁有機電工程署頒發的能源效益標籤，以進一步減低辦公室能源消耗。

建築及機械工程分類已付出相當努力保護工地的環境。所實施的多項控制措施包括噪音、污水排放、塵埃及化工廢物處置；並使用可循環再用的廢料及防止化學品洩漏等。其中例子是在工地部分機械採用生物柴油。因應不同項目制定環保政策及計劃。本集團旗下部分公司已取得香港品質保證局授予的ISO14001認證，此亦為本集團致力於環境保護的憑證。

物業管理業務自二零零六年起已取得ISO14001認證。本集團為住戶及／或租戶舉辦多項回收及推廣綠色生活的活動。為進一步節約能源及減省開支，本集團通過將光管由T8轉換為T5，並在非高峰時段停開部分電梯，目標是經審核苑廈的用電量在未來5年將減少5%。在部分我們管理的屋苑，已組織一系列活動收集二手衣物、月餅盒、利是封、破粉匣、電池、燈泡／光管及玻璃瓶，以提高住戶及／或租戶的環保理念。於實施都市固體廢物收費計劃時，物業管理業務將盡力支持實施該計劃。

(B) SOCIAL

Employment and Labour Practices

Employment and Labour Standards

To attract, develop and retain qualified employees, the Group is committed to offering professional development opportunities and a healthy working environment for all employees and on-site staff. In addition, we have implemented equal opportunity employment practices.

As at 31 March 2017, the Group had a total of approximately 3,200 full-time employees globally, with approximately 2,100 in Hong Kong, 800 in Mainland China and 300 in other locations, mainly the US, Canada and Thailand.

The Group reviews its compensation and benefits programs regularly to ensure that its compensation and benefits packages remain competitive. In addition, the Group continues to conduct annual review of its pay and benefits packages of employees including medical scheme, health check program, travel insurance, training subsidies and retirement benefits to align them with prevailing offers in the market.

Different recreational activities were also arranged by our Human Resources Department. Interest classes and workshops were organised during the year under review to increase the sense of belonging of our employees. The Group strives to help our employees maintain a work life balance. A staff recreation centre provides staff members with a place to rest, relax and socialise. In addition, to promote our colleagues' interest in reading, the Group continues to, during the year, update and expand the variety of books and magazines in our library to cover different topics.

The Group advocates a community spirit that thrives on mutual respect and equal opportunities. The Group complies strictly to equal opportunities legislation, such as the Sex Discrimination Ordinance, Race Discrimination Ordinance, Disability Discrimination Ordinance and Family Status Discrimination Ordinance. To ensure diversity and equality, we recruit, remunerate and promote employees based on their experience, skills and performance, without prejudice to age, race, disability, gender or family status. In addition, the Group is strongly committed to compliance with relevant laws and regulations and does not engage in any forced or child labour.

The Group upholds high standards of business ethics and promotes good personal conduct of its employees. Our Personal Conduct and Staff Conduct Code in the Human Resources Policies and Procedure Manual, can be easily accessed by staff members through our intranet.

(B) 社會

僱傭及勞工常規

僱傭及勞工準則

為吸引、培養及挽留合資格僱員，本集團致力於為全體僱員及地盤工作員工提供專業發展機會，及健康的工作環境。此外，我們已奉行平等機會的僱傭原則。

於二零一七年三月三十一日，本集團在全球擁有合共約3,200名全職僱員，其中約2,100名於香港、800名於中國內地及300名於其他地區（主要美國、加拿大及泰國）。

本集團定期檢討薪酬及福利計劃，確保該等薪酬福利仍具競爭力。此外，本集團每年亦不斷進行檢討，跟隨當時市況調整僱員的薪酬待遇與其他福利，包括醫療計劃、健康檢查、外地公幹保險、培訓津貼及退休福利。

人力資源部門亦安排了各項休閒活動，並於本回顧年度舉辦興趣班及工作坊，以增強僱員的歸屬感。本集團致力幫助僱員維持工作和生活之間取得平衡。員工亦可享用員工康樂中心作為休息、放鬆及聯誼的地方。此外，為提高僱員閱讀興趣，本集團於本年度繼續在圖書館增加大量最新及涵蓋不同主題的書籍及雜誌。

本集團致力提倡互相尊重及平等機會的群體精神。本集團嚴格遵守各項平等機會法例，包括性別歧視條例、種族歧視條例、殘疾歧視條例及家庭崗位歧視條例。為確保提供多元和平等的就業機會，本集團的招聘、薪酬及晉升原則乃基於員工的工作經驗、技能和工作表現，僱員不會因年齡、種族、殘疾、性別或家庭崗位而受到任何歧視。此外，本集團嚴格遵守相關法律及法規，且絕不參與任何強制勞工或聘用童工。

本集團要求員工擁有高標準的商業道德及推廣良好的個人操守。內聯網上刊發的人力資源政策及程序手冊內載有個人操守及員工行為守則，員工可透過內聯網輕易獲取。

(B) SOCIAL (CONTINUED)

Employment and Labour Practices (continued)

Health and Safety

The Group is committed to providing a safe and healthy working environment to all employees and on-site staff. We regularly monitor our work environment and staff facilities. The Group has stringent regulation for employees who are assigned to work on construction sites to minimise and prevent exposure to occupational hazards and to ensure a high standard of occupational safety. Safety and health care trainings are provided from time to time for newcomers and relevant personnel at our construction sites so as to improve their awareness on safety in a working environment. Moreover, we offer, and it is mandatory for our colleagues on sites to use, special safety equipment such as safety helmets, ear plugs, dust masks, goggles and safety shoes. Additional rest periods and shelters, ventilation facilities and potable water for workers are also provided during hot weather.

Occupational Health and Safety Committee

Our property management business has obtained OHSAS18001 as a recognition of its compliance with occupational health and safety requirements since 2006. Head office and selected sites are audited periodically by the British Standards Institution for renewal of the certificate. We have a Safety Committee which consists of property management staff members from head office and site level operation staff which formulates site safety measures and policies. Regular meetings are scheduled every 3 months for post-implementation review of audited sites, as well as information exchange on accidents or injuries and precautionary measures that have been taken by each of the audited sites. Trainings are organised in each audited site every 3 months to enhance their awareness of occupational safety. We have maintained a low accident rate in our audited sites last year. Further, one of our group companies is the Immediate Past President of the Hong Kong Association of Property Management Companies which promotes the importance of occupational safety through organising various occupational safety-related activities.

Site Safety Subgroup

Our construction and engineering business ensures site safety inspections are carried out on a regular basis and any finding in major breaches and unsafe condition are rectified promptly. The site safety subgroup, comprised of representatives from our project companies and subcontractors, and operation meetings are held frequently.

(B) 社會 (續)

僱傭及勞工常規 (續)

健康及安全

本集團致力為全體僱員及地盤工作人員提供安全及健康的工作環境，並對工作環境及員工設施進行定期監察。本集團對被委派至建築地盤的工作人員具有嚴格規定，預防並把職業損害減至最低，以確保高標準職業安全。本集團亦會不時在建築地盤向新入職員工及有關人員提供安全健康培訓，以提高彼等對安全工作環境的意識。此外，本公司提供特殊安全設備，僱員乃強制性地盤使用，如安全帽、耳塞、防塵面具、護目鏡及安全鞋。在炎熱天氣下，工人可獲額外休息時間，於具有通風設備的遮蔭地點休息並供應飲用水。

職業健康及安全委員會

物業管理業務自二零零六年起獲得 OHSAS18001 資格以確保遵守職業健康及安全規定。總部及選定場所由英國標準學會定期審核以更新認證證書。本集團設有安全委員會，由總部物業管理員工及地盤操作工作人員組成，以制定地盤安全措施及政策。定期會議每三個月舉行一次，對經審核苑廈進行後檢討，並商討及交換任何於各個苑廈發生的意外或受傷個案的資料及採取的各種預防措施。各經審核苑廈每三個月舉辦一次培訓，以提高工人的職業安全意識。去年，該等經審核苑廈事故率維持低水平。此外，旗下其中一間之集團公司為香港物業管理公司協會前任會長，透過組織各種職業安全相關活動強調職業安全的重要程度。

地盤安全小組

建築及機械工程業務之地盤均定期進行安全檢查，及時糾正重大違規及不安全事故。地盤安全小組由本集團項目公司及分包商代表組成，並經常舉行工作會議。

(B) SOCIAL (CONTINUED)

Employment and Labour Practices (continued)

Development and Training

The Group recognises that the knowledge and skills of our employees are vital to the Group's continued business development and success, we, therefore, encourage our staff to pursue further with their professional development. The Group nominates staff to attend internal and external training programs from time to time and when appropriate. Our training programs also range from professional and technical training to personal development skills. The Group also provides education subsidies to encourage staff in further developing their skills and broaden their knowledge. To continuously attract new talents, the Group also organises apprenticeship programs and provides apprentices with on-the-job training.

Operating Practices

Supply Chain Management

The Group carefully selects qualified suppliers to ensure that the entire production process is in line with our standards and rules. We not only request our new suppliers to submit a review of all relevant documents, but also conduct rigorous check to assess their reliability. We carry out inspections and assessments regularly to review the suppliers' standards and terminate collaboration with unqualified suppliers.

The Group upholds fair operating practices in its relationship with subcontractors and suppliers through an efficient procurement system. We have also adopted systems for competitive tendering and subcontractors' performance monitoring and reporting. The Group conducts regular reviews of terms and conditions of subcontracts and supply contracts between the Group and our subcontractors and suppliers which enables the development of effective and strong partnerships. Such reviews cover the potential enhancement of social, ethical, environmental and gender equality criteria in subcontracts and supply contracts.

Product Responsibility

The Group recognises that good customer and after-sales services are keys to the success and sustainability of the Group. In order to cater for prompt response in meeting with the needs of our customers, the Group has, therefore, set up customer service teams for its different business units to handle customers' queries efficiently.

(B) 社會 (續)

僱傭及勞工常規 (續)

發展及培訓

本集團認為僱員的知識及技能對本集團持續業務發展及成功十分重要，本集團鼓勵僱員不斷尋求更多專業發展。本集團不定期提名員工參加內部及外界培訓課程。培訓課程涵蓋專業及技術培訓以至個人技能發展。本集團亦提供教育津貼，鼓勵員工進一步發展技能及擴闊知識。為確保人才持續供應，本集團亦開辦學徒計劃，並向學徒提供在職培訓。

營運慣例

供應鏈管理

本集團仔細甄選合資格供應商以確保整個生產程序符合本集團的標準及規範。本集團不僅要求新供應商提交所有有關文件以供查驗，亦會實施嚴格核查以評估其可靠性。本集團定期進行檢驗及評估以審查供應商的標準，並終止與不合資格供應商的合作。

本集團透過與分包商與供應商的關係，採取高效的採購系統以秉持公平的營運慣例。本集團亦採納具競爭力的投標系統，並監控及呈報分包商表現。為確保本集團能有效地促進與其分包商及供應商之間穩固的合作關係，本集團會定期檢討分包合約及供應合約的條款及條件。該檢討亦涵蓋分包合約及供應合約在社會、道德、加強環境及性別公平方面的準則。

產品責任

本集團認同良好的客戶及售後服務乃集團取得成功及實現可持續發展的關鍵。為能迅速回應客戶的需求，本集團在不同業務部門設立客戶服務團隊有效率地解決客戶查詢。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

(B) SOCIAL (CONTINUED)

Operating Practices (continued)

Product Responsibility (continued)

The Group respects the privacy of personal data and has developed policies on the collection and usage of personal data. Review and revision of the personal data and privacy policy are carried out to ensure its effectiveness and compliance with relevant laws.

For our property management business, the Group discusses issues with site managers and members of the Safety Committee, and regularly provides updates to site managers and/or person-in-charge for maintaining the recognition of ISO9001, ISO14001, OHSAS18001 or to fulfil statutory requirements. The Group also reminds site managers to regularly review existing contractors' terms and take necessary precaution measures whenever applicable.

Customer needs and satisfaction have always been the priorities of the Group. Our information technology related businesses provide comprehensive order processing, fulfilment and back-office services to consumers. Our customer service centre provides a wide range of information and assistance to answer customers' inquiries and to offer repair and maintenance services to consumers.

Anti-Corruption

The Group adheres to stringent anti-corruption policies and procurement practices as stated in the Group's Human Resources Policies and Procedure Manual that includes conflicts of interest, intellectual property rights, privacy and confidentiality of information, bribery and corruption and equal opportunities. As part of the Group's orientation, new employees receive anti-corruption training. The Group's gift policy under the "Acceptance of Advantage in Employment" clearly states the required process and procedure for handling and accepting gifts and advantages. No cases of corruption were reported within the Group during the year under review.

Community

Community Investment

The Group has dedicated itself to take up its corporate social responsibility for the communities where it is present. It strives to repay society by participating in community services, charitable sponsorships, in education, cultural and sports activities and in the promotion of environmental protection.

(B) 社會 (續)

營運慣例 (續)

產品責任 (續)

本集團尊重個人資料私隱，並制定關於收集及使用個人資料的政策。個人資料及私隱政策會進行檢討並作出修訂以確保其有效且遵守有關法例。

就物業管理業務而言，本集團將與場地經理及安全委員會成員討論，且定期向地盤經理及／或負責人提供最新消息，以維持ISO9001、ISO14001、OHSAS18001的認可或履行法定要求。本集團亦會提醒場地經理定期檢討現有承包商的條款並於適當時採取必要預防措施。

滿足客戶所需一直是本集團的首要目標。資訊科技相關業務向客戶提供綜合訂單處理、執行及後勤支援服務。客戶服務中心提供廣泛系列資訊及協助，以解答客戶查詢，並向客戶提供維修及保養服務。

反貪污

本集團堅守本集團人力資源政策及程序手冊內所載嚴格的反貪污政策及採購方法。手冊內載有有關利益衝突、知識產權、私隱及資料保密、賄賂及貪污以及平等機會的條文。新僱員在入職培訓計劃中授予有關反貪污的訊息，以作為本集團入職培訓的一部分。本集團在「受聘期間收受好處」的禮物政策已明確載列有關處理及接受禮物及好處的規定程序。於本回顧年度，本集團概無任何貪污案例的報告。

社區

社區投資

本集團盡力履行對所服務社區的企業社會責任。為回饋社會，本集團參與社區服務、贊助慈善、教育、文化和體育活動及支持環保項目。

(B) SOCIAL (CONTINUED)

Community (continued)

Community Investment (continued)

To support the development of community services, the Group sponsored a variety of charitable events during the year under review, including “SPS 20th Anniversary Charity Show” organised by Suicide Prevention Services and “ACCA Community Day” organised by the Association of Chartered Certified Accountants. The Group also made donations to different non-profit organisations, including Po Leung Kuk, The Hong Kong Asthma Society and Sudden Arrhythmia Death Syndromes HK Foundation. In addition, the Group and Hong Kong Red Cross jointly organised the “Chevalier Blood Donation Day” to help people in need. The Group’s contribution to and care for the society is recognised and the Group has been conferred the award of “Caring Company Logo” by the Hong Kong Council of Social Service since 2011.

Education and Culture

The Group strives to cultivate young talents and enrich educational opportunities by sponsoring educational programs of all kinds. The Group financed the scholarship scheme of CMA Secondary School Education Trust and Vocation Training Council’s Outstanding Industrial Attachment Scholarships. In addition, the “Chevalier Culture & Education Foundation” aims to foster cultural, academic and educational exchanges amongst Hong Kong and other countries. The Group is also the Platinum Sponsor of Opera Hong Kong which promotes art development and foster public’s interest in the field.

Sports and Environment

The Group has been a long-time patron of the Hong Kong Jockey Club’s “Chevalier Cup Race Day”. Moreover, the Group also supported other sports activities such as “The Community Chest Corporate Challenge” organised by the Community Chest of Hong Kong and “Construction Industry 2017 Happy Run” organised by Construction Industry Council.

The Group is committed to building a green community. We participated in the “Charter on External Lighting” launched by The Environment Bureau in order to minimise light nuisance and energy wastage. Moreover, the Group has a committed partnership with WWF and we actively participated in events organised by WWF, such as “WWF Run for Change 2016@Tolo Harbour”.

Volunteering

In order to take the initiative in serving the community, the Group has in place a volunteer team – “Chevalier Cares” since 2011. During the year under review, Chevalier Cares arranged various visits with the non-profit organisations such as the Hong Kong Young Women’s Christian Association, Hong Kong Family Welfare Society, Evangelical Lutheran Church of Hong Kong and Wai Ji Christian Service. It participated in different voluntary programs and served those in need including the elderly, children, disabled and low income families.

(B) 社會 (續)

社區 (續)

社區投資 (續)

為支持社區服務的發展，本集團於本回顧年度贊助多項公益活動，包括生命熱線的「生命熱線20週年慈善表演」及特許公認會計師公會的「ACCA公益關愛日」。本集團亦向多間非牟利機構作出捐款，包括保良局、香港哮喘會及遺傳性心律基金會（香港）。此外，本集團亦與香港紅十字會聯合舉辦「其士捐血日」，幫助有需要的人士。本集團對社會之貢獻及關懷備受肯定，並自二零一一年起榮獲香港社會服務聯會頒發「商界展關懷」標誌。

教育及文化

本集團通過贊助不同類型的教育項目，致力培育年輕人才及增加受教育機會。本集團亦資助廠商會中學的獎學金計劃，以及職業訓練局優秀企業實習獎學金。此外，本集團亦創立「其士文教基金會」，以推動香港與其他國家之間的文化、學術及教育交流為目標。本集團亦擔任香港歌劇院白金贊助人，以推動藝術發展及培養公眾於該領域的興趣。

體育及環境

本集團乃香港賽馬會「其士盃賽馬日」的長期贊助商。並同時贊助其他體育活動，例如香港公益金的「公益慈善馬拉松」及建造業議會的「建造業議會2017開心長跑」。

本集團致力於建立綠色社區。參與由環境局推動的「戶外燈光約章」，減少光滋擾及能源浪費。此外，本集團與世界自然基金會(WWF)建立夥伴關係，並積極參與WWF所舉辦的活動，例如「WWF跑出未來2016@吐露港」。

義工活動

本集團自二零一一年起組成了「愛心騎士」義工隊，主動服務社區。於本回顧年度，「愛心騎士」夥拍香港基督教女青年會、香港家庭福利會、基督教香港信義會及基督教懷智服務處等非牟利組織安排了多項探訪。該義工隊參與了不同的義工活動，當中對象包括長者、兒童、殘障人士和低收入家庭，為有需要人士服務。

REPORT OF THE DIRECTORS

董事會報告

The Board presents to shareholders their annual report together with the audited financial statements of the Company and of the Group for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding while the principal activities of its principal subsidiaries, associates and joint ventures are shown on pages 166 to 172.

The Group's revenue and results for the year ended 31 March 2017, analysed by operating segments, are set out in note 5 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the businesses of the Group during the year, particulars of important events affecting the Group that have occurred subsequent to the year ended 31 March 2017 (if any), a description of principal risks and uncertainties facing the Group and discussion on the Group's prospects are provided in the Letter to Shareholders on pages 8 to 9, Management Discussion and Analysis on pages 10 to 14, Financial Review on pages 15 to 20 and note 3 to the consolidated financial statements. In addition, discussions on the Group's compliance with relevant laws and regulations which have a significant impact on the Group, relationships with its key stakeholders and environmental policy are provided in the Corporate Governance Report and Environmental, Social and Governance Report on pages 30 to 42 and pages 43 to 49 respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2017 are set out in the consolidated income statement on page 68. The Board now recommends the payment of a final dividend of HK\$0.40 (2016: HK\$0.50) per share in cash payable to shareholders whose names appear on the Register of Members of the Company on Friday, 8 September 2017. Together with the interim dividend of HK\$0.20 (2016: HK\$0.20) per share paid on Wednesday, 21 December 2016, the total dividends for the year amounted to HK\$0.60 (2016: HK\$0.70) per share.

Subject to the approval by shareholders at the AGM, the proposed final dividend will be payable in cash to shareholders on or about Friday, 15 September 2017.

董事會提呈本公司及本集團截至二零一七年三月三十一日止年度年報及經審核財務報表供各股東閱覽。

主要業務

本公司之主要業務為投資控股，而其主要附屬公司、聯營公司及合營企業之主要業務載於第166頁至172頁。

本集團截至二零一七年三月三十一日止年度以營運分類之收入及業績載於綜合財務報表附註5。

業務審視

於本年度本集團業務的持平審視，尤其是於截至二零一七年三月三十一日止年度之後影響本集團的重大事件（如有）、本集團面對的主要風險及不明朗因素，以及本集團前景的討論載於致股東之函件第8頁至9頁、管理層討論及分析第10頁至14頁、財務評述第15頁至20頁及綜合財務報表附註3。此外，對本集團有重大影響的相關法律及法規的討論、與主要有關利益者的關係及環境政策分載於企業管治報告第30頁至42頁及環境、社會及管治報告第43頁至49頁。

業績及撥用

本集團截至二零一七年三月三十一日止年度之業績載於第68頁綜合收益表。董事會現建議以現金派發末期股息每股港幣0.40元（二零一六年：港幣0.50元）予於二零一七年九月八日（星期五）名列本公司股東名冊之股東。連同已於二零一六年十二月二十一日（星期三）派付之中期股息每股港幣0.20元（二零一六年：港幣0.20元），年內合共派發股息每股港幣0.60元（二零一六年：港幣0.70元）。

待將於股東週年大會獲股東批准後，建議末期股息將於二零一七年九月十五日（星期五）以現金派付予股東。

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from Friday, 25 August 2017 to Wednesday 30 August 2017, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 24 August 2017.

For determining the entitlement to the proposed final dividend (subject to the passing of an ordinary resolution by the shareholders of the Company at the AGM), the Register of Members of the Company will be closed from Wednesday, 6 September 2017 to Friday, 8 September 2017, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 5 September 2017.

SHARES ISSUED

Details of the shares issued by the Company during the year are set out in note 33 to the consolidated financial statements.

RESERVES

Movements in reserves of the Group and the Company during the year are set out in note 34 and note 46 to the consolidated financial statements.

As at 31 March 2017, the Company's reserves available for distribution to shareholders amounted to HK\$1,307,773,000 (2016: HK\$1,218,844,000).

INVESTMENT PROPERTIES

Movements in investment properties of the Group during the year are set out in note 14 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

暫停辦理股份過戶登記

為確定股東有權出席股東週年大會及於會上投票，本公司將於二零一七年八月二十五日（星期五）至二零一七年八月三十日（星期三）（首尾兩天包括在內），暫停辦理股份過戶登記手續。為確保符合資格出席股東週年大會及於會上投票，所有股份過戶文件連同有關股票必須於二零一七年八月二十四日（星期四）下午四時三十分前，一併送達本公司於香港之股份過戶登記分處卓佳標準有限公司，地址為香港皇后大道東183號合和中心22樓，以便辦理過戶登記手續。

為確定股東有權收取建議之末期股息，待本公司股東於股東週年大會通過該普通決議案後，本公司將於二零一七年九月六日（星期三）至二零一七年九月八日（星期五）（首尾兩天包括在內），暫停辦理股份過戶登記手續。為確保符合資格獲派建議之末期股息，所有股份過戶文件連同有關股票必須於二零一七年九月五日（星期二）下午四時三十分前，一併送達本公司於香港之股份過戶登記分處卓佳標準有限公司，地址為香港皇后大道東183號合和中心22樓，以便辦理過戶登記手續。

已發行股本

本公司於本年度已發行股份的詳情載於綜合財務報表附註33。

儲備

本集團及本公司於本年度之儲備變動載於綜合財務報表附註34及附註46。

於二零一七年三月三十一日，本公司可向股東分派之儲備為港幣1,307,773,000元（二零一六年：港幣1,218,844,000元）。

投資物業

本集團於本年度之投資物業變動載於綜合財務報表附註14。

物業、廠房及設備

本集團於本年度之物業、廠房及設備變動載於綜合財務報表附註15。

REPORT OF THE DIRECTORS

董事會報告

BANK AND OTHER BORROWINGS

Details of bank and other borrowings of the Group as at 31 March 2017 are set out in note 32 to the consolidated financial statements.

FINANCIAL SUMMARY/FINANCIAL REVIEW

Financial summary and financial review of the Group are shown on pages 2 to 5 and on pages 15 to 20 respectively.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's purchases for the year attributable to the Group's five largest suppliers was less than 30% while the Group's revenue for the year attributable to the Group's five largest customers and largest customers were 39% and 17% respectively. None of the Directors, their respective close associates (as defined in the Listing Rules) or any shareholder (whom to the knowledge of the Directors owns 5% or more of the issued share capital of the Company) as at 31 March 2017 has any interest in the Group's five largest customers.

MAJOR PROPERTIES

Particulars of major properties of the Group as at 31 March 2017 are set out on pages 26 to 29.

EMPLOYEES AND REMUNERATION POLICIES

The Group employed approximately 3,200 full-time staff under its subsidiaries globally as at 31 March 2017. Total staff costs amounted to HK\$935 million for the year ended 31 March 2017. The remuneration policies of the Group are reviewed periodically on the basis of the nature of job, market trend, company performance and individual performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes and retirement schemes.

The remuneration package of the Directors and the senior management is based on their contribution to the performance of the Group and is supervised by the Nomination Committee and Remuneration Committee of the Company.

Details of the Directors' remuneration are set out in note 38 to the consolidated financial statements.

DONATIONS

During the year, the Group made donations of HK\$7,233,000 to charitable bodies.

銀行及其他借款

本集團於二零一七年三月三十一日銀行及其他借款之詳情載於綜合財務報表附註32。

財務概要／財務評述

本集團之財務概要及財務評述分別載於第2頁至5頁及第15頁至20頁。

主要客戶及供應商

本集團年度內之五大供應商佔本集團購貨額不足30%，但本集團年度內之五大客戶及最大客戶分別佔本集團之收入39%及17%。於二零一七年三月三十一日，本公司各董事、其各自緊密聯繫人士（定議見上市規則）或任何股東（就董事所知其擁有本公司已發行股本5%或以上）概無與本集團之五大客戶有任何權益。

主要物業

本集團於二零一七年三月三十一日之主要物業資料載於第26頁至29頁。

僱員及薪酬制度

於二零一七年三月三十一日，本集團旗下附屬公司於全球僱用約3,200名全職員工。截至二零一七年三月三十一日止年度，員工總開支為港幣9.35億元。本集團之薪酬制度乃根據僱員之工作性質、市場趨勢、公司業績及個別員工之表現而定期作出評估。其他員工福利包括酌情發放花紅獎賞、醫療計劃及退休金計劃等。

董事及高級管理人員的薪酬乃根據其對本集團表現的貢獻釐定，並由本公司提名委員會及薪酬委員會監管。

董事薪酬的詳情載於綜合財務報表附註38。

慈善捐款

於本年度，本集團捐款予慈善機構為港幣7,233,000元。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-Laws although there is no restriction against such rights under the laws in Bermuda where the Company is incorporated.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the year.

PERMITTED INDEMNITY

Pursuant to the Company's Bye-Laws, every Director shall be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in the execution of his/her office or otherwise in relation thereto.

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

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Executive Directors

Dr CHOW Yei Ching (Co-Chairman)
Mr KUOK Hoi Sang (Co-Chairman and Managing Director)
Mr TAM Kwok Wing (Deputy Managing Director)
Mr HO Chung Leung
Mr MA Chi Wing
Miss Lily CHOW

Non-Executive Directors

Dr KO Chan Gock, William
Mr CHOW Vee Tsung, Oscar

Independent Non-Executive Directors

Dr CHOW Ming Kuen, Joseph
Mr YANG Chuen Liang, Charles
Professor POON Chung Kwong
Mr Irons SZE (appointed on 25 November 2016)
Mr SUN Kai Dah, George (retired on 2 September 2016)

優先承讓權

本公司細則並無優先承讓權之條款，雖然根據本公司之註冊地百慕達之法例，對此並無作出任何限制。

購買、出售或贖回上市證券

本公司或其任何附屬公司於本年度並無購買、出售或贖回本公司之任何上市證券。

獲准許的彌償

根據本公司細則，每位董事就其因執行職務或與其他有關的其他事宜所引致或蒙受之一切損失或法律責任，有權從本公司資產中獲得彌償。

本公司已就集團董事可能在法律程序中進行抗辯所招致的法律責任及費用購買保險。

董事

於本年度及截至本報告日期止之在任董事如下：

執行董事

周亦卿博士 (聯席主席)
郭海生先生 (聯席主席兼董事總經理)
譚國榮先生 (副董事總經理)
何宗樑先生
馬志榮先生
周莉莉小姐

非執行董事

高贊覺博士
周維正先生

獨立非執行董事

周明權博士
楊傳亮先生
潘宗光教授
施榮懷先生 (於二零一六年十一月二十五日獲委任)
孫開達先生 (於二零一六年九月二日退任)

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS (CONTINUED)

In accordance with the Company's Bye-Laws, Dr Chow Yei Ching, Mr Kuok Hoi Sang, Mr Ma Chi Wing, Mr Yang Chuen Liang, Charles and Mr Irons Sze shall retire from office at the AGM and, being eligible, may offer themselves for re-election. The Non-Executive Directors are subject to the same retirement requirements as the Executive Directors.

The Board had been informed that Dr Chow Yei Ching will not offer himself for re-election and accordingly will retire as Co-Chairman and Executive Director and cease to be the chairman of the Executive Committee of the Company after the conclusion of the AGM. Save for Dr Chow, the other retiring Directors, being eligible, shall offer themselves for re-election at the AGM.

The biographical details of the Directors of the Company as at the date of this report are set out in the "Management Profile" section on pages 21 to 25.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the sections headed "Related Party Transactions" in note 43 to the consolidated financial statements, no other transactions, arrangements or contracts of significance in relation to the Company's business to which the Company's subsidiaries was a party or were parties and in which a director of the Company or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors have an interest in any business constituting a competing business to the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 March 2017, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事（續）

根據本公司細則，周亦卿博士、郭海生先生、馬志榮先生、楊傳亮先生及施榮懷先生須於股東週年大會上告退，或願膺選連任。各非執行董事之告退規定與各執行董事相同。

董事會已獲通知，周亦卿博士將不會膺選連任，因此彼將於股東週年大會完結時退任聯席主席及執行董事及不再擔任本公司執行委員會主席的職務。除周博士外，其他退任董事願於股東週年大會上膺選連任。

本公司董事於本報告日期的簡歷詳情刊載於第21頁至25頁「管理層簡介」一節。

董事於交易、安排或合約之重大權益

除下文「關連交易」及綜合財務報表附註43「有關連人士之交易」一節所披露者外，本公司董事或其關連實體並無其他在本公司附屬公司所訂立對本公司業務而言屬於重大之交易、安排或合約（在年終或本年度任何時間仍然有效）中，直接或間接擁有任何重大權益。

董事於競爭性業務之權益

於本年度內，概無董事於與本集團任何構成競爭之業務中有任何權益。

董事及主要行政人員之證券權益

於二零一七年三月三十一日，董事及本公司主要行政人員於本公司及其相聯公司（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中所擁有已根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益及短倉（包括彼等根據上述證券及期貨條例條文被列為或視作擁有之權益及短倉），或必須並已記錄於本公司根據證券及期貨條例第352條規定須予存置之登記冊內之權益及短倉，或根據標準守則須知會本公司及聯交所之權益及短倉如下：

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES (CONTINUED)

Interests in the Company – Shares

董事及主要行政人員之證券權益 (續)

本公司權益 – 股份

Name of Directors 董事名稱	Capacity 身份	Personal interests 個人權益	Family interests 家族權益	Total 總數	Approximate percentage of interest % 權益概約%
CHOW Yei Ching 周亦卿	Beneficial owner 實益擁有人	189,490,248*	–	189,490,248	62.76
KUOK Hoi Sang 郭海生	Beneficial owner 實益擁有人	153,460	–	153,460	0.05
TAM Kwok Wing 譚國榮	Beneficial owner 實益擁有人	209,583	40,265	249,848	0.08
HO Chung Leung 何宗樑	Beneficial owner 實益擁有人	40,000	–	40,000	0.01

* Dr CHOW Yei Ching beneficially owned 189,490,248 shares of the Company, representing approximately 62.76% of the issued share capital of the Company. These shares were same as those shares disclosed in the section "Substantial Shareholders' Interests in Securities" below.

* 周亦卿博士實益持有189,490,248股本公司股份，佔本公司已發行股本約62.76%。該等股份與下文「主要股東之證券權益」所述之股份相同。

As at 31 March 2017, so far as is known to the Directors and the chief executive of the Company, no other person has interests or short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO); or are required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

於二零一七年三月三十一日，就董事及本公司主要行政人員所知，概無其他人士於本公司或其任何相聯公司（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益或短倉（包括彼根據上述證券及期貨條例條文被列為或視作擁有之權益及短倉），或須根據證券及期貨條例第352條規定記錄於該條所述登記冊內之權益或短倉；或須根據標準守則知會本公司及聯交所之權益或短倉。

DIRECTORS' SERVICE CONTRACTS

No Director offering for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

董事服務合約

概無任何於股東週年大會膺選連任的董事與本公司簽訂不可在一年內不作補償（法定賠償除外）而可予以終止之服務合約。

REPORT OF THE DIRECTORS

董事會報告

MANAGEMENT CONTRACTS

No contract of significance concerning the management and administration of the whole or any substantial part of the business of the Company or any of its subsidiaries was entered into or subsisted during the year.

RETIREMENT SCHEMES

The Group has established various retirement benefit schemes for the benefit of its staff in Hong Kong and overseas.

In Hong Kong, the Group participates in both defined contribution schemes which are registered under the Occupational Retirement Schemes Ordinance (the "ORSO Schemes") and Mandatory Provident Fund Schemes (the "MPF Schemes") established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The ORSO Schemes are funded by monthly contributions from both employees and the Group at rates ranging from 5% to 7.5% of the employee's basic salary, depending on the length of service with the Group. For members of the MPF Schemes, the Group contributes 5% of the relevant payroll costs per employee, at a maximum of HK\$1,500 per month for the year ended 31 March 2017, to the mandatory contribution of the MPF Schemes.

The Group also participates in the employee pension schemes in countries or locations where the Group operates. The Group is required to make defined contributions at rates calculated as a certain percentage or sum of the monthly payroll.

The Group's total contributions to these schemes charged to the consolidated income statement during the year amounted to HK\$29 million against which no forfeited contributions had been deducted.

Particulars of the retirement benefit schemes are set out in note 42 to the consolidated financial statements.

管理合約

於本年度並無簽署有關管理及經營本公司或其任何附屬公司全部或大部分業務之重要合約。

退休金計劃

本集團為其香港及海外僱員設立多項退休福利計劃。

於香港，本集團參與按《職業退休計劃條例》註冊之界定供款計劃（「公積金計劃」）及於二零零零年十二月按《強制性公積金計劃條例》設立之強制性公積金計劃（「強積金計劃」）。就公積金計劃，僱員及本集團每月按僱員底薪之5%至7.5%為供款額，視乎僱員於本集團之年資而定。本集團為強積金計劃之成員，按僱員有關每月入息之5%計算（截至二零一七年三月三十一日止年度內每月最多為港幣1,500元）就強積金計劃作出強制性供款。

本集團亦參與本集團經營業務之國家或地區之僱員退休金計劃。本集團須按既定供款，金額以每月薪酬之若干百分比或數目計算。

本集團於本年度在該等計劃已計入綜合收益表之總供款為港幣2,900萬元，並無已扣除之已沒收供款。

退休福利計劃詳情載於綜合財務報表附註42。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 March 2017, so far as is known to the Directors and the chief executive of the Company, the interests and short positions of the persons or corporations in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Substantial shareholders 主要股東	Capacity 身份	Number of Shares held 所持股份數目	Approximate Percentage of interest % 權益概約%
CHOW Yei Ching 周亦卿	Beneficial owner 實益擁有人	189,490,248	62.76
MIYAKAWA Michiko 宮川美智子	Beneficial owner 實益擁有人	189,490,248	62.76

* Under Part XV of the SFO, Ms Miyakawa Michiko, the spouse of Dr Chow Yei Ching, is deemed to be interested in the same parcel of 189,490,248 shares held by Dr Chow.

Save as disclosed above, as at 31 March 2017, so far as is known to the Directors and the chief executive of the Company, no other person has interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company under Section 336 of the SFO, or, were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

ARRANGEMENT FOR ACQUISITION OF SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

主要股東之證券權益

於二零一七年三月三十一日，就董事及本公司主要行政人員所知，下列人士或法團於本公司股份或相關股份中所擁有須根據證券及期貨條例第XV部第2及3分部的條文向本公司披露，及須記錄於本公司根據證券及期貨條例第336條置存之記錄冊內之權益及短倉如下：

* 根據證券及期貨條例第XV部，周亦卿博士之配偶宮川美智子女士被視為擁有該等由周博士持有之189,490,248股股份。

除上文所披露者外，於二零一七年三月三十一日，就董事及本公司主要行政人員所知，概無任何其他人士於本公司或其任何相聯公司之股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第2及第3分部向本公司披露之權益或短倉，及須記錄於本公司根據證券及期貨條例第336條置存之記錄冊內，或直接或間接持有任何類別股本（附有權利在任何情況下可於本公司之股東大會上投票之股本）面值5%或以上權益。

購買股份或債券之安排

於本年度任何時間內，本公司或其任何附屬公司並無參與任何安排，使本公司董事透過購買本公司或任何其他公司之股份或債券而獲得利益。

REPORT OF THE DIRECTORS

董事會報告

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance. In the opinion of the Directors, the Company has complied with the code provisions as set out in the CG Code contained in Appendix 14 of the Listing Rules throughout the year ended 31 March 2017, with deviations from code provisions A.4.1, A.5.1, A.6.7 and Rule 3.10A of the Listing Rules which have already been stated in the Corporate Governance Report of the Annual Report. Detailed information on the Company's corporate governance practices is set out in the Corporate Governance Report on pages 30 to 42.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Pursuant to Rule 13.51B(1) of the Listing Rules, the change of Directors' biographical details since the date of the Company's Interim Report 2016-2017 is set out as follows:

Mr Irons Sze was appointed as a non-executive director of Bel Global Resources Holdings Limited on 1 February 2017.

Save as disclosed above, there is no other change of Directors' biographical details required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, the percentage of the Company's share which is in the hands of the public exceeds 25% of the Company's total number of issued shares as at 26 June 2017, the latest practicable date to ascertain such information prior to the issue of this Annual Report.

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who shall retire and being eligible, offer themselves for re-appointment at the forthcoming AGM.

On behalf of the Board

KUOK Hoi Sang

Co-Chairman and Managing Director
Hong Kong, 26 June 2017

企業管治

董事會致力維持高水平之企業管治。董事認為本公司截至二零一七年三月三十一日止整個年度一直遵守上市規則附錄十四所載企業管治守則的守則條文，惟對守則第A.4.1條、A.5.1條、A.6.7條及上市規則第3.10A條之偏離除外；而該偏離已列載於本年報之企業管治報告內。有關本公司之企業管治常規已詳載於企業管治報告第30頁至42頁。

董事個人資料變動

根據上市規則第13.51B(1)條自二零一六至二零一七年年中期報告內的董事個人資料變動載列如下：

施榮懷先生於二零一七年二月一日獲百營環球資源控股有限公司委任為非執行董事。

除上文所披露者外，概無根據上市規則第13.51B(1)條須予披露之董事個人資料變動。

足夠公眾持股量

根據本公司獲得之公開資料及據董事會所知，於二零一七年六月二十六日（即本年報刊發前確定該等資料的最後實際可行日期），公眾人士所持有本公司股份超過本公司已發行股份總數25%。

核數師

本綜合財務報表由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所將會告退，並符合資格願在本公司應屆股東週年大會重獲委任。

承董事會命

聯席主席兼董事總經理

郭海生

香港，二零一七年六月二十六日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

TO THE SHAREHOLDERS OF CHEVALIER INTERNATIONAL HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Chevalier International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 68 to 172, which comprise:

- the consolidated statement of financial position as at 31 March 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

致其士國際集團有限公司股東

(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

其士國際集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第68至172頁的綜合財務報表,包括:

- 於二零一七年三月三十一日的綜合財務狀況表;
- 截至該日止年度的綜合收益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

我們的意見

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一七年三月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部份中作進一步闡述。

我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition from construction works;
- Valuation of investment properties;
- Recoverability of properties under development and properties for sale;
- Impairment assessment of goodwill; and
- Deemed acquisition of car dealership business in Mainland China.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition from construction works	
Refer to notes 4(h) and 6 to the consolidated financial statements	Our procedures in relation to management's recognition of revenue from construction works included:
For the year ended 31 March 2017, the Group recognised revenue from the construction works of HK\$2,780 million.	<ul style="list-style-type: none">• Tested the key controls around the construction cycle with particular focus on, but not limited to, controls over cost budgeting and periodic review of estimated total construction costs and contract sum;
The recognition of revenue from the construction works involves a high degree of management judgement in relation to the determination of gross profit margin of each construction contract, which is determined based on the estimated total construction costs, estimated total construction contract sum (including variation orders and claims), as well as the percentage of completion of construction works. Most of the construction works take more than one year to complete during which the project scope may change from time to time. Management estimate the contract revenue and budgeted cost at the commencement of the contracts and regularly reassess these amounts and the financial impact with reference to the progress of construction works.	<ul style="list-style-type: none">• In our testing of management's estimation on gross profit margin of each construction contract, which is determined based on the total construction costs, total construction contract sum and the percentage of completion of construction works at the end of the reporting period, we selected a number of construction works on a sample basis and:<ul style="list-style-type: none">• discussed with management and the respective project teams on the progress of the projects;• assessed management's estimates in relation to matters that may impact the estimated contract sum and contract costs arising from the variation

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 建築工程的收入確認；
- 投資物業的估值；
- 發展中物業及待售物業的可取回性；
- 商譽的減值評估；及
- 視為收購的中國內地汽車代理業務。

關鍵審計事項	我們的審計如何處理關鍵審計事項
建築工程的收入確認	
請參考綜合財務報表附註4(h)及6	我們針對管理層就建築工程的收入確認的程序包括：
截至二零一七年三月三十一日止年度，貴集團確認建築工程的收入港幣27.80億元。	<ul style="list-style-type: none">• 重點關注但不限於測試建設週期中對估計建築總成本及合約金額的成本預算及定期檢討的控制；
建築工程的收入確認涉及管理層就每筆建築合約毛利率的釐定作出高度判斷，乃基於估計建築總成本、估計建築合約總額（包括變動訂單及索償）以及建築工程完工百分比予以釐定。大部分建築工程需耗時超過一年完工，於該期間項目範圍或會不時變動。管理層於合約開始生效時估計合約收入及預算成本，並參考建築工程的進度定期重估該等金額及財務影響。	<ul style="list-style-type: none">• 於測試管理層就每筆建築合約的毛利率（基於建築總成本、建築合約總額以及於報告期末的建築工程完工百分比予以釐定）所作估計時，我們按抽樣方式選取若干建築工程，並：<ul style="list-style-type: none">• 與管理層及各項目團隊討論項目進度；• 參考貴集團、分包商與供應商之間的通訊（支持管理層估計建

Key Audit Matter

Due to the existence of significant management judgement required to determine the amount and timing of revenue recognised from the construction works, we considered it a key audit matter.

How our audit addressed the Key Audit Matter

to the original contracts, such as, claims, disputes, variation orders and liquidation damages with reference to the correspondence between the Group, subcontractors and suppliers which support management's estimate of changes to construction works;

- tested the actual costs incurred on construction works during the reporting period by tracing to supporting documents including architect's certificates issued to subcontractors and invoices from subcontractors and suppliers;
- recalculated the revised percentage of completion based on the latest estimated total construction sum and the actual construction revenue certified by the architect; and
- recalculated the construction costs recognised based on the revised percentage of completion.

We consider management's estimates in determining the budgeted revenue and costs and the percentage of completion of construction works and revenue recognised to be supported by the available evidence.

Valuation of investment properties

Refer to notes 4(a) and 14 to the consolidated financial statements

The Group's investment properties were carried at HK\$3,833 million as at 31 March 2017 and a revaluation gain of HK\$226 million was recognised in the consolidated income statement as part of other gains, net. The Group's investment property portfolio comprises of commercial, residential and industrial properties in Hong Kong, the Mainland China and overseas.

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

- Evaluating the independent valuers' competence, capabilities and objectivity;
- Obtaining the valuation report including the market comparable data used and meeting with independent valuers to discuss the valuation methodologies;

關鍵審計事項

由於釐定建築工程所確認收入的金額及時間安排需管理層作出重大判斷，我們將該事項視為關鍵審計事項。

我們的審計如何處理關鍵審計事項

建築工程的變動，評估管理層就因原合約變動（如索償、糾紛、變動訂單及損害賠償金）而可能影響估計合約金額及合約成本的事宜所作估計；

- 透過追蹤支持文件（包括向分包商發出的建築師證書以及分包商及供應商所提供的發票）測試報告期間建築工程所產生的實際成本；
- 基於最新估計建築總金額及建築師核實的實際建築收入重新計算經修訂完工百分比；及
- 基於經修訂完工百分比重新計算所確認建築成本。

我們認為，管理層於釐定建築成本的預算收入及成本與完工百分比以及所確認收入時所作估計有可得證據支持。

投資物業的估值

請參考綜合財務報表附註4(a)及14

於二零一七年三月三十一日，貴集團的投資物業按港幣38.33億元列賬，並於綜合收益表確認重估收益港幣2.26億元，作為其他收益，淨額的一部分。貴集團的投資物業組合包括於香港、中國內地及海外的商業、住宅及工業物業。

我們針對管理層就投資物業的估值的程序包括：

- 評估獨立估值師的資歷、能力及客觀性；
- 獲取估值報告（包括所使用的可資比較市場數據）並與獨立估值師會面以討論估值方法；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

Management has engaged independent external valuers, to estimate the fair value of the Group's investment properties as at 31 March 2017 based on the income capitalisation approach and where appropriate, direct comparison approach.

The valuation of investment properties depends on certain key assumptions that require significant management judgement, including capitalisation rates and prevailing market rents.

Due to the existence of significant management judgement in assumptions used in the valuation of investment properties we considered it a key audit matter.

Recoverability of properties under development and properties for sale

Refer to notes 4(f), 21 and 25 to the consolidated financial statements

The Group had HK\$1,077 million and HK\$378 million of properties under development and properties for sale respectively as at 31 March 2017. The Group's development properties portfolio comprises of completed properties and properties under development in the Mainland China.

Management assessed the recoverability of properties under development and properties for sale based on an estimation of the net realisable value of the underlying properties which involves considerable analyses of the current market price of properties of a comparable standard and location, construction costs to be incurred to complete the development and a forecast of future selling price.

How our audit addressed the Key Audit Matter

- Checking the accuracy of input data, on a sample basis, used by the independent valuers including rental income and occupancy rates by agreeing them back to management's records, historical actual information or other supporting documentation including key terms of lease agreements and rental income schedules; and
- Involved our internal valuation experts to assess the methodologies used and the appropriateness of the key assumptions used in the valuation of properties by comparing the data used by the independent valuers against the published market yields for capitalisation rates, prevailing market rents of leasing transactions of comparable properties and recent market transaction prices of properties with comparable conditions and locations, where appropriate.

We consider management's valuation of investment properties to be supported by the available evidence.

Our procedures in relation to management's assessment on the recoverability of properties under development and properties for sale included:

- Testing the key controls around the property construction cycle with particular focus on, but not limited to, controls over cost budgeting for estimated costs to completion; and
- Assessing the reasonableness of key assumptions used/adopted in management's assessment, on a sample of properties selected, including:
 - expected future sales prices which we compared to the contracted sales price of the underlying properties or current market prices of properties with comparable standards and locations, where applicable;

關鍵審計事項

管理層已聘請獨立外部估值師，採用收益資本化方法以及於適時採用直接比較法估計 貴集團投資物業於二零一七年三月三十一日的公允值。

投資物業的估值取決於由管理層作出重大判斷的某些關鍵假設，包括資本化率及現行市場租金。

由於在投資物業的估值中採用的假設需管理層作出重大判斷，我們將該事項視為關鍵審計事項。

發展中物業及待售物業的可取回性

請參考綜合財務報表附註4(f)、21及25

於二零一七年三月三十一日，貴集團擁有價值港幣10.77億元的發展中物業及價值港幣3.78億元的待售物業。貴集團的物業發展項目組合包括於中國內地的已完工物業及發展中物業。

管理層基於對發展中物業及待售物業可變現淨值的估計評估相關物業的可取回性，當中涉及對可類比標準及地段物業的當前市場價格、完成發展項目將產生的建築成本及未來售價預測所進行的分析。

我們的審計如何處理關鍵審計事項

- 抽樣選取獨立估值師使用的輸入數據（包括租金收入及入住率等），與管理層的記錄、實際歷史資料或其他支持文件（包括租賃協議的關鍵條款及租金收入表）進行對比來檢查其準確性；及
- 讓我們的內部估值專家參與評估投資物業的估值所使用的方法及所採用關鍵假設的及與公佈的市場收益率、現行市場租金與可類比物業的租賃交易（如適用）進行比較。

我們認為，管理層對投資物業所作估值有可得證據支持。

我們針對管理層就評估發展中物業及待售物業的可取回性的程序包括：

- 重點關注但不限於測試建設週期中對估計完工成本的成本預算的控制；及
- 抽樣選取物業使用／採納的關鍵假設來評估管理層評估中的合理性，包括：
 - 就預期未來銷售價格與相關物業的合約銷售價格或具有可類比標準及地段物業的當前市場價格（如適用）進行比較；

Key Audit Matter

If the actual net realisable values of the underlying stock of properties are more or less than expected as a result of changes in market condition and/or significant variation in the budgeted development cost, material reversal of or provision for impairment losses may result.

Due to the existence of estimation uncertainty and management judgement in assessing the recoverability of properties under development and properties for sale, we considered it a key audit matter.

Impairment assessment of goodwill

Refer to notes 4(c) and 37 to the consolidated financial statements

The Group had HK\$565 million of goodwill as at 31 March 2017 relating to the senior housing business in United States of America.

Management assessed whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2(c) to the consolidated financial statements. The recoverable amounts of cash generating units ("CGU") have been determined by management based on value-in-use calculations. The value in use calculations use cash flow projections based on financial budgets approved by management which involve the use of judgement applied by management such as determining discount rate and net operating income.

Due to the existence of estimation uncertainty and management judgement in assessing the potential impairment of goodwill we considered it a key audit matter.

How our audit addressed the Key Audit Matter

- anticipated cost to completion and committed contracts, for which we compared total construction costs to latest approved budgets and checked those budgets to supporting documentations such as signed contracts.

We found that management's assessment on recoverability of properties under development and properties for sale is supportable in light of available evidence.

The procedures performed to assess the methodologies and assumptions used by management in the impairment assessment of goodwill are summarised below:

- Testing the key controls surrounding the impairment assessment process;
- Evaluated the valuation methodologies used in the impairment assessment prepared by management;
- Agreed the input data used by management to supporting evidence such as actual results, financial budgets approved by management and other supporting documents; and
- Assessed the reasonableness of key assumptions such as discount rate and net operating income applied by management including discussion with management to understand and evaluate management's basis for selecting the assumptions, compared the current year actual results with the prior year forecast and benchmarked to available market information to assess the reasonableness of management forecasts.

We considered the assumptions used by management in the impairment assessment of goodwill to be supported by available evidence.

關鍵審計事項

如相關物業庫存的實際可變現淨值因市場狀況變化及／或預算發展成本大幅變動而超過或低於預期，可能需進行重大減值虧損撥回撥或撥備。

由於評估發展中物業及待售物業的可取回性存在估計不確定性及管理層的判斷，我們將該事項視為關鍵審計事項。

商譽的減值評估

請參考綜合財務報表附註4(c)及37

於二零一七年三月三十一日，貴集團就於美利堅合眾國的安老院舍業務產生商譽港幣5.65億元。

管理層根據綜合財務報表附註2(c)所載會計政策評估商譽是否已出現任何減值。現金產生單位（「現金產生單位」）的可收回金額已由管理層基於使用價值計算予以釐定。使用價值計算方法使用按管理層批准的財政預算進行的現金流量預測，當中涉及使用管理層所應用的在釐定貼現率及淨營運收入等方面的判斷。

由於評估商譽的可能減值存在估計不確定性及管理層的判斷，我們將該事項視為關鍵審計事項。

我們的審計如何處理關鍵審計事項

- 就預計完工成本及已訂合約的建築總成本與最新批准的建築總成本預算進行比較，並對照支持文件（如已簽立的合約）查證該等預算。

我們發現，管理層對發展中物業及待售物業的可取回性的評估有可得證據支持。

我們對管理層於評估商譽減值時所使用的方法及假設進行評估所進行的程序概述如下：

- 測試減值評估過程的關鍵控制；
- 評估管理層進行減值評估時所使用的估值方法；
- 將管理層所使用的輸入數據與管理層所批准的實際業績、財務預算等支持文件進行印證；
- 評估管理層所應用的貼現率及淨營運收入等關鍵假設的合理性，包括與管理層討論以瞭解及評估管理層選擇有關假設的基準，以及將本年度實際業績與過往年度預測作比較，並以可得市場資料為基準，以評估管理層預測的合理性。

我們認為，管理層對商譽作減值評估時所使用的假設有可得證據支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

Deemed acquisition of car dealership business in the Mainland China

Refer to notes 4(j) and 36(b)(i) to the consolidated financial statements

The Group holds 40% equity interest in Qi Yang Chevalier Investment Company Limited ("Qi Yang"), an associate of the Group. The remaining 60% equity interest is held by a Mainland China business partner. Qi Yang and its group companies (collectively "Qi Yang Group") is engaged in car dealership business in the Mainland China.

During the year, the Group and the Mainland China business partner agreed to implement certain changes to the board compositions of Qi Yang and its wholly owned subsidiary. As a result of the changes in board composition, the Group obtained control over the relevant activities of Qi Yang and its subsidiaries.

Since the Group obtained control over Qi Yang, Qi Yang became a non-wholly owned subsidiary of the Group, the transaction is regarded as a business combination which requires identifiable assets acquired and liabilities and contingent liabilities assumed to be measured initially at their fair values at the date on which control is obtained.

Accounting for the business combination of Qi Yang is an area of focus because of the critical accounting estimates and judgements involved in (i) the assessment of control over Qi Yang, and (ii) the valuation of the assets and liabilities that are recognised at the deemed acquisition date and the fair value of the previously held interest in Qi Yang.

How our audit addressed the Key Audit Matter

We performed the following procedures to assess (i) the Group's control of Qi Yang and (ii) the key assumptions used in assessing the fair value of the assets and liabilities of the Qi Yang Group recognised at the deemed acquisition date and the previously held interest in Qi Yang:

- Obtained and inspected relevant documents, contracts and agreements related to the change of control over the relevant activities of Qi Yang Group and discussed with management to understand how to carry out the control;
- Assessed the competence, capabilities and objectivity of management's external valuer;
- Obtained the valuation report and discussed with the external valuer the methodologies and key assumptions used; and
- Involved our internal valuation experts to evaluate the methodologies and assumptions used to determine the fair values of (i) assets and liabilities recognised at the deemed acquisition date and (ii) the previously held interest in Qi Yang.

Based on the procedures performed above, we consider the change of control and key assumptions used in assessing the fair value of the assets and liabilities of Qi Yang Group, and the previously held interest in Qi Yang, to be supported by the evidence obtained.

關鍵審計事項

視為收購的中國內地汽車代理業務

請參考綜合財務報表附註4(j)及36(b)(i)

貴集團於 Qi Yang Chevalier Investment Company Limited (「啓陽」，貴集團聯營公司) 持有40%股權。餘下60%股權由一名中國業務夥伴持有。啓陽及其集團公司(統稱「啓陽集團」)於中國內地從事汽車代理業務。

於本年度，貴集團及中國內地業務夥伴同意對啓陽及其全資附屬公司的董事會成員組成作出若干變動。由於董事會成員組成有所變動，貴集團取得對啓陽及其附屬公司相關活動的控制權。

由於貴集團取得對啓陽的控制權，因此啓陽成為貴集團的非全資附屬公司，而有關交易被視為一項業務合併，故所收購的可識別資產以及所承擔的負債及或然負債須初步按取得控制權當日的公允值予以計量。

由於(i)評估對啓陽的控制權及(ii)對視為收購日期所確認的資產及負債以及過往於啓陽所持權益的公允值進行估值涉及重大會計估計及判斷，因此啓陽的業務合併的會計處理屬重點關注的事項。

我們的審計如何處理關鍵審計事項

我們已執行以下程序，以評估(i) 貴集團對啓陽的控制權及(ii) 對視為收購日期所確認的啓陽集團資產及負債以及過往於啓陽所持權益的公允值進行評估所使用的關鍵假設：

- 獲取及檢查與對啓陽集團相關活動的控制權變更有關的相關文件、合約及協議，並向管理層討論以瞭解如何實施控制；
- 評估管理層的外部估值師的資歷、能力及客觀性；
- 獲取估值報告並與外部估值師討論所使用的方法及主要假設；及
- 讓我們的內部估值專家參與，以評估(i)於被視為收購日期用作釐定已確認的資產及負債及(ii)過往所持啓陽權益的公允值所使用的方法及假設。

基於以上所執行的程序，我們認為控制權變更以及評估啓陽集團資產及負債以及過往於啓陽所持權益的公允值所使用的關鍵假設有可得證據支持。

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The audit committee 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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKASs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，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信息，我們亦不對該等其他信息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信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會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中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

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

審核委員會須負責監督 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誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，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誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- 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.
- 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.
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、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。

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cho Kin Lun.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 June 2017

除其他事項外，我們與審核委員會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。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，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。

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

出具本獨立核數師報告的審計項目合夥人是曹健麟。

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年六月二十六日

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CONSOLIDATED INCOME STATEMENT

綜合收益表

FOR THE YEAR ENDED 31 MARCH 2017
截至二零一七年三月三十一日止年度

		Note 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Revenue	收入	6	4,759,376	5,537,763
Cost of sales	銷售成本		(4,015,070)	(4,325,855)
Gross profit	毛利		744,306	1,211,908
Other income, net	其他收入，淨額	7	106,219	63,410
Other gains/(losses), net	其他收益／(虧損)，淨額	8	202,663	(130,842)
Selling and distribution costs	銷售及經銷成本		(101,223)	(451,869)
Administrative expenses	行政支出		(217,853)	(239,510)
Operating profit	經營溢利		734,112	453,097
Share of results of associates	所佔聯營公司業績	18	87,922	116,932
Share of results of joint ventures	所佔合營企業業績	19	(4,672)	(25,407)
			817,362	544,622
Finance income	財務收入	9	19,333	23,646
Finance costs	財務費用	9	(93,538)	(105,156)
Finance costs, net	財務費用，淨額	9	(74,205)	(81,510)
Profit before taxation	除稅前溢利	10	743,157	463,112
Taxation	稅項	11	(132,025)	(102,966)
Profit for the year	年度溢利		611,132	360,146
Attributable to:	應佔方：			
Shareholders of the Company	本公司股東		540,263	315,056
Non-controlling interests	非控股權益		70,869	45,090
			611,132	360,146
Earnings per share	每股盈利			
– basic (HK\$ per share)	– 基本（每股港幣）	12	1.79	1.05
– diluted (HK\$ per share)	– 攤薄（每股港幣）	12	1.79	1.05

The notes on pages 76 to 172 are integral parts of these consolidated financial statements.

第76頁至172頁之附註乃此等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

FOR THE YEAR ENDED 31 MARCH 2017
截至二零一七年三月三十一日止年度

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit for the year	年度溢利	611,132	360,146
Other comprehensive income/(expenses) for the year	年度其他全面收益／(支出)		
Item that may not be reclassified to profit or loss	可能不會重新歸類至損益的項目		
Fair value surplus of properties for own use	自用物業之公允值盈餘	94,395	55,564
Items that may be reclassified subsequently to profit or loss	其後可能重新歸類至損益的項目		
Exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures	換算海外附屬公司、聯營公司及合營企業之業務所產生之外匯兌換差額	(237,786)	(147,073)
Share of other comprehensive expense of an associate	所佔一間聯營公司的其他全面支出	-	(3,865)
Change in fair value of available-for-sale investments	可供出售之投資的公允值變動	9,506	(48,538)
Impairment loss on available-for-sale investments transferred to consolidated income statement	可供出售之投資的減值虧損轉撥至綜合收益表	5,676	17,160
Fair value adjustments on the derivative financial instruments designated as cash flow hedge in respect of interest rate swap and foreign currency forward contracts	指定為現金流量對沖的衍生財務工具有關利率掉期及遠期外匯合約的公允值調整	4,985	(6,857)
Other comprehensive expenses for the year, net of tax	年度其他全面支出，除稅後	(123,224)	(133,609)
Total comprehensive income for the year	年度全面收益總額	487,908	226,537
Attributable to:	應佔方：		
Shareholders of the Company	本公司股東	429,878	191,272
Non-controlling interests	非控股權益	58,030	35,265
		487,908	226,537

Note:

Items shown within other comprehensive income/(expenses) are disclosed net of tax.

附註：

於其他全面收入／(支出) 所示之項目乃按扣除稅項後披露。

The notes on pages 76 to 172 are integral parts of these consolidated financial statements.

第76頁至172頁之附註乃此等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AS AT 31 MARCH 2017
於二零一七年三月三十一日

	Note 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Non-current assets			
Investment properties	14	3,832,583	3,663,625
Property, plant and equipment	15	2,330,127	1,899,365
Goodwill	16	629,741	629,014
Other intangible assets	17	9,386	3,135
Interests in associates	18	518,705	921,070
Interests in joint ventures	19	591,623	520,705
Available-for-sale investments	20	124,154	129,428
Properties under development	21	565,828	1,128,747
Deferred tax assets	35	26,815	18,547
Other non-current assets	22	82,837	121,123
		8,711,799	9,034,759
Current assets			
Amounts due from associates	18	14,985	18,074
Amounts due from joint ventures	19	7,828	59
Amounts due from non-controlling interests		71,862	25,039
Investments at fair value through profit or loss	23	554,771	505,848
Inventories	24	298,999	136,317
Properties for sale	25	377,635	1,233,028
Properties under development	21	511,116	342,077
Debtors, deposits and prepayments	26	1,392,534	1,087,487
Amounts due from customers for contract work	27	114,795	119,283
Derivative financial instruments	28	97	1,606
Prepaid tax		11,782	6,834
Bank balances and cash	29	1,761,632	2,009,282
		5,118,036	5,484,934
Assets held-for-sale	44	1,233,787	–
		6,351,823	5,484,934
Current liabilities			
Amount due to an associate	18	–	240
Amounts due to joint ventures	19	1,581	53,230
Amounts due to non-controlling interests		260,964	–
Amounts due to customers for contract work	27	555,512	934,670
Derivative financial instruments	28	2,974	9,557
Creditors, bills payable, deposits and accruals	30	1,921,861	1,297,737
Unearned insurance premiums and unexpired risk reserves		60,279	80,976
Outstanding insurance claims	31	305,272	352,519
Deferred income		21,158	17,227
Current income tax liabilities		74,798	62,964
Bank and other borrowings	32	520,247	960,852
		3,724,646	3,769,972
Liabilities directly associated with assets held-for-sale	44	148,268	–
		3,872,914	3,769,972
Net current assets		2,478,909	1,714,962
Total assets less current liabilities		11,190,708	10,749,721

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AS AT 31 MARCH 2017
於二零一七年三月三十一日

		Note 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Capital and reserves	股本及儲備			
Share capital	股本	33	377,411	377,411
Reserves	儲備	34	7,592,045	7,372,273
			7,969,456	7,749,684
Shareholders' funds	股東資金		533,863	488,571
Non-controlling interests	非控股權益			
Total equity	總權益		8,503,319	8,238,255
Non-current liabilities	非流動負債			
Unearned insurance premiums	遞延保險費		44,705	80,560
Bank and other borrowings	銀行及其他借款	32	2,270,192	2,151,684
Deferred tax liabilities	遞延稅項負債	35	372,492	279,222
			2,687,389	2,511,466
Total equity and non-current liabilities	總權益及非流動負債		11,190,708	10,749,721

Approved by the Board of Directors on 26 June 2017 and signed on its behalf by:

經董事會於二零一七年六月二十六日批准，並由下列董事代表簽署：

KUOK Hoi Sang
郭海生
Director
董事

HO Chung Leung
何宗樑
Director
董事

The notes on pages 76 to 172 are integral parts of these consolidated financial statements.

第76頁至172頁之附註乃此等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 MARCH 2017
截至二零一七年三月三十一日止年度

		Equity attributable to shareholders of the Company 本公司股東應佔權益 HK\$'000 港幣千元	Non-controlling interests 非控股權益 HK\$'000 港幣千元	Total equity 總權益 HK\$'000 港幣千元
At 1 April 2016	於二零一六年四月一日	7,749,684	488,571	8,238,255
Profit for the year	年度溢利	540,263	70,869	611,132
Fair value surplus of properties for own use	自用物業之公允值盈餘	94,395	-	94,395
Exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures	換算海外附屬公司、聯營公司及合營企業之業務所產生之外匯兌換差額	(224,947)	(12,839)	(237,786)
Change in fair value of available-for-sale investments	可供出售之投資的公允值變動	9,506	-	9,506
Impairment loss on available-for-sale investments transferred to consolidated income statement	可供出售之投資的減值虧損轉撥至綜合收益表	5,676	-	5,676
Fair value adjustments on the derivative financial instruments designated as cash flow hedge in respect of interest rate swap and foreign currency forward contracts	指定為現金流量對沖的衍生財務工具有關利率掉期及遠期外匯合約的公允值調整	4,985	-	4,985
Total comprehensive income for the year	年度全面收益總額	429,878	58,030	487,908
Dividends paid	已付股息	(211,350)	-	(211,350)
Dividends paid to non-controlling interests	已付予非控股權益之股息	-	(17,536)	(17,536)
Capital contributions by non-controlling interests	非控股權益資本投入	-	5,159	5,159
Deemed acquisition of Qi Yang Group	視為收購啓陽集團	-	21,305	21,305
Disposals of	出售			
- Wonder	- Wonder	1,509	(21,651)	(20,142)
- other subsidiaries	- 其他附屬公司	(265)	(15)	(280)
At 31 March 2017	於二零一七年三月三十一日	7,969,456	533,863	8,503,319

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 MARCH 2017

截至二零一七年三月三十一日止年度

		Equity attributable to shareholders of the Company 本公司股東應佔權益 HK\$'000 港幣千元	Non-controlling interests 非控股權益 HK\$'000 港幣千元	Total equity 總權益 HK\$'000 港幣千元
At 1 April 2015	於二零一五年四月一日	7,889,251	509,498	8,398,749
Profit for the year	年度溢利	315,056	45,090	360,146
Fair value surplus of properties for own use	自用物業之公允值盈餘	55,564	-	55,564
Exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures	換算海外附屬公司、聯營公司及合營企業之業務所產生之外匯兌換差額	(137,248)	(9,825)	(147,073)
Share of other comprehensive expense of an associate	所佔一間聯營公司的其他全面支出	(3,865)	-	(3,865)
Change in fair value of available-for-sale investments	可供出售之投資的公允值變動	(48,538)	-	(48,538)
Impairment loss on available-for-sale investments transferred to consolidated income statement	可供出售之投資的減值虧損轉撥至綜合收益表	17,160	-	17,160
Fair value adjustments on the derivative financial instruments designated as cash flow hedge in respect of interest rate swap contracts	指定為現金流量對沖的衍生財務工具有關利率掉期合約的公允值調整	(6,857)	-	(6,857)
Total comprehensive income for the year	年度全面收益總額	191,272	35,265	226,537
Dividends paid	已付股息	(360,377)	-	(360,377)
Issue of shares under scrip dividend schemes	根據以股代息計劃發行股份	26,295	-	26,295
Deemed disposal of interest in Cafe Deco	視為出售所佔Cafe Deco之權益	3,243	(42,270)	(39,027)
Dividends paid to non-controlling interests	已付予非控股權益之股息	-	(14,355)	(14,355)
Capital contributions by non-controlling interests	非控股權益資本投入	-	433	433
At 31 March 2016	於二零一六年三月三十一日	7,749,684	488,571	8,238,255

The notes on pages 76 to 172 are integral parts of these consolidated financial statements.

第76頁至172頁之附註乃此等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 MARCH 2017
截至二零一七年三月三十一日止年度

			2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
	Note 附註			
Operating activities	經營業務			
Cash generated from operations	來自營運之現金	36(a)	314,172	335,046
Interest paid	已付利息		(105,627)	(114,252)
Profits tax paid	已繳付利得稅		(82,402)	(83,336)
Profits tax refund	利得稅退款		613	3,406
Net cash from operating activities	來自經營業務之現金淨額		126,756	140,864
Investing activities	投資業務			
Interest received	已收利息		19,333	23,646
Dividends received from associates	已收聯營公司之股息		218,225	102,454
Dividends received from investments	已收投資之股息		10,538	22,687
Purchase of investment properties	購置投資物業		(9,628)	-
Proceeds from disposal of an investment property	出售一項投資物業之所得款項		5,973	6,052
Purchase of property, plant and equipment	購置物業、廠房及設備		(44,874)	(66,085)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項		3,753	2,364
Purchase of intangible assets	購置無形資產		(6,749)	(137)
Deemed acquisition of Qi Yang Group	視為收購啟陽集團	36(b)(i)	120,309	-
Disposal of Wonder	出售Wonder	36(b)(ii)	30,284	-
Deemed disposal of interest in Cafe Deco	視為出售所佔Cafe Deco之權益	36(b)(iii)	-	(24,563)
Acquisition of Dolce Field	收購都思	36(b)(iv)	-	2,304
Capital contributions by non-controlling interests	非控股權益資本投入		5,159	433
Investment in an associate	於一間聯營公司之投資		-	(9,450)
Advances to associates	向聯營公司所作之貸款		-	(38,564)
Repayments from associates	來自聯營公司之償還款項		2,848	-
Proceeds from disposal of an associate	出售一間聯營公司之所得款項		-	300
Advances to joint ventures	向合營企業所作之貸款		(7,600)	(13,529)
Repayments to joint ventures	償還合營企業之款項		4,099	-
Purchase of available-for-sale investments	購買可供出售之投資		-	(769)
Proceeds from disposals of available-for-sale investments	出售可供出售之投資之所得款項		14,780	23,907
Decrease/(increase) in bank deposits maturing after three months	三個月後到期之銀行存款減少/(增加)		283,920	(196,612)
Net cash from/(used in) investing activities	來自/(用於)投資業務之現金淨額		650,370	(165,562)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 MARCH 2017

截至二零一七年三月三十一日止年度

	Note 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Financing activities	融資業務		
Dividends paid	已付股息	(211,350)	(334,082)
Dividends paid to non-controlling interests	已付予非控股權益之股息	(17,536)	(14,355)
Drawn down of bank and other borrowings	提取銀行及其他借款	2,327,513	868,672
Repayments of bank and other borrowings	償還銀行及其他借款	(2,723,661)	(1,333,745)
Increase in pledged bank deposits	已抵押銀行存款增加	(72,457)	(189,845)
Net cash used in financing activities	用於融資業務之現金淨額	(697,491)	(1,003,355)
Increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)	79,635	(1,028,053)
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	1,374,081	2,413,878
Bank balances and cash transferred to assets held-for-sale	銀行結存及轉撥至持作出售資產之現金	(110,004)	-
Effect of changes in foreign exchange rates	外匯匯率變動之影響	(5,818)	(11,744)
Cash and cash equivalents at end of the year	年末之現金及現金等價物	1,337,894	1,374,081
Analysis of balances of cash and cash equivalents	現金及現金等價物之結存分析		
Bank balances and cash	銀行結存及現金	1,761,632	2,009,282
Less: Pledged bank deposits	減：已抵押銀行存款	(405,867)	(333,410)
Less: Unpledged bank deposits maturing after three months	減：三個月後到期之無抵押銀行存款	(17,871)	(301,791)
		1,337,894	1,374,081

The notes on pages 76 to 172 are integral parts of these consolidated financial statements.

第76頁至172頁之附註乃此等綜合財務報表之組成部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2017
截至二零一七年三月三十一日止年度

1 GENERAL INFORMATION

Chevalier International Holdings Limited (the “Company”) is a public listed company incorporated in Bermuda with limited liability. The addresses of the registered office and principal place of business of the Company are Canon’s Court, 22 Victoria Street, Hamilton, HM12, Bermuda and 22nd Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Hong Kong respectively. The Company has its shares listed on The Stock Exchange of Hong Kong Limited.

The principal activity of the Company is investment holding while the activities of its principal subsidiaries are set out in note 47 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollar, which is the same as the functional currency of the Company. The consolidated financial statements have been approved for issue by the Board of Directors on 26 June 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together, the “Group”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, staff quarters, available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

As at 31 March 2017, the Company’s current liabilities exceed its current assets by HK\$155,115,000. The directors of the Company (the “Directors”) believe that the Company will continue as a going concern taking into account committed available banking facilities and cash flows from operations and consequently prepared the financial statements on a going concern basis.

The preparation of consolidated financial statements in conformity with HKFRS 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4 to the consolidated financial statements.

1 一般資料

其士國際集團有限公司(「本公司」)為一間公開上市並在百慕達註冊成立之有限公司。本公司註冊辦事處及主要營業地點之地址分別為Canon’s Court, 22 Victoria Street, Hamilton, HM12, Bermuda及香港九龍灣宏開道8號其士商業中心22樓。其股份於香港聯合交易所有限公司上市。

本公司之主要業務為投資控股，而其主要附屬公司之業務載於綜合財務報表附註47。

此等綜合財務報表以港幣呈列，與本公司之功能貨幣相同。本綜合財務報表已於二零一七年六月二十六日經董事會批准發佈。

2 重大會計政策概要

編製本綜合財務報表所採用之主要會計政策載列如下。除另有說明外，此等政策已持續應用於報表呈列之各年度。

(a) 編製基準

本公司及其附屬公司(統稱「本集團」)之綜合財務報表乃根據香港會計師公會所頒佈之香港財務報告準則(「香港財務報告準則」)編製。此等綜合財務報表乃按歷史成本慣例編製，並因應投資物業、員工宿舍、可供出售之財務資產以及按公允值列入損益處理之財務資產及財務負債(包括衍生工具)之重估而修訂。

於二零一七年三月三十一日，本公司之流動負債超出其流動資產港幣155,115,000元。經考慮已承諾可獲取之銀行信貸及營運所得現金流量，本公司之董事(「董事」)相信本公司將可持續經營，故按持續經營基準編製財務報表。

根據香港財務報告準則編製之綜合財務報表要求使用某些關鍵會計估計，並要求管理層在執行本集團會計政策之過程中運用其判斷。綜合財務報表附註4披露了涉及重大判斷或複雜性之處，或需要對綜合財務報表作出重大假設及估計之處。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2017

截至二零一七年三月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(i) New standard, amendments and improvement to existing standards that are effective for the Group's financial year beginning on 1 April 2016

The following new standard, amendments and improvement to existing standards, that are relevant to the Group's operation, are mandatory for the financial year of the Group beginning on 1 April 2016:

- HKAS 1 (amendment), "Disclosure initiative"
- HKAS 16 and HKAS 38 (amendment), "Clarification of acceptable methods of depreciation and amortisation"
- HKAS 27 (2011) (amendment), "Equity method in separate financial statements"
- HKFRS 10, HKFRS 12 and HKAS 28 (amendment), "Investment entities – Applying the consolidation exception"
- HKFRS 11 (amendment), "Accounting for acquisition of interests in joint operation"
- HKFRS 14, "Regulatory deferral accounts"
- Annual Improvements Project – Improvements to HKFRS 2012-2014 Cycle

The adoption of the new standard, amendments and improvement to existing standards does not have significant impact on the Group's consolidated results and financial position nor any substantial changes in the Group's accounting policies and the presentation of the consolidated financial statements.

2 重大會計政策概要 (續)

(a) 編製基準 (續)

(i) 本集團於二零一六年四月一日財政年度開始生效的新訂準則及現有準則之修訂本及改進

下列新訂準則及現有準則之修訂本及改進與本集團營運有關，且於二零一六年四月一日開始之本集團財政年度強制生效：

- 香港會計準則第1號(修訂本)，「披露計劃」
- 香港會計準則第16號及香港會計準則第38號(修訂本)，「折舊及攤銷可接受方法之澄清」
- 香港會計準則第27號(二零一一年)(修訂本)，「獨立財務報表之權益法」
- 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)，「投資實體 – 應用綜合入賬之例外情況」
- 香港財務報告準則第11號(修訂本)，「收購於合營經營之權益之會計處理」
- 香港財務報告準則第14號，「監管遞延賬目」
- 年度改進項目 – 二零一二年至二零一四年週期香港財務報告準則之改進

採納新訂準則及現有準則之修訂本及改進對本集團之綜合業績及財務狀況並無重大影響，對本集團之會計政策及綜合財務報表之呈列亦無出現重大變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 MARCH 2017

截至二零一七年三月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) New standards, amendments and improvements to existing standards that have been issued but not yet effective and have not been early adopted by the Group

The following new standards, amendments and improvements to existing standards, that are relevant to the Group's operation, have been issued but not yet effective for the financial year of the Group beginning on 1 April 2016 and have not been early adopted:

- HKAS 7 (amendment), "Disclosure initiative"¹
- HKAS 12 (amendment), "Recognition of deferred tax assets for unrealised losses"¹
- HKFRS 4 (amendment), "Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts"²
- HKFRS 9 (2014), "Financial instruments"²
- HKFRS 10 and HKAS 28 (amendment), "Sale or contribution of assets between an investor and its associate or joint venture"⁴
- HKFRS 15, "Revenue from contracts with customers"²
- HKFRS 15 (amendment), "Clarification of HKFRS 15 Revenue from contracts with customers"²
- HKFRS 16, "Leases"³
- Annual Improvements Project – Improvements to HKFRS 2014-2016 Cycle⁵

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

⁴ Effective for annual periods beginning on or after a date to be determined

⁵ The amendments to HKFRS 1 and HKAS 28 are effective for annual periods beginning on or after 1 January 2018; whereas the amendments to HKFRS 12 are effective for annual periods beginning on or after 1 January 2017

2 重大會計政策概要 (續)

(a) 編製基準 (續)

(ii) 已頒佈但未生效且本集團並無提前採納的新訂準則及現有準則之修訂本及改進

下列與本集團營運有關之新訂準則及現有準則之修訂本及改進經已頒佈，惟在本集團於二零一六年四月一日開始之財政年度尚未生效及並無提前採納：

- 香港會計準則第7號(修訂本)，「披露計劃」¹
- 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」¹
- 香港財務報告準則第4號(修訂本)，採用香港財務報告準則第4號「保險合約」時一併應用香港財務報告準則第9號「財務工具」²
- 香港財務報告準則第9號(二零一四年)，「財務工具」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出售或注入資產」⁴
- 香港財務報告準則第15號，「客戶合約之收入」²
- 香港財務報告準則第15號(修訂本)，「香港財務報告準則第15號客戶合約收入之澄清」²
- 香港財務報告準則第16號，「租賃」³
- 年度改進項目 – 二零一四年至二零一六年週期香港財務報告準則之改進⁵

¹ 於二零一七年一月一日或之後開始的年度期間生效

² 於二零一八年一月一日或之後開始的年度期間生效

³ 於二零一九年一月一日或之後開始的年度期間生效

⁴ 於待定期日或之後開始的年度期間生效

⁵ 香港財務報告準則第1號及香港會計準則第28號(修訂本)於二零一八年一月一日或之後開始的年度期間生效；香港財務報告準則第12號(修訂本)於二零一七年一月一日或之後開始的年度期間生效

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) New standards, amendments and improvements to existing standards that have been issued but not yet effective and have not been early adopted by the Group (continued)

The Group will adopt the above new standards, amendments and improvements to existing standards as and when they become effective. The Group is currently assessing the potential impact of these new standards, amendments and improvements to existing standards but expects their adoption will not have significant effect on the Group's consolidated financial statements except as set out below.

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39, which is based on the change in credit quality of financial assets since initial recognition.

As at the reporting date, the Group is not yet in a position to estimate the impact of HKFRS 9 on the Group's consolidated financial statements. The Group will continue to make more detailed assessments of the impact.

HKFRS 15 "Revenue from contracts with customers" replaces HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (i) identify the contract(s) with customer; (ii) identify separate performance obligations in a contract; (iii) determine the transaction price; (iv) allocate transaction price to performance obligations; and (v) recognise revenue when performance obligation is satisfied. The core principal is that a company should recognise revenue when control of a good or service transfers to a customer.

As at the reporting date, the Group is not yet in a position to estimate the impact of HKFRS 15 on the Group's consolidated financial statements. The Group will continue to make more detailed assessments of the impact.

2 重大會計政策概要 (續)

(a) 編製基準 (續)

(ii) 已頒佈但未生效且本集團並無提前採納的新訂準則及現有準則之修訂本及改進 (續)

本集團將於上述新訂準則及現有準則之修訂本及改進生效時加以採納。本集團目前正在評估該等新訂準則及現有準則之修訂本及改進的潛在影響。除以下所載外，本集團預期採納上述新訂準則及現有準則之修訂本及改進對本集團之綜合財務報表並無任何重大影響。

香港財務報告準則第9號「財務工具」闡述財務資產及財務負債之分類、計量及確認。其取代香港會計準則第39號有關財務工具分類及計量之指引。香港財務報告準則第9號保留但簡化混合計量模型，為財務資產確立三個主要計量分類：攤銷成本、按公平值計入其他綜合收入及按公平值計入損益。現有新預期信貸虧損模型將取代香港會計準則第39號所用已產生虧損減值模型，此乃以初始確認後財務資產信貸質素之變動為依據。

於報告日期，本集團未能就香港財務報告準則第9號對本集團綜合財務報表之影響作估計。本集團將繼續對該影響作出更詳細的評估。

香港財務報告準則第15號「客戶合約收益」取代了香港會計準則第18號「收益」及香港會計準則第11號「建造合約」，以及相關詮釋。香港財務報告準則第15號利用五個步驟，確立釐定確認收益時間及金額之全面框架：(i)辨別客戶合約；(ii)辨別合約中之個別履約責任；(iii)釐定交易價格；(iv)將交易價格分配至履約責任；及(v)於完成履約責任時確認收益。核心原則是當貨品或服務的控制權轉移至客戶時公司確認收入。

於報告日期，本集團未能就香港財務報告準則第15號對本集團綜合財務報表之影響作估計。本集團將繼續對該影響作出更詳細的評估。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) New standards, amendments and improvements to existing standards that have been issued but not yet effective and have not been early adopted by the Group (continued)

HKFRS 16 “Leases” addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on the consolidated statements of financial position for lessees. The Group is a lessee of certain office which are currently classified as operating leases. HKFRS 16 provides a new provision for the accounting treatment of leases when the Group is the lessee, almost all leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). The new standard will therefore result in an increase in assets and financial liabilities in the consolidated statements of financial position. As for the financial performance impact in the consolidated statements of comprehensive income, straight-line depreciation expense on the right-of-use asset and the interest expenses on the lease liability are recognised and no rental expenses will be recognised. Based on the Group’s undiscounted operating lease commitment as at 31 March 2017, the management expects HKFRS 16 will not have significant impact on the Group’s consolidated financial statements.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interests’ proportionate share in the recognised amounts of the acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

2 重大會計政策概要 (續)

(a) 編製基準 (續)

(ii) 已頒佈但未生效且本集團並無提前採納的新訂準則及現有準則之修訂本及改進 (續)

香港財務報告準則第16號「租賃」列明租賃之定義、租賃之確認及計量，以及制訂向財務報表使用者呈報有關承租人及出租人租賃活動之原則。香港財務報告準則第16號衍生之主要變動為大部分經營租賃將於綜合財務狀況表內以承租人入賬。本集團為若干目前被分類為經營租賃之辦公室之承租人。當本集團為承租人時香港財務報告準則第16號對租賃之會計處理方法有新規定，幾乎所有租賃必須以資產（若為使用權）及財務負債（若為付款責任）之形式予以確認。因此新訂準則將導致綜合財務狀況表中之資產及財務負債增加。至於對綜合全面收益表中財務表現之影響，使用權資產以直線法計算之折舊開支及租賃負債之利息開支乃予以確認，且不會確認租金開支。根據本集團於二零一七年三月三十一日之未貼現經營租賃承擔，管理層預期香港財務報告準則第16號不會對本集團的綜合財務報表造成重大影響。

(b) 綜合賬目基礎

綜合財務報表包括本公司及其附屬公司截至三月三十一日之財務報表。

附屬公司乃指本集團擁有控制權之所有企業（包括結構實體）。當本集團因參與企業而承擔可變回報的風險或享有可變回報的權益，且有能透過其對企業之權力影響該等回報時，則本集團控制該企業。附屬公司在控制權轉移至本集團之日綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

本集團採用收購法將業務合併入賬。收購一間附屬公司已轉讓的代價為本集團所轉讓的資產、向被收購方前擁有人所產生的負債及發行的股本權益之公允值。所轉讓的代價包括或然代價安排所產生的任何資產或負債的公允值。在業務合併中所購買可識別的資產以及所承擔的負債及或然負債，首先以彼等於收購日的公允值計量。按逐項收購基準，本集團可按公允值或按非控股權益所佔被收購方可識別資產淨值已確認金額的比例，計量被收購方的非控股權益。

收購相關成本在產生時支銷。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

In the Company's statement of financial position, interests in subsidiaries are stated at costs less impairment losses. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable during the year.

Impairment testing of the interests in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 重大會計政策概要 (續)

(b) 綜合賬目基礎 (續)

倘業務合併分階段進行，則收購方先前持有之被收購方股權之賬面值乃重新計量為收購日之公允值；該重新計量產生之任何收益或虧損乃於損益內確認。

本集團所轉讓之任何或然代價將在收購日按公允值確認。被視為一項資產或負債之或然代價公允值後續變動，按照香港會計準則第39號之規定，於損益內確認或確認為其他全面收益變動。分類為權益之或然代價毋須重新計量，而其後結算於權益內入賬。

轉讓之代價、被收購方的任何非控股權益，以及被收購方之股權於收購日前的公允值，超過所購買可識別資產淨值公允值之數額，列為商譽。就議價購買而言，倘所轉讓之代價、已確認非控股權益及先前持有之權益計量之總額低於所購入附屬公司資產淨值之公允值，該差額直接在損益內確認。

集團內公司間之交易、交易結餘和由集團公司間交易產生之未變現收益均作對銷。未變現虧損亦予對銷。附屬公司所呈報金額已按需要作出調整，以確保與本集團會計政策一致。

不會導致失去控制權之與非控股權益的交易入賬列作權益交易 – 即與附屬公司擁有人以彼等為擁有人之身份進行之交易。所付任何代價公允值與所收購附屬公司之資產淨值賬面值相關部分間之差額於權益中入賬。對於向非控股權益出售所產生之盈虧亦於權益內入賬。

當本集團失去控制權時，於企業之任何保留權益按失去控制權當日之公允值重新計量，有關賬面值變動在損益內確認。就其後入賬列作聯營公司、合營企業或財務資產之保留權益，其公允值為初始賬面值。此外，先前於其他全面收益確認與該企業有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。此舉可能意味先前在其他全面收益確認之金額重新分類至損益。

於本公司財務狀況表內，所佔附屬公司之權益乃按成本扣除減值虧損列賬。成本亦包括直接應佔投資成本。附屬公司之業績由本公司於本年度按已收及應收股息之基礎列賬。

倘收到股息時，所收股息超過附屬公司於宣派股息期間之全面收益總額，或該投資於單獨財務報表內之賬面值超過投資對象資產淨值（包括商譽）於綜合財務報表內之賬面值時，則須對所佔附屬公司之權益進行減值測試。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Goodwill/discount on acquisitions

Goodwill arising on an acquisition of a subsidiary, an associate or a joint venture, representing the excess of the consideration transferred over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree at the date of acquisition. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at the fair value or at the non-controlling interest's proportional share of the recognised amount of acquiree's net identifiable assets. If the Group recognises non-controlling interest in the acquiree at fair value, goodwill includes the portion attributable to the non-controlling interest.

Goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated statement of financial position. Goodwill arising on an acquisition of an associate or a joint venture is included in the cost of the investment of the relevant associate or joint venture.

Separately recognised goodwill is tested for impairment annually or more frequently if there is indication that goodwill might be impaired. Goodwill on acquisitions of associates and joint ventures is included in investments in respective associates and joint ventures and is tested for impairment as part of the overall balance. For the purposes of impairment testing, separately recognised goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit. Any impairment loss for goodwill is recognised directly in profit or loss and is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, an associate or a joint venture, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

A discount on acquisition arising on an acquisition of a subsidiary, an associate or a joint venture represents the excess of the share of net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination and is recognised immediately in profit or loss.

Contingent liabilities of an acquiree are recognised at the date of the acquisition if the fair value of the contingent liabilities can be measured reliably. Contingent liabilities are initially measured at fair value at the date of acquisition.

2 重大會計政策概要 (續)

(c) 收購產生之商譽／折讓

收購附屬公司、聯營公司或合營企業產生之商譽乃指所轉讓代價超出本集團於收購日應佔被收購方之可識別資產、負債及或然負債之公允淨值權益之數額。本集團按逐項收購基準，以公允值或非控股權益所佔被收購方可識別資產淨值已確認金額之比例確認於被收購方之任何非控股權益。倘本集團按公允值確認於被收購方之非控股權益，商譽包括非控股權益應佔部分。

因收購附屬公司而產生之商譽乃於綜合財務狀況表分開呈列。因收購聯營公司或合營企業而產生之商譽乃列入有關聯營公司或合營企業之投資成本。

獨立確認之商譽會每年進行減值測試，或於有跡象顯示商譽可能出現減值時更頻密地進行減值測試。收購聯營公司及合營企業所產生之商譽計入相關聯營公司及合營企業之投資，並視為結餘總額之一部分進行減值測試。就減值測試而言，收購所產生之獨立確認之商譽乃被分配到預期可受惠於收購協同效應之各有關現金產生單位（「現金產生單位」）或現金產生單位組別。獲分配商譽之現金產生單位會每年及在有跡象顯示商譽可能出現減值時進行減值測試。就於某個財務年度之收購所產生商譽而言，已獲分配商譽之現金產生單位於該財務年度完結前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值，則減值虧損首先被分配以削減任何被分配到該單位之商譽之賬面值，然後削減該單位內其他資產。商譽之任何減值虧損乃直接於損益內確認，且於其後期間不予回撥。

其後出售附屬公司、聯營公司或合營企業時，須計入被資本化商譽之應佔金額，以釐定出售之損益。

因收購附屬公司、聯營公司或合營企業而產生之收購折讓，乃指被收購方之可識別資產、負債及或然負債之應佔公允淨值超出業務合併成本之差額。收購折讓即時於損益內確認。

當被收購方之或然負債公允值可以被可靠地計量時，該等或然負債乃在收購日被確認。於收購當日，該等或然負債按公允值作首次計量。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Interests in associates

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, interests in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of profit or loss and of changes in other comprehensive income of the associates, less any identified impairment loss. When the Group's share of loss of an associate equals or exceeds its 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. An additional share of loss is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, unrealised profit and loss are eliminated to the extent of the Group's interest in the relevant associate, except to the extent that unrealised loss provide evidence of an impairment of the asset transferred, in which case, the full amount of loss is recognised. Accounting policies of the associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, interests in associates are stated at costs less impairment losses. The results of associates are accounted by the Company for on the basis of dividend received and receivable during the year.

(e) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control and over which none of the participating parties has unilateral control.

Under HKFRS 11, investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has.

Joint operations

Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenue and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

2 重大會計政策概要 (續)

(d) 所佔聯營公司之權益

聯營公司之業績、資產及負債按會計之權益法計入此綜合財務報表內。根據權益法，所佔聯營公司之權益乃按成本值於綜合財務狀況表列賬，並就本集團所佔聯營公司溢利或虧損及其他全面收益於收購後之變動（扣除任何已識別減值虧損）作出調整。如本集團之所佔聯營公司虧損相等於或超過其於該聯營公司所佔之權益（包括實質上構成本集團於聯營公司淨投資之任何長期權益），則本集團不再確認其所佔之進一步虧損。額外所佔虧損將計提撥備及確認負債，惟只限於本集團須受法定或推定義務或已代該聯營公司支付款項。

如集團企業與本集團之聯營公司進行交易，則未變現溢利及虧損將以本集團所佔有關聯營公司之權益為限進行對銷，惟若該未變現虧損乃所轉讓資產出現減值之證據，在此情況下，將確認全額虧損。聯營公司之會計政策已按需要作出修訂，確保與本集團所採納之政策一致。

於本公司財務狀況表內，所佔聯營公司之權益乃按成本扣除減值虧損列賬。聯營公司之業績乃由本公司按於本年度已收及應收股息列賬。

(e) 合營安排

合營安排指兩名或以上人士擁有共同控制權而任何一方並無單方面控制權之安排。

根據香港財務報告準則第11號，於合營安排之投資的類別，以每位投資者擁有之合約權益與義務分為合營經營或合營企業。

合營經營

合營經營指其投資者對其安排有資產權利與債務責任。合營經營之投資的入賬方法為各合營經營者均確認其資產（包括所佔任何共同持有資產）、其負債（包括所佔任何共同產生負債）、其收入（包括所佔合營經營銷售產品的任何收益）及其支出（包括所佔任何共同產生支出）。各合營經營者根據適用準則就其於合營經營中的權益將資產及負債以及收入及支出入賬。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Joint arrangements (continued)

Joint ventures

A joint venture is a joint arrangement whereby the parties that have rights to the net assets of the arrangement.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses of a joint venture equals or exceeds its interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of that joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the relevant joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(f) Financial instruments

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

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

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, is cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

2 重大會計政策概要 (續)

(e) 合營安排 (續)

合營企業

合營企業是一種合營安排，據此，各方享有該安排下之資產淨值。

根據權益會計法，所佔合營企業之權益初步按成本值確認，隨後以確認本集團所佔收購後溢利或虧損及其他全面收益之變動作出調整。於收購一間合營企業權益時，合營企業成本與本集團所佔合營企業可識別資產及負債公允淨值之任何差額列賬為商譽。當本集團所佔一間合營企業之虧損相等或超過所佔合營企業之權益（包括任何實質上構成本集團在該合營企業淨投資之長期權益）時，本集團不確認進一步虧損，除非本集團已產生義務或已代該合營企業支付款項。

本集團與其合營企業之間交易之未變現收益會以本集團所佔有關合營企業之權益為限進行對銷。除非有證據顯示交易所轉讓資產出現減值，否則未變現虧損亦會對銷。合營企業之會計政策已按需要作出修訂，確保與本集團所採納之政策一致。

(f) 財務工具

當集團企業成為財務工具合約條文之訂約方，則財務資產及財務負債於綜合財務狀況表內確認。財務資產及財務負債初始按公允值計量。應直接計入收購或發行財務資產及財務負債（按公允值列入損益處理之財務資產及財務負債除外）之交易成本，於首次確認時從財務資產或財務負債之公允值加入或扣減（視適用情況而定）。直接應佔收購按公允值列入損益處理之財務資產或財務負債之交易成本，乃立即於損益內確認。

當從資產收取現金流量之權利屆滿，或財務資產被轉讓而本集團已轉讓該項財務資產擁有權之絕大部分風險及回報時，有關財務資產會被終止確認。於終止確認財務資產時，該項資產賬面值與已收或應收代價和已直接於權益內確認之累計收益或虧損之總和間之差額將於損益內確認。

財務負債於有關合約所訂明責任獲解除或註銷或屆滿時被終止確認。被終止確認之財務負債之賬面值與已付或應付代價間之差額將於損益內確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

(i) Financial assets

The Group's financial assets are classified into either financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets. 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. The accounting policies adopted in respect of each category of financial assets are set out below:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. At the end of each reporting period subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables (including amounts due from subsidiaries, associates, joint ventures and non-controlling interests, debtors and receivables and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

As at 31 March 2017, loans and receivables represented amounts due from associates, joint ventures and non-controlling interests, debtors and receivables, bank balances and amounts due from subsidiaries of the Company.

2 重大會計政策概要 (續)

(f) 財務工具 (續)

(i) 財務資產

本集團之財務資產列為按公允價值列入損益處理之財務資產、貸款及應收款項或可供出售之財務資產。所有從正常渠道購買或出售之財務資產以交易日為基準確認或終止確認。從正常渠道購買或出售指須根據法例或市場慣例訂立之時間內交收資產之財務資產買賣。以下乃各類財務資產所採用之會計政策：

按公允價值列入損益處理之財務資產

按公允價值列入損益處理之財務資產主要細分兩個類別，包括持作買賣及於初始確認時被指定按公允價值列入損益處理之財務資產。於初始確認後各報告期末，按公允價值列入損益處理之財務資產乃按公允價值計算，公允價值之變動乃於產生期間在損益內直接確認。

貸款及應收款項

貸款及應收款項為並非於活躍市場報價而附有固定或可釐定付款之非衍生財務資產。於首次確認後各報告期末，貸款及應收款項（包括應收附屬公司、聯營公司、合營企業及非控股權益賬款、應收賬款及應收款項及銀行結存）乃採用實際利率方法按攤銷成本列賬，並扣除任何已識別減值虧損。倘客觀證明資產出現減值，則減值虧損會於損益內確認，並按資產賬面值與按原實際利率貼現之估計未來現金流量之現值間之差額計算。倘資產可收回金額之增幅能客觀地指出涉及確認減值後所發生之事件，則減值虧損會於以後期間撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時之原來應攤銷成本。

於二零一七年三月三十一日，貸款及應收款項指應收聯營公司、合營企業及非控股權益賬款、應收賬款及應收款項、銀行結存及應收本公司附屬公司賬款。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

(i) Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories set out above. At the end of each reporting period subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in other comprehensive income, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from other comprehensive income and recognised in profit or loss. Any impairment loss on available-for-sale financial assets are recognised in profit or loss.

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment losses.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset 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 losses will not be reversed in subsequent periods.

(ii) Financial liabilities and equity instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading on initial recognition. At the end of each reporting period subsequent to initial recognition, financial liabilities at fair value through profit or loss are re-measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

2 重大會計政策概要 (續)

(f) 財務工具 (續)

(i) 財務資產 (續)

可供出售之財務資產

可供出售之財務資產為被指定或未有劃分為上文任何其他類別之非衍生工具。於首次確認後各報告期末，可供出售之財務資產按公允值計算。公允值之變動於其他全面收益內確認，直至該財務資產被出售或決定有所減值，屆時過往於權益內確認之累計收益或虧損會自其他全面收益剔除，並於損益內確認。可供出售之財務資產之任何減值虧損於損益內確認。

可供出售之股本投資的減值虧損將不會於以後期間透過損益回撥。至於可供出售之債項投資，倘投資之公允值之增幅能客觀地指出涉及確認減值虧損後所發生之事件，則有關減值虧損將會於以後期間回撥。

至於並無於活躍市場有掛牌市價且公平值未能可靠地計量之可供出售股本投資，則於初步確認後之各報告期末按成本減去任何已認定之減值虧損計量。倘具備客觀資產減值證據，則減值虧損於損益內確認。減值虧損數額按資產賬面值與按類似財務資產之現行市場回報率貼現之估計未來現金流量現值間之差額計算。有關減值虧損將不會於以後期間回撥。

(ii) 財務負債及股本工具

由集團企業發行之財務負債及股本工具按所訂立之合約安排性質，以及財務負債及股本工具之定義而分類。

股本工具為能夠證明本集團資產剩餘權益（經扣除其所有負債）之任何合約。本集團之財務負債分類為按公允值列入損益處理之財務負債及其他財務負債。就財務負債及股本工具而採納之會計政策載列如下：

按公允值列入損益處理之財務負債

按公允值列入損益處理之財務負債乃於初始確認時持作買賣之財務負債。於首次確認後之各報告期末，按公允值列入損益處理之財務負債按公允值重新計量，其公允值變動直接於產生期內之損益內確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

(ii) Financial liabilities and equity instruments (continued)

Other financial liabilities

Other financial liabilities including amounts due to joint ventures and non-controlling interests, creditors and payables, outstanding insurance claims, bank and other borrowings and amounts due to subsidiaries of the Company are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(iii) Derivatives

The Group uses derivative financial instruments to manage its exposure against currency risk and interest rate risk. Such derivatives are measured at fair value. Changes in fair values of such derivatives are recognised directly in profit or loss, except for those derivatives qualified for hedge accounting are recognised directly in the statement of comprehensive income.

Derivatives embedded in non-derivative host contracts are separated from the relevant host contracts and deemed as held-for-trading when the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contracts, and the combined contracts are not measured at fair value through profit or loss. In all other circumstances, derivatives embedded are not separated and are accounted for together with the host contracts in accordance with appropriate standards. Where the Group needs to separate an embedded derivative but is unable to measure the embedded derivative separately, the entire combined contracts are treated as designated at fair value through profit or loss on initial recognition.

Gains and losses from the changes in the fair values of the derivatives (excluding the interest component and those derivatives qualified for hedge accounting) are recognised in other income, net. The interest component is reported as part of interest income from investments included in revenue.

2 重大會計政策概要 (續)

(f) 財務工具 (續)

(ii) 財務負債及股本工具 (續)

其他財務負債

其他財務負債包括應付合營企業及非控股權益賬款、應付賬款及應付款項、未決保險索償、銀行及其他借款及應付本公司附屬公司賬款，隨後採用實際利率法按已攤銷成本計算。

股本工具

本公司發行之股本工具按所收到之款項扣除直接發行成本後入賬。

(iii) 衍生工具

本集團以衍生財務工具管理所承受之貨幣風險及利率風險。該等衍生工具均按公允值計量。該等衍生工具之公允值變動乃直接於損益內確認，惟合資格對沖會計準則之衍生工具則直接於全面收益表確認。

倘該嵌入式衍生工具之經濟特性及風險與非衍生性質主合約並無密切關係，有關主合約內之嵌入式衍生工具與相關主合約分開處理及被視為持作買賣用途，而該合併合約並非按公允值列入損益處理。在所有其他情況下，嵌入式衍生工具不會分開處理，並根據適用準則連同主合約一併列賬。當本集團需要分開處理該嵌入式衍生工具但未能分開將之計量時，整份合併合約於初始確認時被指定為按公允值列入損益處理。

衍生工具公允值變動之收益及虧損（不包括利息部分及符合對沖會計準則之衍生工具）於其他收入，淨額內確認。利息部分乃作為計入收入之來自投資之利息收入之一部分予以呈報。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases. Land held under operating leases is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is determined by professional valuation conducted as at the end of the reporting period. Changes in fair value are recognised in profit or loss.

Subsequent expenditure is charged to the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in profit or loss during the financial period in which they are incurred.

Changes in fair values are recognised in profit or loss as part of the other gains, net.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss.

Transfer from an investment property carried at fair value to properties for sale is at its fair value at the date of change in use.

2 重大會計政策概要 (續)

(g) 投資物業

持作長期租金收益或資本增值或以上兩項目的，而並非由本集團佔用之物業，均列作投資物業。

投資物業包括根據營運租賃持有之土地及根據融資租賃持有之樓宇。當符合投資物業之其餘定義時，根據營運租賃持有之土地分類及列作投資物業入賬。營運租賃會按如融資租賃般入賬。

投資物業初始時按其成本（包括相關交易成本）計量。於初始確認後，投資物業按公允值入賬。公允值是按報告期末時進行之專業估值釐定。公允值之變動於損益內確認。

當該資產相關之日後經濟利益很可能會流入本集團，而該項資產之成本可被可靠計量時，方會從該項資產之賬面值中扣除其後支出。所有其他維修及保養成本於產生之財務期間內在損益內列支。

公允值變動於損益內確認為其他收益，淨額之一部分。

倘一項投資物業轉為自用，則被重新分類為物業、廠房及設備，而其於重新分類日期之公允值就會計目的而言成為其成本。倘物業、廠房及設備之項目因其用途改變而成為一項投資物業，該項目於轉變日期之賬面值與公允值之間所產生之任何差額，根據香港會計準則第16號於權益內被確認為物業、廠房及設備之重估。然而，倘公允值收益回撥先前之減值虧損，則有關收益會於損益內確認。

以公允值入賬的投資物業因用途變動而以當天的公允值轉待售物業入賬。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for staff quarters.

Staff quarters are measured at fair value less accumulated depreciation and impairment losses recognised at the date of revaluation. Revaluation are performed with sufficient frequency to ensure that the carrying amount does not differ materially from the fair value of a revalued asset at the end of the reporting period.

Changes in fair value are recognised in other comprehensive income. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in equity.

An annual transfer from the asset revaluation reserve to the retained profits is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained profits.

Leasehold land classified as finance lease commences depreciation from the time when the land interest becomes available for its intended use. Depreciation on leasehold land classified as finance lease and other assets is calculated using the straight-line method to allocate their costs or fair values less their residual values over their estimated useful lives at the following rates per annum:

	Annual charge
Building	Over the shorter of 20 to 50 years or the remaining lease term
Leasehold land classified as finance lease	Over the remaining lease term
Leasehold improvements	Over the remaining lease term
Machinery	10%
Furniture, fixtures, office equipment and motor vehicles	10% – 33 $\frac{1}{3}$ %
Others	10% – 20%

2 重大會計政策概要 (續)

(h) 物業、廠房及設備

物業、廠房及設備乃按成本值減去累計折舊及累計減值虧損列賬，惟員工宿舍除外。

員工宿舍按重估當日公允價值減累計折舊及減值虧損計量。重估乃適時作出，以確保賬面值與重估資產於報告期末之公允價值並無重大差異。

公允價值變動乃於其他全面收益內確認。然而，倘撥回相關資產先前於損益內確認之重估虧損，則有關增加於損益內確認。重估虧損於損益內確認，惟倘其抵銷權益內確認之有關資產之現有盈餘則除外。

自資產重估儲備至保留溢利之年度轉撥乃就基於資產重估賬面值之折舊與初始成本之折舊之差額而作出。此外，於重估日期之累計折舊於資產賬面值總額抵銷，而淨額重列至資產之重估金額。於出售時，有關正在出售之特定資產之任何重估儲備將會轉撥至保留溢利。

分類為融資租賃之租賃土地自該土地權益可作其擬定用途之時開始折舊。分類為融資租賃之租賃土地及其他資產之折舊乃按其以下估計可使用年期以直線法計算，將其成本或公允價值減去其剩餘價值按下列比率每年分配：

	每年折舊
樓宇	按介乎20年至50年或其剩餘之租賃年期的較短者
分類為融資租賃之租賃土地	按剩餘之租賃年期
租賃物業裝修	按剩餘之租賃年期
機器	10%
傢俬、裝置、辦公室設備及汽車	10% – 33 $\frac{1}{3}$ %
其他	10% – 20%

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment (continued)

Assets held under finance leases are depreciated over the shorter of the lease term and their expected useful lives on the same basis as owned assets.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(i) Other intangible assets

On initial recognition, intangible assets acquired separately and from business combinations are recognised at cost and at fair value respectively. After initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

Gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceed and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(j) Properties under development

Properties under development which are intended for sale upon completion comprise prepaid lease payments, development expenditure and borrowing costs capitalised.

The carrying amount is written down immediately to its net realisable value if it is greater than its cost. The net realisable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses.

(k) Impairment of investments in associates and joint ventures

Management regularly reviews whether there are any indications of impairment of the Group's investments in associates and joint ventures primarily based on value-in-use calculations.

In determining the value in use, management assesses the present value of estimated future cash flows expected to arise from their businesses. Estimates and judgements are applied in determining these future cash flows and discount rate. Management estimates the future cash flows based on certain assumptions, such as revenue growth.

2 重大會計政策概要 (續)

(h) 物業、廠房及設備 (續)

按融資租賃持有之資產乃按租期與預期可用年期兩者中之較短者計提折舊，其基準與自有資產相同。

倘資產之賬面值高於其估計可收回金額，會即時將賬面值撇減至其可收回金額。

出售或報廢資產之收益或虧損乃由出售所得款項淨額與其賬面值間之差額釐定，並在損益內確認。

於各報告期末，資產之剩餘價值及可使用年期已予審閱，並予以調整（如適用）。

(i) 其他無形資產

初始確認時，獨立收購及來自業務合併之無形資產乃分別按成本值及公允值確認。初始確認後，有限可使用年期之無形資產乃按成本值減累計攤銷及累計減值虧損入賬。有限可使用年期之無形資產之攤銷乃以直線法就其估計可使用年期計提。無限可使用年期之無形資產則按成本值減累計減值虧損入賬。

終止確認無形資產所產生收益或虧損按出售所得款項淨額與資產賬面值間之差額計算，於終止確認資產時在損益內確認。

(j) 發展中物業

待完成後可供出售之發展中物業包括預付租賃款項、開發費用及作資本化處理之借款成本。

倘賬面值高於其成本，賬面值乃即時撇減至其可變現淨值。可變現淨值指日常業務過程中扣減完成發展之成本及銷售支出的估計售價。

(k) 本集團於聯營公司及合營企業之投資減值

管理層定期按使用價值計算以檢討是否有任何跡象顯示本集團於聯營公司及合營企業之投資已經減值。

於確定使用價值時，管理層評估從業務產生之估計未來現金流量的現值。確定未來現金流量和貼現率時過程中已作出預計和判斷。管理層基於一定的假設（例如收入增長）估計未來之現金流量。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out or weighted average method. Net realisable value is determined on the basis of anticipated sales proceeds in the ordinary course of business less applicable selling expenses.

(m) Properties for sale

Properties for sale, which comprise prepaid lease payments and buildings held for resale, are stated at the lower of cost and net realisable value. The costs of properties for sale comprise cost of acquisition of properties and related development costs.

(n) Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised with reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that the value of work carried out during the year.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that estimated total contract costs will exceed estimated total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as an amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as an amount due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as creditors. Amounts billed for work performed but not yet paid by the customers are included in the consolidated statement of financial position under debtors.

(o) Assets held-for-sale

Non-current assets are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transition and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

(p) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown as a separate current liability in the consolidated and Company's statements of financial position.

Pledged bank deposits are not included in cash and cash equivalents.

2 重大會計政策概要 (續)

(l) 存貨

存貨乃按成本與可變現淨值兩者之較低值入賬。成本按先進先出或加權平均法計算。可變現淨值乃按日常業務過程中預計銷售所得款項減適用銷售支出之基準釐定。

(m) 待售物業

待售物業(包括持作重售之預付租賃款項及樓宇)乃按成本及可變現淨值之較低者列賬。待售物業之成本包括收購物業成本及相關發展成本。

(n) 建築合約

倘建築合約之結果能被可靠地估計,則收入及成本乃參考於報告期末合約活動之完成階段(按於本年度工作價值完成之比例而衡量)而確認。

倘建築合約之結果未能被可靠地估計合約收入按可能收回之合約成本而確認。合約成本於產生期內確認為支出倘合約成本有可能超過總合約收入,預期虧損將即時確認為支出。

倘至今所產生之合約成本加已確認溢利減已確認虧損超過進度款項,則超出部分列作就合約工程應向客戶收取之款項。倘工程至今所產生進度款項超出合約成本加已確認溢利減已確認虧損,則超出部分列作就合約工程應向客戶支付之款項。於完成有關工程前收取之款項,乃於綜合財務狀況表按負債內之應付賬款列賬。就工程完成發出賬單但客戶尚未支付之款項,則作為應收賬款計入綜合財務狀況表內。

(o) 持作出售資產

當非流動資產之賬面值之回收主要透過一項出售交易,而該出售被視為高度可能時,該非流動資產分類為持作出售資產。倘其賬面值主要透過出售交易收回而通過非持續使用,則以賬面值及公允值之較低者減銷售成本列賬。

(p) 現金及現金等價物

現金及現金等價物包括手頭現金、原有到期期限為三個月或以內之銀行通知存款及銀行透支。銀行透支於綜合及本公司財務狀況表內以獨立流動負債列示。

現金及現金等價物並不包括已抵押存款。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Trade creditors

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(r) Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

The Group regards its financial guarantee contracts in respect of mortgage facilities provided by banks to certain property buyers, and credit facilities provided by financial institutions to its subsidiaries, associates, joint ventures and joint venture partner as insurance contracts.

(s) Unearned insurance premiums and unexpired risk reserves

Unearned insurance premiums represent the estimated portions of the premiums written which relate to periods of insurance subsequent to the end of the reporting period and are deferred to subsequent accounting periods. Unearned premiums are computed on the basis of net premiums written for all classes of insurance. Net premium written represents gross premiums received or receivable after deducting reinsurance premiums.

Provision is made for unexpired risks arising from the expected value of claims and expenses attributable to the unexpired periods of policies in force which, at the end of the reporting period, exceeds the unearned premiums provision in relation to such policies.

2 重大會計政策概要 (續)

(q) 貿易應付賬款

貿易應付賬款初始按公允值確認，後採用實際利率法按已攤銷成本計量。

(r) 撥備及或然事項

如本集團因過往事件須承擔現時法定或推定責任，而承擔該責任可能須動用資源及該責任所涉及之金額能可靠地估計時，則須確認撥備。倘本集團預期撥備將獲償付，則償付額於實際可確定將獲償付之時作為單獨資產確認。

撥備利用反映目前市場評估資金之時間價值及責任之特定風險的除稅前利率，以預計須用作履行責任之開支所得現值作為計量。由於時間消耗導致的撥備增加，會確認為利息支出。

或然負債乃指由於過去事件產生之可能債務，而該事件之存在只有通過已發生或未發生一項或多項不可由本集團完全控制之不確定日後事件而被確認。或然負債亦可指由過去發生之事件而導致之當前債務，惟由於經濟資源可能不會流出或債務之金額無法可靠計量而未被確認。

或然負債毋須確認，惟須於綜合財務報表附註內披露。倘資源流出之可能性改變而導致資源可能流出時，或然負債將會被確認為撥備。

或然資產乃因過往事件而產生之可能資產，其存在僅憑發生或未發生一件或多件本集團不能完全控制之未來不確定事件確認。

或然資產不予確認，惟於極可能流入經濟利益時在綜合財務報表附註內予以披露。倘實際可確定將發生流入，則確認資產。

本集團將其就銀行提供按揭貸款予若干物業買家，及金融機構提供信貸融資予其附屬公司、聯營公司、合營企業及合營企業夥伴而出具之有關財務擔保合約視為保險合約。

(s) 遞延保險費及未過期風險儲備

遞延保險費是指投保期跨越報告期末後至以後會計期間之保險承保費的估計部分。遞延保險費是根據所有保險類別之淨承保保險費計算。淨承保保險費指扣除再保險費後之已收或應收保險費總額。

本集團會就因報告期末未過期之有效保單應佔索償及開支的預期價值超過相關保單作出之遞延保險費撥備而產生的未過期風險計提作撥備。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Insurance claims

Claims paid and outstanding comprise claims paid, claims reported but not yet paid and an estimate of claims incurred but not reported (“IBNR”) as at the end of the reporting period which is calculated with reference to foreseeable events, past experiences and trends.

Insurance claims are recognised when they are incurred and reported. Incurred claims include the losses, related costs and expenses paid during the year and the change in the reserve for outstanding claims during the year. Reserves for outstanding claims are reported on an undiscounted basis which include reserves for reported claims and reserves for IBNR claims.

Every notified claim is assessed on a case-by-case basis. The reserve of a reported claim is made by the claims handler based on his experience and based on the information, documents and the claim amount submitted by the claimant and is checked by the officer before updating the information into the claims system. The reserve is reviewed and revised regularly to reflect the development of the claim and the change of the market practice.

At the end of each reporting period, the Group performs a liability adequacy test to ensure the adequacy of the insurance claim liabilities. In performing these tests, current best estimates of all future contractual cash flows are made. Any deficiency is immediately charged to profit or loss.

(u) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Revenue recognition

When the outcome of a construction contract can be estimated reliably, revenue is recognised using the percentage of completion method, measured with reference to the value of work carried out during the period. When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Income from sale of properties is recognised on the execution of a binding sales agreement or the completion of properties, whichever is later.

Income from sale of goods such as information technology equipment, motor vehicles and food and beverage are recognised when goods are delivered and title to the goods has passed to the customers. Revenue is arrived at after deduction of any sales return, discount and value-added tax.

Income from rendering of services such as provision of maintenance and property management, warehouse and logistics services and hotel and senior housing operations are recognised at the time when services are rendered. Receipts in advance of provision of services are accounted for as deferred income.

2 重大會計政策概要 (續)

(t) 保險索償

已支付及未決之保險索償包括於報告期末已支付之索償、已申報但未支付之索償以及估計已產生但仍未申報（「已產生但未申報」）之索償。此估計是參考可預見之事件、過往經驗及趨勢而計算。

保險索償於發生及申報時確認。發生之索償包括虧損、於本年度所付相關費用及支出以及於本年度未決索償儲備之變動。未決索償儲備乃按未貼現基準申報，當中包括已申報索償之儲備以及已產生但未申報索償之儲備。

每宗索償因應個案評估。已申報索償之儲備按理賠人員的經驗及索償人所提交的資料、文件及索償金額處理，並於索償系統更新有關資料前經相關人員查核。儲備會定期審閱及修訂，以反映索償發展及市場慣例變動。

於各報告期末，本集團進行負債充足率測試以確保保險申索負債充足。在進行該等測試時，對所有日後合約現金流量作出當前最佳估計。任何虧損隨即於損益扣除。

(u) 股本

普通股分類為權益。

可直接歸因於發行新股份或購股權之增量成本作為所得款項扣減額（扣除稅項）於權益內列示。

(v) 收入確認

當一項建築合約之成果能夠可靠地估計時，合約收入乃根據期內施工之價值，按完工百分比法確認。當一項合約成果不能可靠地估計時，只將已產生而可能收回之合約成本確認為收入。

物業銷售之收入乃在買賣雙方簽立具約束力之買賣協議文件或物業竣工（兩者之較後者）入賬。

銷售貨品（如資訊科技設備、汽車及餐飲）之收入乃於貨品送出後或貨品擁有權轉予客戶後入賬。收入已減除所有銷售退回、折扣及增值稅。

提供服務（如提供保養及物業管理、倉庫及物流服務、酒店及安老院舍營運）之收入乃於完成提供服務時確認。提供服務前之收入乃包括於遞延收入中。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition (continued)

Premiums for direct insurance business are recognised as income when an insurance policy is accepted and the relevant debit note is issued.

Interest income from a financial asset is accrued on a time basis, with 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 its net carrying amount.

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

Rental income under operating leases is recognised on a straight-line basis over the terms of the respective leases.

(w) Leases

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

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair values at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as an obligation under finance lease. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction or production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs as stated in note 2(y) to the consolidated financial statements.

Rental payables under operating leases are charged to profit or loss on a straight line basis over the terms of the relevant leases. Benefits received and receivables as incentives to enter into operating leases are recognised as a reduction of rental expenses over the lease terms on a straight line basis.

2 重大會計政策概要 (續)

(v) 收入確認 (續)

直接保險業務之保險費乃於保單被客戶接納及公司發出相關之付款通知書時確認為收入。

來自財務資產之利息收入乃按時間比例入賬，並根據本金之結餘及適用實際利率作出計算，實際利率為透過財務資產之預計使用年期，將估計未來現金收入貼現至資產之賬面淨值之比率。

來自投資之股息收入乃於本集團收取款項之權利確立時確認。

營運租賃之租金收入乃按直線法據其租賃年期入賬。

(w) 租賃

當租賃條款將擁有權所產生之大部分風險及得益轉移給承租人，該等租賃被分類為融資租賃。所有其他租賃均被分類為營運租賃。

本集團作為出租人

融資租賃下應收承租人之款項乃入賬列作應收款項，數額為本集團於租賃之淨投資。融資租金收入乃分配至各會計期間，以反映本集團於租賃尚未收回淨投資之固定定期回報率。

營運租賃產生之租金收入按有關租賃之租期以直線法於損益內確認。商談及安排營運租賃所產生之首次直接成本計入該項租賃資產之賬面值內，並於租期內以直線法確認為支出。

本集團作為承租人

融資租賃下持有之資產於租賃生效時按公允值，或最低租金之現值（以較低者為準）確認為本集團之資產。對出租人之相應負債在財務狀況表內列為融資租賃承擔。租賃款項在融資費用與削減租賃承擔之間分配，以為承擔餘額取得固定之利率。融資費用直接計入損益內，除非其為直接源自收購、興建或建造符合規定的資產則例外，在此情況下，則根據綜合財務報表附註2(y)所述之本集團借款成本之一般政策作資本化處理。

營運租賃之應付租金於有關租賃年期內按直線法在損益內扣除。因簽訂營運租賃已收及應收之鼓勵性優惠，按直線法於租期內確認為租金支出之扣減。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Bonus plans

Provision for bonus plans is recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Defined contribution plans

Payments to defined contribution retirement benefit plans including the Mandatory Provident Fund Schemes are charged as an expense as they fall due, net of forfeited contributions.

(y) 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 capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(z) Taxation

Taxation represent the sum of the tax currently payable and deferred tax.

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

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

2 重大會計政策概要 (續)

(x) 僱員福利

(i) 僱員應享假期

僱員年假於僱員享有應得假期時確認。因僱員於截至報告期末提供之服務而產生之估計年假負債會作計提撥備。僱員病假及產假直至僱員正式休假前不予確認。

(ii) 花紅計劃

本集團因僱員提供之服務而負有當前法定或推定義務且相關義務能夠可靠估計時會作計提花紅計劃撥備。

(iii) 界定供款計劃

就包括強制性公積金計劃在內之界定供款退休福利計劃支付之款項於到期時列賬為支出 (扣除已沒收供款)。

(y) 借款成本

於收購、建造或生產需要長時間方能達致擬定用途或銷售之符合規定的資產之借款成本，須資本化為該等資產成本之一部分，直至該等資產大致上已可供使用或出售為止。特別為符合規定的資產而取得之借款在其尚未用於有關用途時作為暫時投資而賺取之投資收入，乃於可作資本化之借款成本中扣除。

所有其他借款成本，乃於費用產生期間於損益內確認。

(z) 稅項

稅項指當期應付稅項及遞延稅項之總和。

當期應付稅項乃根據期內之應課稅溢利計算。應課稅溢利與於損益內呈報之溢利有所不同，原因在於應課稅溢利並不包括於其他年度應課稅或可扣稅之收入或支出項目，亦不包括從來毋須課稅或不可扣稅之損益項目。本集團之當期稅項負債乃按報告期末已頒佈或實質頒佈之稅率計算。

遞延稅項乃根據財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額而確認，並採用負債法入賬。遞延稅項負債一般就所有應課稅暫時性差異確認，遞延稅項資產則於可扣減暫時性差異有可能用以抵銷未來應課稅溢利時予以確認。倘暫時性差異由商譽或 (不包括業務合併) 一項不影響應課稅溢利或會計溢利之交易之其他資產及負債之初始確認所產生，有關資產及負債不予以確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, and interests in associates and 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.

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 future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax liabilities or deferred tax assets arising from investment properties located in Hong Kong and Singapore are determined based on the presumption that the carrying amount of such investment properties will be recovered through sale with the corresponding tax rate applied.

(aa) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value has 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 translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, which are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange components of that gain or loss are also recognised directly in equity.

2 重大會計政策概要 (續)

(z) 稅項 (續)

遞延稅項負債乃按於附屬公司之投資、所佔聯營公司及合營企業之權益所產生應課稅暫時性差異而確認，除非本集團可控制暫時性差異之回撥及暫時性差異在可預見將來可能不會回撥。

遞延稅項資產之賬面值乃於各報告期末進行審閱，並在不可能有足夠日後應課稅溢利以收回全部或部分資產價值時作調減。

遞延稅項按預期於清償負債或變現資產期間之適用稅率計算。遞延稅項從損益扣除或計入損益內，除非遞延稅項關乎直接從權益扣除或直接計入權益之項目，在此情況下，遞延稅項亦於權益中處理。

釐定因位於香港及新加坡之投資物業產生之遞延稅項負債或遞延稅項資產時乃假設相關投資物業之賬面值將以所應用之相應稅率透過銷售收回。

(aa) 外幣

於編製各個別集團企業之財務報表時，該企業以功能貨幣以外之貨幣（外幣）進行之交易均按交易日期之適用匯率換算為功能貨幣（即該企業經營所在主要經濟地區之貨幣）記賬。於各報告期末，以外幣為單位之貨幣性項目均按報告期末之適用匯率換算。按公允值列賬以外幣為單位之非貨幣性項目乃按公允值釐定當日之適用匯率換算。按過往成本計量以外幣為單位之非貨幣性項目毋須再換算。

於結算及換算貨幣性項目時產生之匯兌差額均於產生期間在損益內確認，惟組成本集團海外業務之淨投資部分之貨幣性項目所產生之匯兌差額除外，該等匯兌差額乃於綜合財務報表權益內確認。按公允值列值之非貨幣性項目經重新換算後所產生之匯兌差額於該期間列入損益內，惟換算有關收益及虧損直接在權益內確認之非貨幣性項目所產生之匯兌差額除外，有關收益或虧損之匯兌部分亦直接在權益內確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period, and their income and expenses 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 transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income as a separate component of equity, the exchange fluctuation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

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 exchange rates prevailing at the end of the reporting period. Exchange differences so arising are recognised in the exchange fluctuation reserve.

(ab) Impairment of intangible assets

Intangible assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(ac) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors that makes strategic decisions.

Segment assets mainly consist of non-current assets and current assets as disclosed in the consolidated statement of financial position except prepaid tax, unallocated bank balances and cash, deferred tax assets and other unallocated assets.

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the consolidated statement of financial position except current income tax liabilities, bank and other borrowings, deferred tax liabilities and other unallocated liabilities.

2 重大會計政策概要 (續)

(aa) 外幣 (續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按於報告期末本公司之列賬貨幣之適用匯率換算，而其收入及支出乃按該期間之平均匯率進行換算，除非匯率於該期間內出現大幅波動，於此情況下，則採用於交易當日之適用匯率。所產生之匯兌差額（如有）於其他全面收益內確認作權益之獨立部分（外匯兌換浮動儲備）。該等匯兌差額乃於海外業務被出售之期間內於損益內確認。

因收購海外業務而產生之商譽及可識別資產之公允值調整乃視作該海外業務之資產及負債，及按報告期末之適用匯率換算。所產生之匯兌差額於外匯兌換浮動儲備中確認。

(ab) 無形資產的減值

可使用無限年期的無形資產（例如商譽）毋須攤銷，但每年須進行減值測試。當有事件出現或情況改變顯示賬面值可能無法收回時，則各項資產進行減值檢討。減值虧損按資產之賬面值超出其可收回金額間之差額確認。可收回金額以資產之公允值扣除銷售成本或使用中價值兩者之間較高者為準。於評估減值時，資產按可分開識別現金流量（現金產生單位）之最低層次組合。除商譽外，已蒙受減值之非財務資產在每個報告期末均就減值是否可以回撥進行檢討。

(ac) 分類報告

營運分類之報告方式須與主要營運決策者審閱之內部報告之方式一致。董事已被確認為作策略決定之主要營運決策者，負責分配資源並且評核營運分類之表現。

分類資產主要包括綜合財務狀況表內披露之非流動資產及流動資產，惟預付稅項、未分配銀行結存及現金、遞延稅項資產及其他未分配資產除外。

分類負債主要包括綜合財務狀況表內披露之流動負債及非流動負債，惟當期所得稅負債、銀行及其他借款、遞延稅項負債及其他未分配負債除外。

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3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include available-for-sale investments, investments at fair value through profit or loss, derivative financial instruments, debtors and receivables, creditors and payables, outstanding insurance claims, amounts due from/to related companies and non-controlling interests, bank balances and bank and other borrowings. Details of these financial instruments are disclosed in respective notes to the consolidated financial statements. The risks associated with these financial instruments and 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.

3.1 Financial risk factors

(a) Market risk

(i) Interest rate risk

The Group's interest rate risk arises from derivative financial instruments, bills payable, floating rates bank and other borrowings and floating rates bank deposits. Majority of the Group's bank and other borrowings carry interests at floating rates and expose the Group to cash flow interest rate risk. The management monitors interest rate exposure and hedges significant interest rate exposure by using financial instruments such as interest rate swap contracts. Certain instruments are qualified for hedge accounting.

As at 31 March 2017, if interest rates had been increased/decreased by one percentage point and all other variables were held constant, the post-tax profit of the Group, excluding impact of fair value changes of derivative financial instruments would decrease/increase by HK\$7,528,000 (2016: HK\$10,282,000), resulting mainly from the change in the borrowing costs of bank and other borrowings and interest income of bank deposits.

(ii) Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures. Foreign currency risk arises when the Group's recognised assets and liabilities are denominated in currencies that are not the entities' functional currency.

The Group's financial assets that are exposed to foreign currency risk mainly comprise of investments in debt and equity securities, accounts receivable balances arising from sales to overseas customers, bank balances and cash and amounts due from related companies and group companies (on entity level). The Group's financial liabilities that are exposed to foreign currency risk mainly comprised of accounts payable balances arising from purchases from overseas suppliers and amounts due to group companies (on entity level). It is the Group's policies to ensure that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. The management monitors foreign exchange exposure and hedges significant foreign currency exposure by using financial instruments such as foreign currency forward contracts. Certain instruments are qualified for hedge accounting.

3 財務風險管理目標及政策

本集團之主要財務工具包括可供出售之投資、按公允值列入損益處理之投資、衍生財務工具、應收賬款及應收款項、應付賬款及應付款項、未決保險索償、應收／應付關連公司及非控股權益賬款、銀行結存及銀行及其他借款。該等財務工具之詳情於綜合財務報表相關附註中披露。該等財務工具之相關風險以及減輕該等風險之政策載列如下。管理層管理及監察該等風險，以確保及時有效地施行適當之措施。

3.1 財務風險因素

(a) 市場風險

(i) 利率風險

本集團之利率風險來自衍生財務工具、應付票據、浮息銀行及其他借款及浮息銀行存款。本集團大部分銀行及其他借款以浮動利率計息，而本集團須面對現金流量利率風險。管理層監察利率風險並利用如利率掉期合約等財務工具對沖重大利率風險。若干工具符合對沖會計準則。

於二零一七年三月三十一日，倘利率增加／減少一個百分點，而所有其他可變因素均維持不變，本集團之稅後溢利（不包括衍生財務工具之公允值變化之影響）會主要因銀行及其他借款的借款成本及銀行存款的利息收入而分別減少／增加港幣7,528,000元（二零一六年：港幣10,282,000元）。

(ii) 外匯風險

本集團乃經營國際性業務，須面對多種貨幣風險引致之外匯風險。本集團已確認之資產及負債以非企業之功能貨幣為單位時，將產生外匯風險。

本集團面對外匯風險之財務資產主要包括債務及股本證券投資、向海外顧客作出銷售而產生之應收賬款結餘、銀行結存及現金及應收關連公司及集團公司賬款（企業層面）。本集團面對外匯風險之財務負債主要包括向海外供應商作出採購而產生之應付賬款結餘及應付集團公司賬款（企業層面）。本集團之政策乃確保將淨風險保持於可接受之水平，並透過以即期匯率買賣外幣（如有需要）以處理短期失衡來實現。管理層監控外匯風險並利用如遠期外匯合約等財務工具對沖重大外匯風險。若干工具符合對沖會計準則。

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3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Foreign currency risk (continued)

Financial instruments under foreign currencies (other than the functional currencies of the Group's entities) that are exposed to foreign exchange risk are mainly denominated in Australian dollar, Canadian dollar, Euro, Hong Kong dollar, Japanese Yen, Macau Pataca, Renminbi, Singapore dollar, United States dollar ("US dollar") and Vietnam Dong. The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the year are as follows:

The Group 本集團		Assets 資產		Liabilities 負債	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Australian dollar	澳元	17,410	18,101	(89)	(248)
Canadian dollar	加拿大元	183,485	143,114	-	-
Euro	歐羅	5,065	2,435	(647)	(10,798)
Hong Kong dollar	港幣	24,577	406,071	(10,271)	(23,006)
Japanese Yen	日圓	13,676	18,538	(462)	(4,587)
Macau Pataca	澳門幣	-	-	(732,406)	(423,500)
Renminbi	人民幣	318,393	256,656	(105)	(1,219)
Singapore dollar	新加坡元	103,711	117,684	-	-
US dollar	美元	1,336,590	1,497,211	(21,391)	(3,448)
Vietnam Dong	越南盾	53,338	41,124	-	-
Others	其他	45,692	17,303	(1,315)	(326)

The following table details the Group's sensitivity to every percentage point increase and decrease in the functional currency of corresponding group entity against the above foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of reporting period for every percentage point increase in foreign currency rates. Positive numbers below indicate an increase in profit/investment revaluation reserve where the above foreign currency strengthens every percentage point against the functional currency of corresponding group entity.

The Group 本集團		2017	2016
		二零一七年 HK\$'000 港幣千元	二零一六年 HK\$'000 港幣千元
Increase in profit	溢利增加	12,105	19,098
Increase in investment revaluation reserve	投資重估儲備增加	1,242	1,294

3 財務風險管理目標及政策 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 外匯風險 (續)

面臨外匯風險之外幣財務工具 (不包括本集團企業之功能貨幣) 主要以澳元、加拿大元、歐羅、港幣、日圓、澳門幣、人民幣、新加坡元、美元 (「美元」) 及越南盾為單位。本集團以外幣為單位之財務資產及財務負債於年末之賬面值如下：

下表詳列本集團之相關集團企業功能貨幣對以上外幣之每增加及減少一個百分點之敏感度。敏感度分析只包括於報告期末仍以外幣為單位之尚未結算貨幣性項目，並已於年末按匯率每增加一個百分點之換算予以調整。以下正數顯示以上外幣兌換相關集團企業之功能貨幣每升值一個百分點之情況下使溢利／投資重估儲備有所增加。

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3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Price risk

The Group are exposed to listed debt and equity securities price risk because investments held by the Group are classified on the consolidated statement of financial position either as available-for-sale investments or investments at fair value through profit or loss.

If the prices of the respective quoted debt and equity instruments of the Group had been increased/decreased by one percentage point and all other variables held constant:

- the post-tax profit and investment revaluation reserve of the Group for the year ended 31 March 2017 would increase/decrease by HK\$3,238,000 and HK\$501,000 (2016: HK\$3,265,000 and HK\$400,000) as a result of the changes in fair values of investments at fair value through profit or loss and available-for-sale investments respectively.

(b) Credit risk

Principal financial assets consist of available-for-sale investments, investments at fair value through profit or loss, derivative financial instruments, debtors and receivables, amounts due from related companies and non-controlling interests and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

Debtors of the Group may be affected by the unfavourable economic conditions and the lower liquidity situation which could in turn impact their ability to repay the amounts owed. Deteriorating operating conditions for debtors may also have an impact on management's cash flow forecasts and assessment of the impairment of receivables. To the extent that information is available, management has properly reflected revised estimates of expected future cash flows in their impairment assessments.

The Group has established different credit policies for customers in each of its core businesses. The average credit period granted to trade debtors is 60 days, except for insurance business where credit period granted to certain debtors is over 60 days. The Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

3 財務風險管理目標及政策 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 價格風險

本集團面臨上市債券及股本證券價格風險，此乃由於本集團所持有之投資於綜合財務狀況表中被歸類為可供出售之投資或按公允值列入損益處理之投資所致。

倘本集團債券及股本工具各自所報之價格每增加／減少一個百分點，而所有其他可變因素均維持不變，則：

- 本集團截至二零一七年三月三十一日止年度之稅後溢利及投資重估儲備分別將增加／減少港幣3,238,000元及港幣501,000元（二零一六年：港幣3,265,000元及港幣400,000元），此乃由於按公允值列入損益處理之投資及可供出售之投資之公允值變動所致；

(b) 信貸風險

主要財務資產包括可供出售之投資、按公允值列入損益處理之投資、衍生財務工具、應收賬款及應收款項、應收關連公司及非控股權益賬款及銀行結存。倘交易對手無法履行彼等之責任，本集團於報告期末就各類已確認財務資產所承受之最大信貸風險為綜合財務狀況表內所列示該等資產之賬面值。

本集團之債務人或會受到不利經濟環境及資金流動性較低情況影響，因而影響其償還欠款能力。債務人經營狀況惡化亦可能影響管理層對現金流量之預測及對應收款項減值之評估。管理層已根據可得之資料，在其減值評估適當反映修訂之預期未來現金流量估計。

本集團對各項核心業務客戶已確立不同之信貸政策。給予貿易客戶之平均信貸期為60天，惟給予保險業務之若干客戶之信貸期超過60天。於各報告期末，本集團檢討每宗個別應收賬款之可收回金額，確保就估計無法收回金額作出足夠之減值虧損。

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3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Amounts due from related companies and non-controlling interests are continuously monitored by assessing the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Where necessary, impairment loss is made for estimated irrecoverable amounts.

Available-for-sale investments, investments at fair value through profit or loss, derivative financial instruments, interest receivables and bank balances are limited to financial institutions or investment counterparty with high quality. The Group controls its credit risk to non-performance by its counterparties through monitoring their credit rating and setting approved counterparty credit limits that are regularly reviewed. The Group does not expect any significant counterparty risk. Moreover, credit limits are set for individual counterparties and periodic reviews are conducted to ensure that the limits are strictly followed.

The Group has assessed the credit risk arising from guarantees given to financial institutions for credit facilities granted to certain property buyers, subsidiaries, associates, joint ventures and joint venture partner taking into consideration the realisable value of the underlying projects/assets. The Group does not expect any significant credit risk arising from these guarantees.

The Group does not have any significant exposure to any individual debtors or counterparties.

(c) Liquidity risk

The Group aims to maintain prudent liquidity risk management and flexibility in funding by keeping sufficient cash equivalents, readily realisable marketable securities and to have committed short term and medium term credit lines available.

The Directors believe that the Group has obtained sufficient committed and uncommitted general credit facilities from banks for working capital purposes.

3 財務風險管理目標及政策 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

應收關連公司及非控股權益賬款乃透過評估交易對手之信貸質素，並參考其財務狀況、過往經驗及其他因素而進行持續監管。如有需要，會為估計無法收回金額作出減值虧損。

本集團限於與信用良好之金融機構或投資對手方進行有關可供出售之投資、按公允值列入損益處理之投資、衍生財務工具、應收利息以及銀行結存。本集團透過監控其交易對手之信用評級及為交易對手設立經批准且定期檢討之信用限額，控制其信貸風險以防止其交易對手不履行合約，而本集團預期並無任何重大之交易對手風險。此外，交易對手均設有個別信用限額，且定期進行檢討，確保嚴格遵守有關限額。

本集團已評估就授予若干物業買家、附屬公司、聯營公司、合營企業及一名合營企業夥伴之信貸融資而向金融機構提供擔保所產生之信貸風險，當中考慮到相關項目／資產的可變現價值。本集團預期此等擔保不會產生任何重大信貸風險。

本集團並無於任何個別債務人或交易對手存有重大風險。

(c) 資金流動風險

本集團致力維持審慎之資金流動風險管理及透過保留足夠現金等價物、可隨時變現之有價證券及已承諾短期及中期信貸額度以保持資金靈活性。

董事相信，本集團獲銀行批授之已承諾及未承諾一般信貸融資，足以應付營運資金所需。

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3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The Group's liquidity position and compliance with loan covenants are monitored closely by the management of the Company. The following table details the Group's contractual maturity for its financial liabilities at the end of the reporting period. 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.

The Group		Less than 1 year	1-2 years	2-5 years	More than 5 years	Total undiscounted cash flows
本集團		少於一年 HK\$'000 港幣千元	一至二年 HK\$'000 港幣千元	二至五年 HK\$'000 港幣千元	超過五年 HK\$'000 港幣千元	未貼現現金 流量總額 HK\$'000 港幣千元
2017	二零一七年					
Amounts due to joint ventures	應付合營企業賬款	1,581	-	-	-	1,581
Amounts due to non-controlling interests	應付非控股權益賬款	260,964	-	-	-	260,964
Creditors and payables	應付賬款及應付款項	589,373	-	-	-	589,373
Outstanding insurance claims	未決保險索償	305,272	-	-	-	305,272
Derivative financial instruments (net settled)	衍生財務工具 (淨結算)	(155)	(128)	(210)	(11)	(504)
Derivative financial instruments (gross settled)	衍生財務工具 (總額結算)					
- outflow	- 流出	29,743	-	-	-	29,743
- inflow	- 流入	(28,994)	-	-	-	(28,994)
Bank and other borrowings	銀行及其他借款	595,157	425,504	1,408,727	975,471	3,404,859
Financial guarantees in contingent liabilities	或然負債內之財務擔保	363,440	295,255	132,300	-	790,995
2016	二零一六年					
Amount due to an associate	應付一間聯營公司賬款	240	-	-	-	240
Amount due to a joint venture	應付一間合營企業賬款	53,230	-	-	-	53,230
Creditors and payables	應付賬款及應付款項	638,440	-	-	-	638,440
Outstanding insurance claims	未決保險索償	352,519	-	-	-	352,519
Derivative financial instruments (net settled)	衍生財務工具 (淨結算)	6,830	5,422	2,151	-	14,403
Derivative financial instruments (gross settled)	衍生財務工具 (總額結算)					
- outflow	- 流出	119,043	18,940	-	-	137,983
- inflow	- 流入	(118,859)	(19,114)	-	-	(137,973)
Bank and other borrowings	銀行及其他借款	1,060,711	397,110	1,129,157	1,245,525	3,832,503
Financial guarantees in contingent liabilities	或然負債內之財務擔保	14,081	527,468	2,496	3,232	547,277

3 財務風險管理目標及政策 (續)

3.1 財務風險因素 (續)

(c) 資金流動風險 (續)

本公司管理層密切監察本集團之流動資金狀況及遵守貸款契諾情況。下表詳列本集團於報告期末財務負債之合約到期情況。表格乃根據本集團可能被要求支付之最早日期之財務負債之未貼現現金流量編製。表格包括利息及本金之現金流量。

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3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while maximising the returns to shareholders through the optimisation of the debt and equity balances.

The Group regularly and closely reviews and manages its capital structure to provide cost efficient funding to the Group and its companies and make adjustments to the capital structure in light of changes of economic conditions or corporate needs.

The Group monitors the capital on the basis of net debt to equity ratio, which is expressed as a percentage of net debt (comprises total debt less bank balances and cash) over total equity. Total debt represents bank and other borrowings.

The net debt to equity ratio of the Group is as follows:

The Group 本集團		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Total debt	總債務	2,790,439	3,112,536
Bank balances and cash	銀行結存及現金	(1,761,632)	(2,009,282)
Net debt	淨債務	1,028,807	1,103,254
Total equity	總權益	8,503,319	8,238,255
Net debt to equity ratio	淨債務與權益比率	12.1%	13.4%

Net debt to equity ratio decreased from 13.4% as at 31 March 2016 to 12.1% as at 31 March 2017 mainly due to the settlement of debts as the Group maintains a strong cash position.

Pursuant to Chapter 41 of The Hong Kong Insurance Companies Ordinance, all authorised insurance companies are required to maintain an excess of assets over liabilities of not less than a required solvency margin. For the years ended 31 March 2017 and 2016, the Group's relevant subsidiaries complied with the solvency margin requirements as set out by the relevant authorities in Hong Kong.

3 財務風險管理目標及政策 (續)

3.2 資本風險管理

本集團管理資本之目標為保障本集團持續經營之能力，同時透過最佳之債務及權益比例為股東帶來最大回報。

本集團定期及密切檢討及管理其資本結構，以向本集團及其旗下集團公司提供符合成本效益之資金，並就經濟狀況或企業需求之變化對資本結構作出調整。

本集團按淨債務與權益比率之基準監察資本，該基準為淨債務（包括總債務減銀行結存及現金）對總權益之百分比。總債務指銀行及其他借款。

本集團之淨債務與權益比率如下：

淨債務與權益比率由二零一六年三月三十一日之13.4%下降至二零一七年三月三十一日之12.1%，主要因本集團維持穩定的現金狀況而清償債務。

根據香港保險公司條例第41章，所有獲授權保險公司均須保持資產超出負債之額度不少於規定之償付準備金。截至二零一七年及二零一六年三月三十一日止年度，本集團相關附屬公司遵守香港相關機關頒佈之償付準備金規定。

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3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair values by level of inputs to valuation techniques to measure fair values. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and financial liabilities that are measured at fair values as at 31 March 2017:

The Group 本集團		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Assets	資產				
Financial assets at fair value through profit or loss	按公允值列入損益處理之財務資產				
– debt securities	– 債務證券	324,505	114,329	–	438,834
– equity securities	– 股本證券	59,429	–	–	59,429
– mutual and hedge funds	– 互惠及對沖基金	695	–	55,813	56,508
Derivative financial instruments	衍生財務工具	–	97	–	97
Available-for-sale financial assets	可供出售之財務資產				
– equity securities	– 股本證券	50,070	–	7,770	57,840
– private funds	– 私募基金	–	–	66,314	66,314
		434,699	114,426	129,897	679,022
Liability	負債				
Derivative financial instruments	衍生財務工具	–	(2,974)	–	(2,974)

3 財務風險管理目標及政策 (續)

3.3 公允值估計

下表按用於計量公允值之估值方法所用輸入數據的層級，分析本集團按公允值列賬之財務工具。有關輸入數據乃分類為公允值架構內之下列三個層級：

- 有關相同資產或負債在活躍市場之報價(未調整)(第一級)。
- 有關資產或負債之輸入數據不包括於第一級內之報價，惟可直接(即價格)或間接地(即自價格引伸)觀察(第二級)。
- 有關資產或負債之輸入數據並非依據可觀察之市場數據(不可觀察之輸入數據)(第三級)。

下表載列於二零一七年三月三十一日按公允值計量之本集團財務資產及財務負債：

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3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.3 Fair value estimation (continued)

The following table presents the Group's financial assets and financial liabilities that are measured at fair values as at 31 March 2016:

The Group 本集團		Level 1 第一級 HK\$' 000 港幣千元	Level 2 第二級 HK\$' 000 港幣千元	Level 3 第三級 HK\$' 000 港幣千元	Total 總額 HK\$' 000 港幣千元
Assets	資產				
Financial assets at fair value through profit or loss	按公允值列入損益處理之財務資產				
– debt securities	– 債務證券	296,016	55,265	–	351,281
– equity securities	– 股本證券	72,492	–	–	72,492
– exchange-traded funds	– 交易所買賣基金	2,717	–	–	2,717
– mutual and hedge funds	– 互惠及對沖基金	–	–	79,358	79,358
Derivative financial instruments	衍生財務工具	–	1,606	–	1,606
Available-for-sale financial assets	可供出售之財務資產				
– equity securities	– 股本證券	40,015	–	7,760	47,775
– private funds	– 私募基金	–	–	81,653	81,653
		<u>411,240</u>	<u>56,871</u>	<u>168,771</u>	<u>636,882</u>
Liability	負債				
Derivative financial instruments	衍生財務工具	–	(9,557)	–	(9,557)

The Group uses quoted market prices for financial assets included in level 1. The quoted price which is used, is the price within the bid-ask spread that is most representative of the fair value.

The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

3 財務風險管理目標及政策 (續)

3.3 公允價值估計 (續)

下表載列於二零一六年三月三十一日按公允價值計量之本集團財務資產及財務負債：

就第一級內之財務資產而言，本集團採用市場報價。所用的報價為買賣差價中最能代表公允價值之價格。

並無在活躍市場上買賣之財務工具（如場外衍生工具）之公允值採用估值方法釐定。該等估值方法盡量採用可觀察之市場數據（如可得到），並盡量少倚賴企業特定估計。倘計量工具公允值所需之所有重要數據可觀察，則該工具將計入第二級。

倘一項或多項重大數據並非來自可觀察市場數據，則該工具將計入第三級。

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3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.3 Fair value estimation (continued)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swap contracts is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period with the resulting value discounted back to present value;
- For unlisted securities or financial assets without an active market, the Group establishes the fair value by using valuation techniques including the use of recent arm's length transactions, reference to other instruments that are substantially the same, reference to net asset value of investee and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity-specific inputs. If none of the valuation techniques results in a reasonable estimate on the fair value, the investment is stated in the statement of financial position at cost less impairment losses; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no transfers of financial instruments between levels in the hierarchy for the years ended 31 March 2017 and 2016.

3 財務風險管理目標及政策 (續)

3.3 公允價值估計 (續)

用以進行財務工具估值之特定估值方法包括：

- 類似工具之市場報價或交易商報價；
- 利率掉期合約之公允價值根據可觀察孳息曲線按估計未來現金流量之現值計算；
- 遠期外匯合約之公允價值利用於報告期末之遠期匯率釐定，並按結果值貼現至現值；
- 就並無活躍市場之非上市證券或財務資產而言，本集團採用估值方法設定其公允價值，當中包括利用近期公平交易、參照其他大致相同之工具、參照被投資公司之資產淨值及貼現現金流量分析，充分利用市場信息及盡量少依賴企業特定信息。倘上述估值方法均未能合理估算公允價值，則有關投資以成本減去減值虧損呈列於財務狀況表；及
- 其餘財務工具之公允價值以其他方法（例如貼現現金流量分析）釐定。

截至二零一七年及二零一六年三月三十一日止年度，各級別公允價值架構之間概無財務工具轉移。

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3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3.3 Fair value estimation (continued)

The following table presents the changes in level 3 fair value hierarchy of financial instruments for the years ended 31 March 2017 and 2016:

The Group		Mutual and hedge funds	Equity securities	Private funds	Total
本集團		互惠及對沖基金 HK\$'000 港幣千元	股本證券 HK\$'000 港幣千元	私募基金 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
At 1 April 2016	於二零一六年四月一日	79,358	7,760	81,653	168,771
Purchases/capital contributions	購入／資本投入	2,030	-	-	2,030
Receipt for capital returns	收回資本	-	-	(14,780)	(14,780)
Fair value gain recognised in other comprehensive income	於其他全面收益確認之公允價值收益	-	10	5,117	5,127
Fair value gain recognised through profit or loss	於損益確認之公允價值收益	5,409	-	-	5,409
Impairment loss recognised in profit or loss	於損益確認之減值虧損	-	-	(5,676)	(5,676)
Disposals	出售	(30,984)	-	-	(30,984)
At 31 March 2017	於二零一七年三月三十一日	55,813	7,770	66,314	129,897

3 財務風險管理目標及政策 (續)

3.3 公允價值估計 (續)

下表載列第三級公允價值架構的財務工具截至二零一七年及二零一六年三月三十一日止年度之變動：

The Group		Equity/foreign exchange linked notes	Mutual and hedge funds	Call option	Equity securities	Private funds	Total
本集團		股本／外匯掛鈎票據 HK\$'000 港幣千元	互惠及對沖基金 HK\$'000 港幣千元	認購期權 HK\$'000 港幣千元	股本證券 HK\$'000 港幣千元	私募基金 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
At 1 April 2015	於二零一五年四月一日	7,816	75,382	18,073	7,750	167,715	276,736
Purchases/capital contributions	購入／資本投入	-	34,067	-	-	769	34,836
Receipt for capital returns	收回資本	-	-	-	-	(23,917)	(23,917)
Fair value gain/(loss) recognised in other comprehensive income	於其他全面收益確認之公允價值收益／(虧損)	-	-	-	10	(41,314)	(41,304)
Fair value losses recognised through profit or loss	於損益確認之公允價值虧損	-	(10,768)	(18,073)	-	-	(28,841)
Impairment loss recognised in profit or loss	於損益確認之減值虧損	-	-	-	-	(17,160)	(17,160)
Disposals	出售	-	(19,323)	-	-	(4,440)	(23,763)
Derecognition	終止確認	(7,816)	-	-	-	-	(7,816)
At 31 March 2016	於二零一六年三月三十一日	-	79,358	-	7,760	81,653	168,771

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Fair values of investment properties and staff quarters

The valuations of investment properties and staff quarters held directly by the Group are made on the basis of the "Market Value" adopted by the Hong Kong Institute of Surveyors ("HKIS"). They are performed in accordance with the HKIS Valuation Standards on Properties published by HKIS. The valuations are reviewed annually by qualified valuers by considering the information from a variety of sources including (i) current prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences; (ii) recent prices of similar properties in less active market, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and (iii) rental income derived from existing tenancies with due provision for reversionary income potential based on market conditions existing at the end of the reporting period.

These methodologies are based upon estimates of future results and a set of assumptions specific to each property to reflect its tenancy and cashflow profile. The fair value of each investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions including open market rents, appropriate capitalisation rates and reversionary income potential. For the year ended 31 March 2017, discount rate in the range of 2% to 7% (2016: 4% to 6%) were used in the discounted cash flow analysis. The fair value also reflects on a similar basis, any cash outflows that could be expected in respect of the property.

As at 31 March 2017, if the market values of investment properties and staff quarters had been 10% (2016: 10%) higher/lower with all other variables held constant, the carrying values of the Group's investment properties and staff quarters would have been HK\$383,258,000 and HK\$60,313,000 (2016: HK\$366,363,000 and HK\$48,744,000) higher/lower respectively.

(b) Impairment assessment for property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts of property, plant and equipment have been determined based on the higher of their fair values less costs to sell and value in use, taking into account the latest market information and past experience.

4 關鍵會計估計及判斷

本公司按過往經驗及其他因素（包括於有關情況下相信為對未來事件之合理預測）持續檢討估計及判斷。

本集團會對未來作出估計及假設。顧名思義，該等會計估計甚少與有關實際結果相同。具有重大風險致使資產及負債之賬面值於下一個財政年度內作出重大調整之估計及假設討論如下：

(a) 投資物業及員工宿舍之公允值

本集團直接持有之投資物業及員工宿舍之估值乃根據香港測量師學會（「香港測量師學會」）所採納之「市值」基準，按香港測量師學會頒佈之香港測量師學會物業估值準則進行。估值由合資格評估師每年檢討並考慮來自多種來源的資料，包括(i)不同性質、狀況或地點之物業於活躍市場之現行價格，並作出調整以反映有關差異；(ii)類似物業於較不活躍市場之近期價格，並作出調整以反映自該等交易成交日期以來該等價格之任何經濟狀況變動；及(iii)現有租約之租金收入，並計入根據報告期末當時之市況對潛在收入改變而作出之適當撥備。

該等方法乃根據未來業績估計及各項物業之一系列特定假設以反映其租約及現金流量狀況。各項投資物業之公允值反映（其中包括）來自現有租賃之租金收入以及根據當前市況（包括公開市場租金、適用之資本化率及潛在收入改變）對來自未來租賃之租金收入的假設。截至二零一七年三月三十一日止年度，貼現現金流量分析採用介乎2%至7%（二零一六年：4%至6%）之貼現率。公允值亦按類似基準反映就該物業可預期之任何現金流出。

於二零一七年三月三十一日，在所有其他可變因素保持不變之情況下，倘投資物業及員工宿舍之市值上升／下降10%（二零一六年：10%），本集團投資物業及員工宿舍之賬面值分別上升／下降港幣383,258,000元及港幣60,313,000元（二零一六年：港幣366,363,000元及港幣48,744,000元）。

(b) 物業、廠房及設備之減值評估

當有跡象顯示物業、廠房及設備之賬面值可能無法收回之事件或變動發生時，均對其進行減值檢討。物業、廠房及設備之可收回金額乃按其公允值減銷售成本與使用中價值兩者之間較高者，並計及最新市場資料及過往經驗釐定。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Impairment assessment for goodwill and other intangible assets

The Group tests whether goodwill and other intangible assets have suffered any impairment in accordance with accounting policies stated in note 2(ab) to the consolidated financial statements. The recoverable amounts of CGUs have been determined based on value-in-use calculations or their fair values less cost to sell, whichever are higher, and both bases require the Group to estimate the future cash flows expected to arise from 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. The Group expects that any reasonable change in the key assumptions on which the recoverable amounts are based would not cause the carrying amounts of goodwill and other intangible assets to exceed their recoverable amounts. Please refer to notes 16, 17 and 37 to the consolidated financial statements for details.

(d) Impairment assessment for available-for-sale investments

The Group follows the guidance of HKAS 39 to determine when an equity available-for-sale investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee and historical price volatility of these investments.

If all of the declines in fair value of available-for-sale investments below cost are considered significant or prolonged, an additional loss of HK\$645,000 (2016: HK\$6,984,000) would be incurred in the consolidated financial statements of the Group for the year ended 31 March 2017, being the transfer of the accumulated fair value adjustments recognised in equity on such available-for-sale investments to profit or loss.

(e) Fair values of available-for-sale investments and derivative financial instruments

The fair values of available-for-sale investments and derivative financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(f) Net realisable values of properties under development and properties for sale

The Group writes down properties under development and properties for sale to net realisable value based on assessment of the realisability of properties under development and properties for sale which takes into account cost to completion based on past experience and net sales value based on prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the net realisable value will decrease which may result in writing down properties under development and properties for sale to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value of properties under development and properties for sale is adjusted in the period in which such estimate is changed.

4 關鍵會計估計及判斷 (續)

(c) 商譽及其他無形資產之減值評估

根據綜合財務報表附註2(ab)所述之會計政策，本集團就商譽及其他無形資產是否出現任何減值進行測試。現金產生單位之可收回金額乃按使用中價值計算法或將其公允值扣除銷售成本（以較高者為準）釐定，兩者均須本集團估計該現金產生單位之預期未來現金流量，並以適當貼現率計算現值。倘實際未來現金流量少於預期，將可產生大額減值虧損。本集團預期可收回金額之主要假設之任何合理變動將不會導致商譽及其他無形資產之賬面值超過其可收回金額。詳情請參閱綜合財務報表附註16、17及37。

(d) 可供出售投資的減值評估

本集團遵循香港會計準則第39號釐定可供出售之投資有否出現減值。該釐定涉及作出重大判斷，在作出判斷時，本集團會評估（其中包括）一項投資之公允值低於其成本之持續期間及幅度；被投資公司之財務狀況是否健全及短期業務展望，以及該等投資之歷史價格是否波動。

倘所有可供出售之投資的公允值均被視為大幅或長期下降至低於成本，則本集團截至二零一七年三月三十一日止年度綜合財務報表會產生額外虧損港幣645,000元（二零一六年：港幣6,984,000元），即就該等可供出售之投資於權益內確認之累計公允值調整轉撥至損益。

(e) 可供出售投資及衍生財務工具之公允值

並無於活躍市場買賣之可供出售投資及衍生財務工具之公允值以估值方法釐定。本集團運用判斷選取多種方法，並主要根據各報告期末當時之市況作出假設。

(f) 發展中物業及待售物業之可變現淨值

經計及以往經驗所得之完成成本及根據現行市況所得之銷售淨值，本集團將發展中物業及待售物業撇減至根據評估發展中物業及待售物業之可變現能力估算之可變現淨值。倘完成成本增加或銷售淨值減少，可變現淨值亦將會減少並可能導致發展中物業及待售物業撇減至可變現淨值。倘發生有跡象顯示結餘可能不獲變現之事件或變動，則撇減須予記錄。辨別撇減須運用判斷及估計。倘預期異於原有之估計，則於該等估計變動之期間內對發展中物業及待售物業之賬面值作出調整。

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(g) Determination of insurance liabilities

The Group's insurance liabilities mainly comprise provision for outstanding claims. The Group determines these estimates on the basis of historical information, actuarial analysis, financing modeling and other analytical techniques. The estimated insurance liabilities are affected by assessed net loss ratio. As at 31 March 2017, assessed net loss ratio was 57% (2016: 65%). Differences resulting from reassessment of insurance liabilities are recognised in subsequent consolidated financial statements. The Group continually reviews the estimates and makes adjustments as necessary, but actual results could differ from what is envisioned when these estimates are made.

(h) Construction contract revenue recognition

According to the accounting policies of construction contracts as stated in note 2(n) to the consolidated financial statements, the Group uses the percentage of completion method to determine the appropriate revenue to be recognised in a given period. The stage of completion is measured by total amount of work done certified by customers over total estimated contract sum.

Upon applying the percentage of completion method, the Group needs to estimate the gross profit margin of each construction contract, which is determined based on the estimated total construction contract costs and estimated total construction contract sum, including variation orders and claims. If the actual gross profit margin of construction contract differs from the management's estimates, the construction contract profit to be recognised in the following years will need to be adjusted accordingly.

(i) Income taxes

As at 31 March 2017, deferred tax asset of HK\$61,727,000 (2016: HK\$39,194,000) in relation to unused tax losses had been recognised in the consolidated statement of financial position. The realisability of the deferred tax asset mainly depends on whether sufficient future taxable profits or taxable temporary differences will be available in the future. In cases where the actual taxable profits generated are more or less than expected, additional deferred tax assets or reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such an addition or a reversal takes place.

Also, the Group, including associates and joint ventures, is subject to income taxes in several jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. 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 period in which such determination is made.

(j) Consolidation of Qi Yang Chevalier Investment Company Limited ("Qi Yang") and its subsidiaries (collectively "Qi Yang Group") with less than 50% equity interest held by the Group

As detailed in note 36(b)(i) to the consolidated financial statements, in anticipation of the changes in board composition and management control of Qi Yang Group effective from 30 March 2017, the Group is able to control the respective board of directors of Qi Yang and is able to direct relevant financial reporting activities whilst the Group has less than 50% equity interest in Qi Yang Group.

4 關鍵會計估計及判斷 (續)

(g) 釐定保險負債

本集團之保險負債主要包括未決索償撥備。本集團按過往資料、精算分析、財務模型及其他分析方法釐定該等估計。估計保險負債受評估淨賠款比率影響。於二零一七年三月三十一日，評估淨賠款比率為57%（二零一六年：65%）。重新評估保險負債後所導致之差額將於其後之綜合財務報表確認。本集團持續檢討估計，並在有需要時作出調整，惟實際結果或會與作出估計時所推算者有異。

(h) 建築合約收入確認

根據綜合財務報表附註2(n)所述之有關建築合約之會計政策，本集團以完工百分比法於指定期間確認適當收入。完工程度乃參考以客戶確認之總施工量除以合約估計總額計量。

當應用完工百分比法時，本集團需要根據估計建築合約總成本與建築合約總額（包括變動訂單及索償），估計每筆建築合約之毛利率。倘建築合約之實際毛利率有異於管理層之估計，則須對於往後年度確認之建築合約溢利作出相應調整。

(i) 所得稅

於二零一七年三月三十一日，與未動用之稅務虧損有關的遞延稅項資產港幣61,727,000元（二零一六年：港幣39,194,000元）已於綜合財務狀況表中確認。遞延稅項資產能否變現，主要視乎日後是否有足夠未來應課稅溢利或應課稅暫時性差異而定。倘實際產生之應課稅溢利多於或少於預期，則或會出現遞延稅項資產之增加或撥回，並於該增加或撥回出現期間於損益內確認。

而且，本集團（包括聯營公司及合營企業）須繳納多個司法管轄區之所得稅。釐定全球所得稅撥備時，本集團須作出重大判斷。在日常業務過程中，有多宗交易及計算未能釐定最終稅項。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜之負債。倘該等事宜之最終稅務結果有異於最初入賬之金額，該等差異將影響稅務釐定期內之所得稅及遞延稅項撥備。

(j) 將本集團持有股權少於 50% Qi Yang Chevalier Investment Company Limited (「啓陽」) 及其附屬公司 (合稱「啓陽集團」) 之綜合入賬

誠如綜合財務報表附註36(b)(i)所詳述，預期自二零一七年三月三十日起啓陽集團之董事會組成及管理控制權會出現變更，儘管本集團所持有的啓陽集團股權少於50%，但本集團能夠控制啓陽的董事會，並能引導其相關財務報告活動。

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5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Directors, the chief operating decision-maker, that are used to make strategic decisions. The Directors consider the business from a product/service perspective. The Board reviewed the Group's internal reports to assess the Group's performance and to re-allocate resources. During the year ended 31 March 2017, the Group's segmentation was reclassified into Construction and Engineering, Property Investment, Property Development and Operations, Senior Housing, Car Dealership and Others. The previous Property segment was split into Property Investment segment, Property Development and Operations segment and Senior Housing segment, meanwhile the Insurance and Investment segment and Food and Beverage segment were merged into Others segment. Car Dealership segment was separated from Others segment as a new and standalone segment for the year.

Principal activities of the segments are as follows:

Construction and Engineering: Construction and engineering work for aluminium window and curtain walls, building construction, building supplies, electrical and mechanical and environmental engineering, lift and escalator and pipe technology.

Property Investment: Properties rental business.

Property Development and Operations: Property development and management, cold storage and logistics and hotel operations.

Senior Housing: Senior housing business.

Car Dealership: Retailing, trading and servicing of motor vehicles.

Others: Sale and servicing of information technology equipment and business machines, food trading, general insurance business (except aircraft, aircraft liabilities and credit insurance), investment in securities and restaurant and bar.

Segment revenue is measured in a manner consistent with that in the consolidated income statement, except that it also includes the Group's share of revenue of associates and joint ventures on a proportionate consolidated basis. The sales from associates and joint ventures to the Group and sales between individual associates and joint ventures are not eliminated.

The Directors assess the performance of the operating segments based on a measure of segment results. This measurement includes the Group's share of results of associates and joint ventures on a proportionate consolidated basis. Unallocated corporate expenses, finance income and costs, taxation and other major items that are isolated and non-recurring in nature are not included in segment results.

Segment assets mainly consist of current assets and non-current assets as disclosed in the consolidated statement of financial position except prepaid tax, unallocated bank balances and cash, deferred tax assets and other unallocated assets.

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the consolidated statement of financial position except current income tax liabilities, bank and other borrowings, deferred tax liabilities and other unallocated liabilities.

5 分類資料

管理層根據董事（主要營運決策者）已審閱以作出策略決定之報告釐定經營分類。董事以產品／服務角度考慮業務。董事會已審閱本集團之內部報告以評估本集團表現及重新分配資源。於截至二零一七年三月三十一日止年度內，本集團之業務分類重新歸納為建築及機械工程、物業投資、物業發展及營運、安老院舍、汽車代理及其他。過往之物業分類拆分為物業投資分類、物業發展及營運分類以及安老院舍分類，而保險及投資分類以及餐飲分類則合併至其他分類。汽車代理分類從其他分類中分離，成為年內一項獨立的新分類。

該等分類之主要業務如下：

建築及機械工程：承辦鋁窗及幕牆、樓宇建築、建材供應、機電及環保工程、升降機及電扶梯及管道技術。

物業投資：物業租賃業務。

物業發展及營運：物業發展及管理、冷藏倉庫及物流及經營酒店業務。

安老院舍：安老院舍業務。

汽車代理：汽車零售、貿易及服務。

其他：資訊科技設備及商用機器之銷售及服務、食品貿易、一般保險業務（不包括飛機、飛機責任及信用保險）、證券投資及餐廳及酒吧。

分類收入之計量方式與綜合收益表之計量方式一致，除此以外亦包括來自本集團所佔聯營公司及合營企業按比例綜合基準之收入。聯營公司及合營企業銷售予本集團以及個別聯營公司及合營企業間之銷售並未對銷。

董事根據各分類業績之計量評估經營分類之表現。此計量包括來自本集團所佔聯營公司及合營企業按比例綜合基準之業績。未分配企業支出、財務收入及費用、稅項與其他單獨及非經常性之主要項目並不包括於分類業績。

分類資產主要包括綜合財務狀況表內披露之流動資產及非流動資產，惟預付稅項、未分配銀行結存及現金、遞延稅項資產及其他未分配資產除外。

分類負債主要包括綜合財務狀況表內披露之流動負債及非流動負債，惟當期所得稅負債、銀行及其他借款、遞延稅項負債及其他未分配負債除外。

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5 SEGMENT INFORMATION (CONTINUED)

(a) Revenue and results

5 分類資料 (續)

(a) 收入及業績

		Construction and engineering 建築及機械工程 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元	Property development and operations 物業發展及營運 HK\$'000 港幣千元	Senior housing 安老院舍 HK\$'000 港幣千元	Car dealership 汽車代理 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
For the year ended 31 March 2017	截至二零一七年三月三十一日止年度							
REVENUE	收入							
Total revenue	總收入	2,942,565	144,276	558,867	524,303	328,821	338,614	4,837,446
Inter-segment revenue	分類之間收入	-	-	(39,290)	-	-	(38,780)	(78,070)
Group revenue	集團收入	2,942,565	144,276	519,577	524,303	328,821	299,834	4,759,376
Share of revenue of associates and joint ventures	所佔聯營公司及合營企業收入	1,836,231	-	69,553	-	988,015	255,392	3,149,191
Proportionate revenue from a joint venture eliminated	已對銷來自一間合營企業之按比例收入	(19,499)	-	-	-	-	-	(19,499)
Segment revenue	分類收入	4,759,297	144,276	589,130	524,303	1,316,836	555,226	7,889,068
RESULTS	業績							
Segment profit/(loss)	分類溢利/(虧損)	343,880	321,693	87,931	28,913	(1,907)	57,776	838,286
Included in segment profit/(loss) are:	分類溢利/(虧損)包括:							
Share of results of associates	所佔聯營公司業績	96,746	-	264	-	(11,335)	2,247	87,922
Share of results of joint ventures	所佔合營企業業績	195	-	(4,867)	-	-	-	(4,672)
Increase in fair value of investment properties	投資物業之公允值增加	-	226,033	-	-	-	-	226,033
Depreciation and amortisation, net of capitalisation	折舊及攤銷，扣除資本化	(7,813)	(4,273)	(29,506)	(35,931)	(1,847)	(2,674)	(82,044)
Impairment loss on available-for-sale investments	可供出售之投資的減值虧損	-	-	-	-	-	(5,676)	(5,676)
Unrealised gain on derivative financial instruments	衍生財務工具之未變現收益	-	-	-	-	-	691	691
Unrealised gain on investments at fair value through profit or loss	按公允值列入損益處理之投資的未變現收益	-	-	-	-	-	7,206	7,206
Write (down)/back of inventories to net realisable value, net	(撇減)/撥回存貨至可變現淨值，淨額	(23)	-	-	-	(1,006)	264	(765)
Impairment (loss)/gain on trade and other debtors	貿易及其他應收賬款之減值(虧損)/收益	(5,283)	-	-	(15,165)	-	74	(20,374)
Gain on deemed acquisition of Qi Yang Group	視為收購啟陽集團之收益	-	-	-	-	7,060	-	7,060

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5 SEGMENT INFORMATION (CONTINUED)

(a) Revenue and results (continued)

5 分類資料 (續)

(a) 收入及業績 (續)

		Construction and engineering 建築及機械工程 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元	Property development and operations 物業發展及營運 HK\$'000 港幣千元	Senior housing 安老院舍 HK\$'000 港幣千元	Car dealership 汽車代理 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
For the year ended 31 March 2016	截至二零一六年三月三十一日止年度							
REVENUE	收入							
Total revenue	總收入	2,709,256	167,905	1,048,707	528,152	320,631	857,814	5,632,465
Inter-segment revenue	分類之間收入	-	-	(45,495)	-	-	(49,207)	(94,702)
Group revenue	集團收入	2,709,256	167,905	1,003,212	528,152	320,631	808,607	5,537,763
Share of revenue of associates and joint ventures	所佔聯營公司及合營企業收入	1,958,585	-	41,991	-	1,133,865	667,104	3,801,545
Proportionate revenue from a joint venture eliminated	已對銷來自一間合營企業之按比例收入	(10,050)	-	-	-	-	-	(10,050)
Segment revenue	分類收入	4,657,791	167,905	1,045,203	528,152	1,454,496	1,475,711	9,329,258
RESULTS	業績							
Segment profit/(loss)	分類溢利/(虧損)	290,273	162,971	203,344	36,322	(5,544)	(123,921)	563,445
Included in segment profit/(loss) are:	分類溢利/(虧損)包括:							
Share of results of associates	所佔聯營公司業績	115,191	-	143	-	(8,925)	10,523	116,932
Share of results of joint ventures	所佔合營企業業績	59	-	(25,466)	-	-	-	(25,407)
Increase in fair value of investment properties	投資物業之公允價值增加	-	31,997	-	-	-	-	31,997
Depreciation and amortisation, net of capitalisation	折舊及攤銷，扣除資本化	(7,663)	(4,422)	(29,194)	(38,561)	(1,935)	(25,039)	(106,814)
Impairment loss on amount due from an associate	應收一間聯營公司賬款之減值虧損	-	-	-	-	-	(118,832)	(118,832)
Impairment loss on goodwill	商譽之減值虧損	-	-	-	(4,656)	-	-	(4,656)
Impairment loss on available-for-sale investments	可供出售之投資的減值虧損	-	-	-	-	-	(17,160)	(17,160)
Unrealised gain on derivative financial instruments	衍生財務工具之未變現收益	79	-	-	-	-	3,690	3,769
Unrealised loss on investments at fair value through profit or loss	按公允價值列入損益處理之投資的未變現虧損	-	-	-	-	-	(26,550)	(26,550)
Write (down)/back of inventories to net realisable value, net	(撇減)/撥回存貨至可變現淨值，淨額	(175)	-	-	-	(729)	2,743	1,839
Impairment loss on trade and other debtors	貿易及其他應收賬款之減值虧損	(2,473)	-	-	(6,130)	-	(41)	(8,644)

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5 SEGMENT INFORMATION (CONTINUED)

(a) Revenue and results (continued)

Inter-segment revenue is charged at prices determined by management with reference to market prices.

Total segment revenue are reconciled to the Group's revenue in the consolidated income statement as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Total segment revenue	總分類收入	7,889,068	9,329,258
Add: Proportionate revenue from a joint venture eliminated	加：已對銷來自一間合營企業之按比例收入	19,499	10,050
Less: Share of revenue of associates and joint ventures	減：所佔聯營公司及合營企業收入		
Construction and installation contracts	建築及安裝合約	1,384,204	1,538,034
Sales of motor vehicles and others	汽車及其他之銷售	988,015	1,133,865
Maintenance and other services	保養及其他服務	479,917	442,098
Food and beverage	餐飲	204,687	139,011
Hotel operations	酒店營運	34,838	37,391
Sales and leasing of properties	物業銷售及租賃	34,439	4,447
Fresh produce supply	新鮮農作物供應	23,091	506,699
		3,149,191	3,801,545
Total revenue in the consolidated income statement (note 6)	於綜合收益表之總收入(附註6)	4,759,376	5,537,763

Reconciliation of segment profit to profit before taxation is provided as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Segment profit	分類溢利	838,286	563,445
Unallocated corporate expenses	未分配企業支出	(20,924)	(18,823)
Finance income	財務收入	19,333	23,646
Finance costs	財務費用	(93,538)	(105,156)
Profit before taxation	除稅前溢利	743,157	463,112

5 分類資料 (續)

(a) 收入及業績 (續)

各分類之間收入之交易價格由管理層依據市場價格釐定。

總分類收入與本集團於綜合收益表內之收入對賬如下：

分類溢利與除稅前溢利之對賬如下：

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5 SEGMENT INFORMATION (CONTINUED)

5 分類資料 (續)

(b) Assets and liabilities

(b) 資產及負債

		Construction and engineering 建築及 機械工程 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元	Property development and operations 物業發展及 營運 HK\$'000 港幣千元	Senior housing 安老院舍 HK\$'000 港幣千元	Car dealership 汽車代理 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 31 March 2017	於二零一七年三月三十一日							
ASSETS	資產							
Segment assets	分類資產	<u>1,667,310</u>	<u>4,333,824</u>	<u>4,651,523</u>	<u>1,500,024</u>	<u>797,414</u>	<u>1,537,983</u>	<u>14,488,078</u>
Included in segment assets are:	分類資產包括：							
Interests in associates	聯營公司之權益	463,261	-	1,588	-	-	53,856	518,705
Interests in joint ventures	合營企業之權益	11,950	-	500,060	-	79,613	-	591,623
Amounts due from associates	應收聯營公司賬款	14,985	-	-	-	-	-	14,985
Amounts due from joint ventures	應收合營企業賬款	44	-	7,784	-	-	-	7,828
Additions to non-current assets (note)	添置非流動資產 (附註)	10,030	10,689	37,858	26,727	360,211	8,584	454,099
LIABILITIES	負債							
Segment liabilities	分類負債	<u>1,584,312</u>	<u>47,201</u>	<u>662,486</u>	<u>64,824</u>	<u>448,974</u>	<u>490,484</u>	<u>3,298,281</u>
Included in segment liabilities are:	分類負債包括：							
Amounts due to joint ventures	應付合營企業賬款	-	-	1,175	-	406	-	1,581
At 31 March 2016	於二零一六年三月三十一日							
ASSETS	資產							
Segment assets	分類資產	<u>1,852,348</u>	<u>5,186,060</u>	<u>3,283,510</u>	<u>1,314,825</u>	<u>386,552</u>	<u>1,623,178</u>	<u>13,646,473</u>
Included in segment assets are:	分類資產包括：							
Interests in associates	聯營公司之權益	469,955	-	2,294	-	340,213	108,608	921,070
Interests in joint ventures	合營企業之權益	11,755	-	508,950	-	-	-	520,705
Amounts due from associates	應收聯營公司賬款	18,072	-	-	-	2	-	18,074
Amount due from a joint venture	應收一間合營企業賬款	59	-	-	-	-	-	59
Additions to non-current assets (note)	添置非流動資產 (附註)	15,442	8,203	913,397	14,488	2,366	31,145	985,041
LIABILITIES	負債							
Segment liabilities	分類負債	<u>1,611,548</u>	<u>86,195</u>	<u>444,437</u>	<u>53,916</u>	<u>9,356</u>	<u>601,611</u>	<u>2,807,063</u>
Included in segment liabilities are:	分類負債包括：							
Amount due to an associate	應付一間聯營公司賬款	-	-	240	-	-	-	240
Amount due to a joint venture	應付一間合營企業賬款	-	-	53,230	-	-	-	53,230

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5 SEGMENT INFORMATION (CONTINUED)

(b) Assets and liabilities (continued)

Note:

In this analysis, the non-current assets exclude financial instruments (including interests in associates and joint ventures) and deferred tax assets.

Reconciliation of segment assets and liabilities to total assets and liabilities is provided as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Segment assets	分類資產	14,488,078	13,646,473
Prepaid tax	預付稅項	11,782	6,834
Unallocated bank balances and cash	未分配銀行結存及現金	521,217	838,810
Deferred tax assets	遞延稅項資產	26,815	18,547
Other unallocated assets	其他未分配資產	15,730	9,029
Total assets	總資產	15,063,622	14,519,693

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Segment liabilities	分類負債	3,298,281	2,807,063
Current income tax liabilities	當期所得稅負債	74,798	62,964
Bank and other borrowings	銀行及其他借款	2,790,439	3,112,536
Deferred tax liabilities	遞延稅項負債	372,492	279,222
Other unallocated liabilities	其他未分配負債	24,293	19,653
Total liabilities	總負債	6,560,303	6,281,438

(c) Geographical information

The Group's operations in construction and engineering businesses are mainly carried out in Hong Kong, Mainland China, Macau and Australia. Property investment businesses are mainly carried out in Hong Kong, Mainland China, Canada and Singapore. Property development and operations businesses are mainly carried out in Hong Kong, Mainland China and Canada. Senior housing businesses are carried out in Hong Kong and the United States of America ("US"). Car dealership businesses are carried out in Mainland China and Canada. Other businesses are mainly carried out in Hong Kong, US and Thailand.

The associates' and joint ventures' operations in construction and engineering business are mainly carried out in Hong Kong, Mainland China, Singapore and Macau. Property development and operations businesses are mainly carried out in Hong Kong and Mainland China. Car dealership businesses are carried out in Mainland China. Other businesses are carried out in Hong Kong, Macau and Australia.

5 分類資料 (續)

(b) 資產及負債 (續)

附註：

在本分析中，非流動資產不包括財務工具（包括所佔聯營公司及合營企業之權益）及遞延稅項資產。

分類資產及負債與總資產及負債之對賬如下：

(c) 地區資料

本集團建築及機械工程業務主要在香港、中國內地、澳門及澳洲運作。物業投資業務主要在香港、中國內地、加拿大及新加坡運作。物業發展及營運業務主要在香港、中國內地及加拿大運作。安老院舍業務主要在香港及美利堅合眾國（「美國」）運作。汽車代理業務主要在中國內地及加拿大運作。其他業務則主要在香港、美國及泰國運作。

聯營公司及合營企業之建築及機械工程業務主要在香港、中國內地、新加坡及澳門運作。物業發展及營運業務主要在香港及中國內地運作。汽車代理業務在中國內地運作。其他業務則在香港、澳門及澳洲運作。

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5 SEGMENT INFORMATION (CONTINUED)

(c) Geographical information (continued)

5 分類資料 (續)

(c) 地區資料 (續)

		Segment revenue by geographical areas 按地區劃分之分類收入							
		Company and subsidiaries 本公司及附屬公司 HK\$'000 港幣千元	Associates and joint ventures 聯營公司及合營企業 HK\$'000 港幣千元	2017 Total 二零一七年總額 HK\$'000 港幣千元	%	Company and subsidiaries 本公司及附屬公司 HK\$'000 港幣千元	Associates and joint ventures 聯營公司及合營企業 HK\$'000 港幣千元	2016 Total 二零一六年總額 HK\$'000 港幣千元	%
Hong Kong	香港	3,287,455	619,769 ¹	3,907,224	49	2,947,593	551,792 ¹	3,499,385	38
Mainland China	中國內地	88,896	2,112,207	2,201,103	28	663,680	2,415,707	3,079,387	33
US	美國	632,261	-	632,261	8	633,077	-	633,077	7
Canada	加拿大	371,753	-	371,753	5	359,731	-	359,731	4
Singapore	新加坡	12,101	315,534	327,635	4	12,594	267,403	279,997	3
Macau	澳門	226,809	31,269	258,078	3	680,185	49,407	729,592	8
Australia	澳洲	85,742	50,508	136,250	2	195,751	506,699	702,450	7
Thailand	泰國	40,112	-	40,112	1	34,553	-	34,553	-
Others	其他	14,247	405	14,652	-	10,599	487	11,086	-
		4,759,376	3,129,692	7,889,068	100	5,537,763	3,791,495	9,329,258	100

¹ The proportionate revenue from a joint venture is eliminated.

¹ 來自一間合營企業之按比例收入已被對銷。

The Group maintains a healthy and balanced portfolio of customers. For the year ended 31 March 2017, HK\$800,422,000 (2016: HK\$665,729,000) was derived from a single external customer in construction and engineering segment and accounted for more than 10% of the total revenue of the Group.

本集團保持健康及平衡之客戶組合。截至二零一七年三月三十一日止年度，港幣800,422,000元的收入來自建築及機械工程分類的單一外部客戶，佔本集團之總收入的10%或以上（二零一六年：港幣665,729,000元）。

The following is an analysis of the carrying amounts of non-current assets other than financial instruments (including interests in associates and joint ventures) and deferred tax assets analysed by geographical areas:

以下為除財務工具（包括所佔聯營公司及合營企業之權益）及遞延稅項資產以外按地區劃分之非流動資產賬面值分析：

		Non-current assets 非流動資產	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Hong Kong	香港	3,644,385	3,533,080
Mainland China	中國內地	1,855,008	1,940,771
US	美國	1,248,677	1,252,701
Singapore	新加坡	434,809	472,632
Canada	加拿大	204,122	169,062
Thailand	泰國	7,960	9,512
Macau	澳門	1,230	2,238
Others	其他	1,916	7,994
		7,398,107	7,387,990

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6 REVENUE

6 收入

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Revenue represents amounts received and receivable from:	收入指來自以下各項之已收及應收款項：		
Construction and installation contracts	建築及安裝合約	2,779,578	2,517,064
Sale of information technology equipment, motor vehicles and others	資訊科技設備、汽車及其他之銷售	696,837	709,889
Senior housing operations	安老院舍營運	524,303	528,152
Sales and leasing of properties	物業銷售及租賃	298,404	812,704
Warehouse and logistics services	倉庫及物流服務	227,819	199,251
Maintenance and property management services	保養及物業管理服務	122,825	174,334
Hotel operations	酒店營運	43,472	40,794
Insurance premium	保險費	32,869	51,904
Interest income from investments	來自投資之利息收入	18,940	15,933
Dividend income from investments	來自投資之股息收入	10,538	22,687
Leasing of vehicles and equipment	汽車及設備租賃	3,791	6,103
Food and beverage	餐飲	-	458,948
Total revenue (note 5)	總收入(附註5)	4,759,376	5,537,763

7 OTHER INCOME, NET

7 其他收入，淨額

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Gain/(loss) on investments at fair value through profit or loss	按公允值列入損益處理之投資的收益/(虧損)	14,294	(23,258)
Gain/(loss) on derivative financial instruments	衍生財務工具之收益/(虧損)	1,385	(1,569)
Other investment income	其他投資收入	22,185	11,359
Commission income	佣金收入	6,927	8,404
Marketing and promotion income	市場營銷及推廣收入	-	4,830
Sales and marketing services income from an associate (note 43)	來自一間聯營公司之銷售及市場推廣服務收入(附註43)	27,930	26,037
Management fee income from associates and joint ventures (note 43)	來自聯營公司及合營企業之管理費收入(附註43)	24,091	24,478
Others	其他	9,407	13,129
		106,219	63,410

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8 OTHER GAINS/(LOSSES), NET

8 其他收益／（虧損），淨額

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Increase in fair value of investment properties (note 14)	投資物業之公允值增加（附註14）	226,033	31,997
Gain on disposal of an investment property	出售一項投資物業之收益	276	52
Gain/(loss) on disposals of property, plant and equipment	出售物業、廠房及設備之收益／（虧損）	498	(188)
(Loss)/gain on disposals of	出售以下各項之（虧損）／收益		
– Wonder (note 36(b)(iii))	– Wonder（附註36(b)(iii)）	(3,972)	–
– other subsidiaries	– 其他附屬公司	265	(97)
Loss on disposals of associates	出售聯營公司之虧損	(3)	(147)
Gain on disposal of available-for-sale investments	出售可供出售之投資的收益	–	12
Impairment loss on amount due from an associate	應收一間聯營公司賬款之減值虧損	–	(118,832)
Impairment loss on goodwill (note 16)	商譽之減值虧損（附註16）	–	(4,656)
Impairment loss on available-for-sale investments	可供出售之投資之減值虧損	(5,676)	(17,160)
Impairment loss on trade and other debtors	貿易及其他應收賬款之減值虧損	(20,374)	(8,644)
Gain on deemed acquisition of Qi Yang Group (note 36(b)(i))	視為收購啓陽集團之收益（附註36(b)(i)）	7,060	–
Exchange loss	匯兌虧損	(1,444)	(13,179)
		202,663	(130,842)

9 FINANCE COSTS, NET

9 財務費用，淨額

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Interest expenses on bank overdrafts and bank and other borrowings	銀行透支及銀行及其他借款的利息支出	105,627	114,252
Less: Amounts capitalised to properties under development (note)	減：撥作發展中物業之金額（附註）	(12,089)	(9,096)
		93,538	105,156
Less: Interest income from bank deposits	減：銀行存款的利息收入	(19,333)	(23,646)
		74,205	81,510

Note:

The capitalisation rate applied to funds borrowed and used for the development of properties was 4.8% per annum (2016: between 4.6% and 5.9%).

附註：

應用於從借款得來並用作物業發展之資金的資本化年率為4.8%（二零一六年：介乎4.6%至5.9%）。

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10 PROFIT BEFORE TAXATION

10 除稅前溢利

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit before taxation has been arrived at after charging the following:	除稅前溢利已扣除下列項目：		
Depreciation of property, plant and equipment (note 15)	物業、廠房及設備之折舊 (附註15)	84,150	106,361
Less: Amount capitalised to contract work	減：撥作合約工程之金額	(2,591)	(2,166)
		81,559	104,195
Staff costs (note a)	員工開支 (附註a)	935,441	1,079,220
Less: Amount capitalised to contract work	減：撥作合約工程之金額	(213,787)	(201,715)
		721,654	877,505
Operating lease payments in respect of leasing of – premises (note b)	租賃以下項目之營運租賃費用 – 樓宇 (附註b)	45,159	110,846
– equipment	– 設備	2,551	3,789
		47,710	114,635
Auditors' remuneration – audit services	核數師酬金 – 核數服務	11,023	11,239
– non-audit services	– 非核數服務	1,988	2,144
– under-provision in prior years	– 過往年度撥備不足	110	154
		13,121	13,537
Amortisation of other intangible assets (note 17)	其他無形資產攤銷 (附註17)	485	2,619
Write down of inventories to net realisable value	撇減存貨至可變現淨值	765	–
and crediting the followings:	並計入下列項目：		
Write back of inventories to net realisable value	回撥存貨至可變現淨值	–	1,839
Gross rental income of HK\$145,672,000 (2016: HK\$147,291,000) from properties less direct operating expenses (note c)	物業租金總收入港幣145,672,000元 (二零一六年：港幣147,291,000元) 減直接經營支出 (附註c)	123,471	132,501

Notes:

(a) Details of Directors' emoluments included in staff costs are disclosed in note 38 to the consolidated financial statements.

Included in staff costs are amounts of HK\$1,685,000 (2016: HK\$1,582,000) in respect of termination benefits made to staff and HK\$29,432,000 (2016: HK\$36,018,000) in respect of contributions to defined contribution retirement benefit schemes, net of forfeited contributions.

(b) No contingent rental is included in operating lease payments in respect of leasing of premises (2016: HK\$5,439,000).

(c) Included in rental income is an amount of HK\$5,991,000 (2016: HK\$4,971,000) less outgoings of HK\$735,000 (2016: HK\$831,000) from joint operation. Included in rental income is a gross amount of HK\$136,140,000 (2016: HK\$139,136,000) derived from investment properties less direct operating expenses of HK\$20,842,000 (2016: HK\$10,492,000).

附註：

(a) 董事酬金已包括在員工開支內，其詳情在綜合財務報表附註38中披露。

員工開支包括向員工作出之僱用終止福利港幣1,685,000元 (二零一六年：港幣1,582,000元) 及已扣除已沒收供款之界定供款退休福利計劃供款港幣29,432,000元 (二零一六年：港幣36,018,000元)。

(b) 租賃樓宇之營運租賃費用不包括或然租金 (二零一六年：港幣5,439,000元)。

(c) 租金收入包括從合營經營收取之租金港幣5,991,000元 (二零一六年：港幣4,971,000元) 減支出港幣735,000元 (二零一六年：港幣831,000元)。租金收入包括來自投資物業之總租金收入港幣136,140,000元 (二零一六年：港幣139,136,000元) 減直接經營支出港幣20,842,000元 (二零一六年：港幣10,492,000元)。

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11 TAXATION

11 稅項

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Current tax	本年度稅項		
Hong Kong	香港	52,156	55,394
Mainland China and overseas	中國內地及海外	22,960	28,188
Under/(over)-provision in prior years	過往年度撥備不足／(超額撥備)	13,759	(770)
		88,875	82,812
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (note 35)	暫時性差異之產生及回撥 (附註35)	43,150	20,154
		132,025	102,966

Hong Kong profits tax is calculated at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits. Taxation on Mainland China and 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.

香港利得稅乃就估計應課稅溢利按稅率16.5% (二零一六年：16.5%) 計算。中國內地及海外溢利課稅乃按年內估計應課稅溢利依本集團經營業務所在國家之現行稅率計算。

Details of deferred taxation are disclosed in note 35 to the consolidated financial statements.

遞延稅項之詳情於綜合財務報表附註35內披露。

Taxation for the year can be reconciled to the profit before taxation per consolidated income statement as follows:

綜合收益表內除稅前溢利與本年度稅項之對銷如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit before taxation	除稅前溢利	743,157	463,112
Adjusted for:	調整：		
Share of results of associates	所佔聯營公司業績	(87,922)	(116,932)
Share of results of joint ventures	所佔合營企業業績	4,672	25,407
		659,907	371,587
Tax at the domestic income tax rate of 16.5% (2016: 16.5%)	按本地所得稅稅率16.5% (二零一六年：16.5%) 計算之稅項	108,885	61,312
Effect of different tax rates on subsidiaries operating in other jurisdictions	在其他司法管轄區經營之附屬公司因使用不同稅率之影響	13,153	14,064
Tax effect of non-deductible expenses	不可抵扣支出之稅項影響	10,077	45,344
Tax effect of non-taxable income	毋須課稅收入之稅項影響	(20,303)	(31,845)
Tax effect of tax losses not recognised	未予確認稅務虧損之稅項影響	13,266	47,082
Tax effect of deductible temporary difference not recognised	未予確認可扣減暫時性差異之稅項影響	(4,531)	2,368
Tax effect of utilisation of tax losses and deductible temporary difference not previously recognised	動用過往未予確認之稅務虧損及可扣減暫時性差異之稅項影響	(4,183)	(28,077)
Under/(over)-provision in prior years	過往年度撥備不足／(超額撥備)	13,759	(770)
Others	其他	1,902	(6,512)
Taxation for the year	年度稅項	132,025	102,966

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12 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year ended 31 March 2017.

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit attributable to shareholders of the Company	本公司股東應佔溢利	540,263	315,056
		2017 二零一七年	2016 二零一六年
Weighted average number of ordinary shares in issue ('000 shares)	已發行普通股之加權平均數 (千股)	301,928	300,801
Basic earnings per share (HK\$)	每股基本盈利 (港幣)	1.79	1.05

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. As at 31 March 2017 and 2016, the Group had potential ordinary shares in an associate, which were issuable upon exercise of share option being granted. There was no potential dilutive effect from such share option held during the year. As at 31 March 2017 and 2016, associates of the Group had potential ordinary shares which were issuable upon exercise of share options granted. There was no potential dilutive effect from such share options during both years.

12 每股盈利

(a) 基本

每股基本盈利乃根據本公司股東應佔溢利除以截至二零一七年三月三十一日止年度已發行普通股之加權平均數計算。

(b) 攤薄

每股攤薄盈利乃透過調整已發行普通股之加權平均數以假設所有潛在攤薄普通股已兌換而計算得出。於二零一七及二零一六年三月三十一日，本集團一間聯營公司有潛在普通股，該股份為授出之購股權行使時可予發行之股份。本年度所持上述購股權並無產生潛在攤薄影響。於二零一七年及二零一六年三月三十一日，本集團聯營公司有潛在普通股，該股份為授出之購股權行使時可予發行之股份。此兩年期間上述購股權均無產生潛在攤薄影響。

13 DIVIDENDS

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Interim dividend of HK\$0.20 (2016: HK\$0.20) per share paid	已派中期股息每股港幣0.20元 (二零一六年：港幣0.20元)	60,386	60,386
Final dividend of HK\$0.40 (2016: HK\$0.50) per share proposed	擬派末期股息每股港幣0.40元 (二零一六年：港幣0.50元)	120,771	150,964
		181,157	211,350

In respect of the dividends paid during the year ended 31 March 2016, HK\$26,390,000 were paid in form of shares under the Company's scrip dividend schemes in respect of the special and final dividends for the year ended 31 March 2015.

Final dividend of HK\$0.40 per share totaling HK\$120,771,000 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting. The amount will be reflected as an appropriation of retained profits for the year ending 31 March 2018.

13 股息

就截至二零一六年三月三十一日止年度內已派付之股息而言，其中截至二零一五年三月三十一日止年度之特別及末期股息港幣26,390,000元已根據本公司以股代息計劃以股份支付。

董事擬派末期股息每股0.40港幣，合共港幣120,771,000元，其須待即將召開之股東週年大會上獲股東批准後，方可作實。金額將於截至二零一八年三月三十一日止年度列作保留溢利之分派。

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14 INVESTMENT PROPERTIES

14 投資物業

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At beginning of the year	年初	3,663,625	3,680,497
Exchange realignment	匯兌調整	(61,006)	(21,831)
Addition	添置	9,628	-
Disposal of an investment property	出售一項投資物業	(5,697)	(6,000)
Transfer to properties for sale	轉至待售物業	-	(21,038)
Increase in fair value (note 8)	公允值增加 (附註8)	226,033	31,997
		3,832,583	3,663,625
At end of the year	年末	3,832,583	3,663,625

The Group's investment properties at their carrying values are analysed as follows:

本集團之投資物業按賬面值之分析如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Hong Kong	香港		
On medium-term leases (10 to 50 years)	中期租約 (十至五十年)	2,412,135	2,388,866
Mainland China and overseas	中國內地及海外		
Freehold	永久業權	496,225	502,844
On long-term leases (over 50 years)	長期租約 (五十年以上)	876,786	728,481
On medium-term leases (10 to 50 years)	中期租約 (十至五十年)	47,437	43,434
		3,832,583	3,663,625

Notes:

附註：

- (a) The fair value of the Group's investment properties in Hong Kong, Mainland China and overseas as at 31 March 2017 had been arrived at on the basis of valuation carried out on that date by Crowe Horwath (HK) Consulting & Valuation Limited, which is an independent firm of qualified valuers having appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation, which conforms to the HKIS Valuation Standards on Properties published by HKIS, was arrived at with reference to market evidence of transaction prices of similar properties or calculated on the net income allowing for reversionary potential. For all investment properties, their current use equates to the highest and best use.
- (a) 本集團位於香港、中國內地及海外之投資物業於二零一七年三月三十一日之公允值乃根據由國富浩華(香港)會計師事務所有限公司(此為獨立合資格評估師行，並於有關地區擁有進行物業估值之合適資格及經驗)按該天進行之估值為基準而得出。該估值乃遵守香港測量師學會所頒佈之香港測量師學會物業估值準則並已參照市場上類似物業之交易價得出，或根據潛在收入淨額改變計算。就所有投資物業而言，其目前用途等於其最高和最佳用途。
- (b) Investment properties in Hong Kong with a total carrying value of HK\$48,000,000 (2016: HK\$45,000,000) represented the Group's share of interests in joint operation.
- (b) 位於香港之投資物業之賬面總值港幣48,000,000元(二零一六年：港幣45,000,000元)為本集團所佔合營經營之權益。
- (c) Charges were created on the investment properties with a total carrying value of HK\$1,282,306,000 (2016: HK\$2,196,284,000) for the purpose of securing banking facilities granted to the Group.
- (c) 賬面總值港幣1,282,306,000元(二零一六年：港幣2,196,284,000元)之投資物業已作抵押，作為授予本集團銀行信貸之擔保。

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14 INVESTMENT PROPERTIES (CONTINUED)

Notes: (continued)

(d) Valuation of investment properties

The following table presents the changes in level 3 fair value hierarchy of investment properties for the years ended 31 March 2017 and 2016:

		Commercial properties			Residential properties		Industrial properties		Total
		商業物業			住宅物業		工業物業		
		Mainland			Mainland				
		Hong Kong	China	Overseas	Hong Kong	China	Hong Kong	Overseas	
香港	中國內地	海外	香港	中國內地	香港	海外			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
At 1 April 2016	於二零一六年四月一日	1,111,656	24,839	23,905	28,580	703,131	1,248,630	522,884	3,663,625
Exchange realignment	匯兌調整	-	(220)	(1,033)	-	(43,763)	-	(15,990)	(61,006)
Addition	添置	-	-	8,377	-	-	-	1,251	9,628
Disposal of an investment property	出售一項投資物業	-	-	(5,697)	-	-	-	-	(5,697)
Increase/(decrease) in fair value (note 8)	公允值增加/(減少)(附註8)	9,093	693	6,512	3,120	202,847	11,056	(7,288)	226,033
At 31 March 2017	於二零一七年三月三十一日	1,120,749	25,312	32,064	31,700	862,215	1,259,686	500,857	3,832,583

		Commercial properties			Residential properties		Industrial properties		Total
		商業物業			住宅物業		工業物業		
		Mainland			Mainland				
		Hong Kong	China	Overseas	Hong Kong	China	Hong Kong	Overseas	
香港	中國內地	海外	香港	中國內地	香港	海外			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
At 1 April 2015	於二零一五年四月一日	1,068,326	46,913	22,899	34,840	712,284	1,266,955	528,280	3,680,497
Exchange realignment	匯兌調整	-	(1,036)	(540)	-	(28,814)	-	8,559	(21,831)
Disposal of an investment property	出售一項投資物業	-	-	-	(6,000)	-	-	-	(6,000)
Transfer to properties for sale	轉至待售物業	-	(21,038)	-	-	-	-	-	(21,038)
Increase/(decrease) in fair value (note 8)	公允值增加/(減少)(附註8)	43,330	-	1,546	(260)	19,661	(18,325)	(13,955)	31,997
At 31 March 2016	於二零一六年三月三十一日	1,111,656	24,839	23,905	28,580	703,131	1,248,630	522,884	3,663,625

The Group includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes and reports directly to the senior management. Discussions of valuation processes and results are held between the senior management and valuers at least once every six months, in line with the Group's interim and annual reporting dates.

At the end of each reporting period, the Group:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation reports; and
- holds discussions with the independent valuers.

附註：(續)

(d) 投資物業之估值

下表載列第三級公允值架構的投資物業截至二零一七年及二零一六年三月三十一日止年度之變動：

本集團包含審閱由獨立評估師就財務報告目的所作估值之團隊，且該團隊直接向高級管理人員報告。高級管理人員至少每六個月(與本集團中期及年度報告日期一致)與評估師進行一次估值過程及結果討論。

於各報告期末，本集團：

- 核實對獨立估值報告的所有重大輸入數據
- 評估物業估值與上年度估值報告比較下的變動；及
- 與獨立評估師進行討論。

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14 INVESTMENT PROPERTIES (CONTINUED)

Notes: (continued)

(d) Valuation of investment properties (continued)

Fair values of commercial, residential and industrial properties in Hong Kong, Mainland China and overseas are generally derived using the direct comparison method and wherever appropriate, by the income capitalisation method. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration. Income capitalisation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

There were no changes to the valuation techniques during the year.

Significant unobservable inputs used to determine fair values

Prevailing market rents are estimated based on recent lettings for investment properties, within the subject properties and other comparable properties. The lower the rents, the lower the fair values.

Prevailing market rents used in the income capitalisation method:

		2017 二零一七年	2016 二零一六年
Residential properties	住宅物業		
- Mainland China (per square meter ("sq. m.") per month)	- 中國內地 (每月每平方米「平方米」)	HK\$133 to HK\$863 港幣133元至港幣863元	HK\$88 to HK\$860 港幣88元至港幣860元
Commercial properties	商業物業		
- Overseas (per square feet ("sq. ft.") per month)	- 海外 (每月每平方呎「平方呎」)	HK\$26 港幣26元	N/A 不適用
- Hong Kong (per sq. ft. per month)	- 香港 (每月每平方呎)	N/A 不適用	HK\$23 港幣23元
- Mainland China (per sq. m. per month)	- 中國內地 (每月每平方米)	N/A 不適用	HK\$118 港幣118元
Industrial properties	工業物業		
- Hong Kong (per sq. ft. per month)	- 香港 (每月每平方呎)	N/A 不適用	HK\$9 to HK\$12 港幣9元至港幣12元

Capitalisation rates are estimated by valuers based on the risk profile of the investment properties being valued. The higher the rates, the lower the fair values.

Capitalisation rates used in the income capitalisation method:

		2017 二零一七年	2016 二零一六年
Residential properties	住宅物業		
- Mainland China	- 中國內地	2.8% to 6.5% 2.8%至6.5%	2.0% to 6.0% 2.0%至6.0%
Commercial properties	商業物業		
- Overseas	- 海外	6%	N/A 不適用
- Hong Kong	- 香港	N/A 不適用	3.5%
- Mainland China	- 中國內地	N/A 不適用	5.5%
Industrial properties	工業物業		
- Hong Kong	- 香港	N/A 不適用	4.5% to 5.8% 4.5%至5.8%

Comparing price per sq. ft. or per sq. m. with other recently transacted comparable properties formed the inputs under direct comparison method, which is in average of approximately amounted to HK\$7,800 per sq. ft., HK\$21,500 per sq. m., HK\$5,300 per sq. ft. for commercial properties in Hong Kong, Mainland China and industrial properties in Hong Kong respectively for the year ended 31 March 2017 (2016: N/A).

14 投資物業 (續)

附註：(續)

(d) 投資物業之估值 (續)

香港、中國內地及海外商業、住宅及工業物業之公允值一般採用直接比較法，及於適時採用收益資本化法計算得出。直接比較法乃基於將要估值之物業與最近曾交易之其他可供比較物業作直接比較。然而，鑑於房地產物業之多樣化性質，通常須就任何可能影響在審議中的物業所達之價格的質素差異作出適當調整。收益資本化法乃基於通過採用適當之資本化率，將收入淨額及收入復歸潛力予以資本化，而資本化率乃通過對銷售交易之分析和評估師對當時投資者之要求或期望的理解而得出。在估值中採用之現行市場租金乃根據對該物業及其他可供比較物業之近期出租情況而釐定。

估值方法於本年度並無變動。

釐定公允值所用之重大不可觀察輸入數據

現行市場租金乃基於投資物業，於接受估值的物業及其他可供比較物業內之最近期出租情況估計。租金越低，則公允值越低。

採用收益資本化的現行市場租金：

資本化率乃由評估師基於所估值之投資物業之風險狀況估計。比率越高，則公允值越低。

收益資本化採用的資本化率：

對比其他可比較物業的每平方呎或每平方米近期交易價格構成直接比較法下的輸入數據，該價格是截至二零一七年三月三十一日止年度香港、中國大陸的商業物業及香港工業物業之價格每平方呎港幣7,800元、每平方米港幣21,500元及每平方呎港幣5,300元的平均值(二零一六年：不適用)。

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15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Cold storage warehouse 冷藏貨倉 HK\$'000 港幣千元	Hotel properties 酒店物業 HK\$'000 港幣千元	Other properties for own use 其他自用物業		Plant, machinery and motor equipment 廠房、機器及設備 HK\$'000 港幣千元	Furniture, fixtures, office equipment and motor vehicles 傢俬、裝置、辦公室設備及汽車 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
				Other properties 其他物業 HK\$'000 港幣千元	Staff quarters 員工宿舍 HK\$'000 港幣千元 (note c) (附註c)			
Cost or valuation	成本或估值							
At 31 March 2015	於二零一五年三月三十一日	239,038	148,151	1,251,696	446,660	105,118	417,652	2,608,315
Exchange realignment	匯兌調整	-	(2,968)	(1,384)	-	(1,732)	(4,414)	(10,498)
Acquisition of Dolce Field (note 36(b)(iv))	收購都思(附註36(b)(iv))	-	-	-	-	312	4,120	4,432
Additions	添置	-	121	8,175	-	19,012	38,777	66,085
Disposals	出售	-	-	-	-	(2,121)	(9,434)	(11,555)
Deemed disposal of interest in Cafe Deco (note 36(b)(iii))	視為出售Cafe Deco之權益(附註36(b)(iii))	-	-	-	-	(38,864)	(109,679)	(148,543)
Increase in fair value	公允值增加	-	-	-	41,000	-	-	41,000
		239,038	145,304	1,258,487	487,660	81,725	337,022	2,549,236
At 31 March 2016	於二零一六年三月三十一日	239,038	145,304	1,258,487	487,660	81,725	337,022	2,549,236
Exchange realignment	匯兌調整	-	(2,974)	(593)	-	(1,991)	(3,405)	(8,963)
Deemed acquisition of Qi Yang Group (note 36(b)(ii))	視為收購啓陽集團(附註36(b)(ii))	-	-	329,993	-	26,049	-	356,042
Additions	添置	-	136	18,206	-	4,116	22,416	44,874
Disposals	出售	-	-	-	-	(3,975)	(12,440)	(16,415)
Transfer to assets held-for-sale (note 44)	轉至持作出售資產(附註44)	-	-	-	-	-	(2,772)	(2,772)
Increase in fair value	公允值增加	-	-	-	115,470	-	-	115,470
		239,038	142,466	1,606,093	603,130	105,924	340,821	3,037,472
At 31 March 2017	於二零一七年三月三十一日	239,038	142,466	1,606,093	603,130	105,924	340,821	3,037,472
Accumulated depreciation and impairment	累計折舊及減值							
At 31 March 2015	於二零一五年三月三十一日	80,645	59,183	175,398	7,392	52,996	262,612	638,226
Exchange realignment	匯兌調整	-	(936)	(614)	-	(946)	(3,765)	(6,261)
Charged for the year (note 10)	年度折舊(附註10)	6,125	2,287	30,328	7,392	12,813	47,416	106,361
Disposals	出售	-	-	-	-	(2,056)	(6,947)	(9,003)
Deemed disposal of interest in Cafe Deco (note 36(b)(iii))	視為出售Cafe Deco之權益(附註36(b)(iii))	-	-	-	-	(12,163)	(52,725)	(64,888)
Increase in fair value	公允值增加	-	-	-	(14,564)	-	-	(14,564)
		86,770	60,534	205,112	220	50,644	246,591	649,871
At 31 March 2016	於二零一六年三月三十一日	86,770	60,534	205,112	220	50,644	246,591	649,871
Exchange realignment	匯兌調整	-	(1,005)	(661)	-	(1,249)	(948)	(3,863)
Charged for the year (note 10)	年度折舊(附註10)	6,125	2,090	30,626	8,337	6,370	30,602	84,150
Disposals	出售	-	-	-	-	(4,178)	(8,982)	(13,160)
Transfer to assets held-for-sale (note 44)	轉至持作出售資產(附註44)	-	-	-	-	-	(1,096)	(1,096)
Increase in fair value	公允值增加	-	-	-	(8,557)	-	-	(8,557)
		92,895	61,619	235,077	-	51,587	266,167	707,345
At 31 March 2017	於二零一七年三月三十一日	92,895	61,619	235,077	-	51,587	266,167	707,345
Carrying value	賬面值							
At 31 March 2017	於二零一七年三月三十一日	146,143	80,847	1,371,016	603,130	54,337	74,654	2,330,127
At 31 March 2016	於二零一六年三月三十一日	152,268	84,770	1,053,375	487,440	31,081	90,431	1,899,365

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15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

(a) The carrying value of properties comprise:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Freehold land and buildings thereon	永久業權土地及建於其上之樓宇	784,471	748,575
Leasehold land and buildings thereon	租賃土地及建於其上之樓宇	1,416,665	1,029,278
		2,201,136	1,777,853

(b) Charges were created on the properties, plant and equipment with a total carrying value of HK\$746,789,000 (2016: HK\$1,281,830,000) for the purpose of securing banking facilities granted to the Group.

(c) Revaluation of staff quarters

The Group had measured the staff quarters under the revaluation model. The fair value of staff quarters as at 31 March 2017 had been arrived at on the basis of valuation carried out on that date by Crowe Horwath (HK) Consulting & Valuation Limited, which is an independent firm of qualified valuers having appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation, which conforms to the HKIS Valuation Standards on Properties published by HKIS, was arrived at with reference to market evidence of transaction prices of similar properties or calculated on the net income allowing for reversionary potential.

Fair value of staff quarters are generally derived using the direct comparison method. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

If the staff quarters were measured under the cost model, the carrying value would be as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Cost	成本	63,263	63,263
Accumulated depreciation	累計折舊	(42,801)	(40,372)
Carrying value	賬面值	20,462	22,891

15 物業、廠房及設備 (續)

附註：

(a) 物業之賬面值包括：

(b) 賬面總值港幣746,789,000元(二零一六年：港幣1,281,830,000元)之物業、廠房及設備已作抵押，作為授予本集團銀行信貸之擔保。

(c) 重估員工宿舍

本集團已按重估模式計量員工宿舍。員工宿舍截至二零一七年三月三十一日之公允值乃根據國富浩華(香港)會計師事務所有限公司(此為獨立合資格評估師行，並於有關地區擁有進行物業估值之合適資格及經驗)於該天進行之估值而得出。該估值乃遵守香港測量師學會所頒佈之香港測量師學會物業估值準則並已參照市場上類似物業之交易價得出，或根據潛在收入淨額改變計算。

員工宿舍之公允值一般採用直接比較法計算得出。直接比較法乃基於將要估值之物業與最近曾交易之其他可供比較物業作直接比較。然而，鑑於房地產物業之多樣化性質，通常須就任何可能影響在審議中的物業所達之價格的質素差異作出適當調整。

倘使用成本模式計量員工宿舍，則賬面值如下：

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16 GOODWILL

16 商譽

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At beginning of the year	年初	629,014	690,184
Exchange realignment	匯兌調整	727	733
Deemed disposal of interest in Cafe Deco (note 36(b)(iii))	視為出售Cafe Deco之權益 (附註36(b)(iii))	-	(57,247)
Impairment loss (note 8)	減值虧損 (附註8)	-	(4,656)
At end of the year	年末	<u>629,741</u>	<u>629,014</u>

Details of the impairment assessment of goodwill are disclosed in note 37 to the consolidated financial statements.

商譽之減值評估詳情披露於綜合財務報表附註37。

17 OTHER INTANGIBLE ASSETS

17 其他無形資產

		Roads, drainage and waterworks license 道路、渠務 及水務 工程牌照 HK\$'000 港幣千元	Cold storage and public bonded warehouse licenses 冷藏倉庫 及公眾保稅 倉牌照 HK\$'000 港幣千元	Trademarks of restaurant and bar 餐廳及酒吧 之商標 HK\$'000 港幣千元	Favourable leases 有利租賃 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Cost	成本						
At 1 April 2015	於二零一五年四月一日	26,534	3,000	18,094	11,855	14,386	73,869
Exchange realignment	匯兌調整	-	-	-	-	(130)	(130)
Deemed disposal of interest in Cafe Deco (note 36(b)(iii))	視為出售Cafe Deco之權益 (附註36(b)(iii))	-	-	(18,094)	(11,855)	-	(29,949)
Addition	添置	-	-	-	-	137	137
At 31 March 2016	於二零一六年三月三十一日	<u>26,534</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>14,393</u>	<u>43,927</u>
Exchange realignment	匯兌調整	-	-	-	-	(578)	(578)
Addition	添置	-	-	-	-	6,749	6,749
At 31 March 2017	於二零一七年三月三十一日	<u>26,534</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>20,564</u>	<u>50,098</u>
Accumulated amortisation and impairment	累計攤銷及減值						
At 1 April 2015	於二零一五年四月一日	26,534	3,000	5,610	11,855	9,635	56,634
Exchange realignment	匯兌調整	-	-	-	-	(131)	(131)
Charged for the year (note 10)	年度折舊 (附註10)	-	-	865	-	1,754	2,619
Deemed disposal of interest in Cafe Deco (note 36(b)(iii))	視為出售Cafe Deco之權益 (附註36(b)(iii))	-	-	(6,475)	(11,855)	-	(18,330)
At 31 March 2016	於二零一六年三月三十一日	<u>26,534</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>11,258</u>	<u>40,792</u>
Exchange realignment	匯兌調整	-	-	-	-	(565)	(565)
Charged for the year (note 10)	年度折舊 (附註10)	-	-	-	-	485	485
At 31 March 2017	於二零一七年三月三十一日	<u>26,534</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>11,178</u>	<u>40,712</u>
Carrying value	賬面值						
At 31 March 2017	於二零一七年三月三十一日	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,386</u>	<u>9,386</u>
At 31 March 2016	於二零一六年三月三十一日	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,135</u>	<u>3,135</u>

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17 OTHER INTANGIBLE ASSETS (CONTINUED)

Other intangible assets (other than roads, drainage and waterworks license ("License")) are amortised on a straight-line basis over the shorter of following estimated useful lives or license period:

Cold storage and public bonded warehouse licenses	10 years
Trademarks of restaurant and bar	15 years
Favourable leases	4 years
Lease-in-place	3 years

The Directors are of the opinion that the upkeep of this License is at minimal cost and the Group would renew this License continuously. This License is considered by the management of the Group as having an indefinite useful life and will not be amortised until its useful life is determined to be finite upon reassessment of its useful life annually by the management of the Group. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired. Particulars of the impairment testing are set out in note 37 to the consolidated financial statements.

The lease-in-place of senior housing business was purchased as part of business combination in prior year. The lease-in-place is considered by the management of the Group as having finite lives of 3 years. The lease-in-place was fully amortised at the end of reporting period.

17 其他無形資產 (續)

其他無形資產 (除道路、渠務及水務工程牌照 (「牌照」) 外) 乃以直線法按下列估計可使用年期或牌照期兩者中之較短者進行攤銷:

冷藏倉庫及公眾保稅倉牌照	十年
餐廳及酒吧之商標	十五年
有利租賃	四年
現存租賃	三年

董事認為，重續此牌照費用相對較低，故本集團亦會將此牌照不斷更新。本集團管理層認為此牌照具有無限可使用年期，故此不會被攤銷，直至在本集團管理層就其可使用年期每年重新評估後，斷定其可使用年期有限為止。其將於每年及出現可能減值之跡象時進行減值測試。有關減值測試之詳情載於綜合財務報表附註37。

安老院舍業務之現存租賃乃早年作為業務合併一部分而購入。本集團管理層認為現存租賃之有限可使用年期為三年。於報告期末，現存租賃已全數折舊。

18 INTERESTS IN ASSOCIATES

18 聯營公司之權益

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Non-current:	非流動：		
Interests in associates, including goodwill	聯營公司之權益，包括商譽	518,705	685,110
Amounts due from associates (note b)	應收聯營公司賬款 (附註b)	—	235,960
		<u>518,705</u>	<u>921,070</u>
Current:	流動：		
Amounts due from associates (note b)	應收聯營公司賬款 (附註b)	14,985	18,074
Amount due to an associate (note b)	應付一間聯營公司賬款 (附註b)	—	240

The movements in the Group's interests in associates during the year are analysed as follows:

本集團於本年度所佔聯營公司之權益變動之分析如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At beginning of the year	年初	685,110	657,286
Exchange realignment	匯兌調整	(31,097)	(10,832)
Addition	添置	111,944	57,945
Disposal of Wonder (note 36(b)(iii))	出售Wonder (附註36(b)(iii))	(53,410)	—
Disposals	出售	(3)	(29,902)
Deemed disposal of Qi Yang Group (note 36(b)(i))	視為出售啓陽集團 (附註36(b)(i))	(63,536)	—
Share of results	所佔業績	87,922	116,932
Share of other comprehensive expense	所佔其他全面支出	—	(3,865)
Dividends	股息	(218,225)	(102,454)
At end of the year	年末	<u>518,705</u>	<u>685,110</u>

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18 INTERESTS IN ASSOCIATES (CONTINUED)

Notes:

- (a) Particulars regarding the principal associates as at 31 March 2017 were set out in note 48 to the consolidated financial statements.
- (b) Amounts due from associates are unsecured and interest-free (2016: amounts due from associates are unsecured and interest-free, except for the Group's balance of HK\$92,193,000 which bears interest at rates mutually agreed between relevant parties).

Amounts due from/to associates under current assets/liabilities are repayable on demand. As at 31 March 2016, amounts due from associates under non-current assets of HK\$235,960,000 are considered equity in nature.

The carrying amounts of amounts due from/to associates under current assets/liabilities approximate their fair values.

The carrying amounts of amounts due from/to associates are denominated in the following currencies:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Hong Kong dollar	港幣	-	77,152
Renminbi	人民幣	14,985	176,642

- (c) Chevalier (HK) Limited and its subsidiaries (together, "CHK Group"), Toshiba Elevator (China) Co., Ltd. ("TCE") and Toshiba Elevator (Shenyang) Co., Ltd. ("STE") have a similar risk profile, are engaged in similar business activities and related to each other which, in the opinion of the Directors, are material to the Group. Set out below is the summarised financial information for CHK Group, TCE and STE. CHK Group, TCE and STE are engaged in the manufacturing, marketing, installation, repair and maintenance of the lift and escalator business and accounted for using equity method.

18 聯營公司之權益 (續)

附註：

- (a) 於二零一七年三月三十一日各主要聯營公司之資料已載於綜合財務報表附註48。
- (b) 應收聯營公司賬款為無抵押及免息(二零一六年：應收聯營公司賬款為無抵押及免息，惟本集團之結餘港幣92,193,000元按有關方共同協定的利率計息)。

屬流動資產／負債項下之應收／應付聯營公司賬款須按要求償還。於二零一六年三月三十一日，屬非流動資產項下之本集團應收聯營公司賬款港幣235,960,000元被視為屬權益性質。

屬流動資產／負債項下之應收／應付聯營公司賬款之賬面值與其公允值相若。

應收／應付聯營公司賬款之賬面值乃以下列貨幣為單位：

- (c) 其士(香港)有限公司及其附屬公司(統稱「其士香港集團」)、東芝電梯(中國)有限公司(「東芝電梯(中國)」)及東芝電梯(瀋陽)有限公司(「東芝電梯(瀋陽)」)具類似風險狀況，從事相似商業業務及彼此之間相互關聯，董事認為，對本集團而言屬重大。以下載列其士香港集團、東芝電梯(中國)及東芝電梯(瀋陽)之財務資料概要。其士香港集團、東芝電梯(中國)及東芝電梯(瀋陽)從事升降機及電扶梯製造、營銷、安裝、維修及保養業務，以權益法入賬。

Summarised consolidated statement of financial position

綜合財務狀況表概要

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Non-current assets	非流動資產	377,102	350,189
Current	流動		
Assets	資產	3,812,169	4,055,532
Liabilities	負債	(2,909,960)	(3,010,523)
Net current assets	流動資產淨值	902,209	1,045,009
Non-current liabilities	非流動負債	(667)	(659)
Net assets	資產淨值	1,278,644	1,394,539

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18 INTERESTS IN ASSOCIATES (CONTINUED)

Notes: (continued)

(c) (continued)

Summarised consolidated statement of comprehensive income

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Revenue	收入	6,515,424	7,207,812
Profit before taxation	除稅前溢利	175,478	340,203
Taxation	稅項	(34,240)	(59,803)
Profit for the year	年度溢利	141,238	280,400
Other comprehensive expenses for the year	年度其他全面支出	(10,872)	(1,110)
Total comprehensive income for the year	年度全面收益總額	130,366	279,290
Dividends received from associates	已收聯營公司股息	79,179	84,358

The information above reflects the amounts presented in the consolidated financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates. The information above is the amount before inter-company eliminations.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the interests in associates is provided as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Net assets at beginning of the year	年初之資產淨值	1,394,539	1,387,322
Exchange realignment	匯兌調整	(50,920)	(38,105)
Profit for the year attributable to shareholders	股東應佔年度溢利	141,238	280,400
Other comprehensive expenses for the year attributable to shareholders	股東應佔年度其他全面支出	(10,872)	(1,110)
Dividends	股息	(195,341)	(233,968)
Net assets at end of the year	年末之資產淨值	1,278,644	1,394,539
Interests in associates [#]	聯營公司之權益 [#]	414,233	419,100
Goodwill	商譽	32,795	32,795
Carrying value at end of the year	年末之賬面值	447,028	451,895

[#] As at 31 March 2017, the interests held by the Group in CHK group, TCE and STE as associates were 49%, 20% and 20% respectively (2016: 49%, 20% and 20% respectively).

18 聯營公司之權益 (續)

附註：(續)

(c) (續)

綜合全面收益表概要

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Revenue	收入	6,515,424	7,207,812
Profit before taxation	除稅前溢利	175,478	340,203
Taxation	稅項	(34,240)	(59,803)
Profit for the year	年度溢利	141,238	280,400
Other comprehensive expenses for the year	年度其他全面支出	(10,872)	(1,110)
Total comprehensive income for the year	年度全面收益總額	130,366	279,290
Dividends received from associates	已收聯營公司股息	79,179	84,358

上述資料反映聯營公司綜合財務報表內呈列的金額，乃就本集團與聯營公司會計政策不同而作出調整。上述資料乃於公司間對銷前之金額。

財務資料概要之對賬

所呈列財務資料概要與所佔聯營公司權益之賬面值之對賬載列如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Net assets at beginning of the year	年初之資產淨值	1,394,539	1,387,322
Exchange realignment	匯兌調整	(50,920)	(38,105)
Profit for the year attributable to shareholders	股東應佔年度溢利	141,238	280,400
Other comprehensive expenses for the year attributable to shareholders	股東應佔年度其他全面支出	(10,872)	(1,110)
Dividends	股息	(195,341)	(233,968)
Net assets at end of the year	年末之資產淨值	1,278,644	1,394,539
Interests in associates [#]	聯營公司之權益 [#]	414,233	419,100
Goodwill	商譽	32,795	32,795
Carrying value at end of the year	年末之賬面值	447,028	451,895

[#] 於二零一七年三月三十一日，本集團分別持有其士香港集團、東芝電梯（中國）及東芝電梯（瀋陽）（均為聯營公司）之49%、20%及20%（二零一六年：分別持有49%、20%及20%）權益。

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18 INTERESTS IN ASSOCIATES (CONTINUED)

Notes: (continued)

(d) The aggregate summarised financial information of Group's associates that are not individually material is set out below:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
The Group's share of results	本集團所佔業績	(1,901)	8,157
The Group's share of other comprehensive expense	本集團所佔其他全面支出	-	(3,865)
The Group's share of total comprehensive (expense)/income	本集團所佔全面(支出)/收益總額	(1,901)	4,292
Aggregate carrying amount of the Group's interests in these associates	本集團所佔此等聯營公司權益之總賬面值	71,677	469,175

19 INTERESTS IN JOINT VENTURES

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Non-current:	非流動：		
Interests in joint ventures, including goodwill	合營企業之權益，包括商譽	182,772	119,460
Amounts due from joint ventures (note b)	應收合營企業賬款(附註b)	408,851	401,245
		591,623	520,705
Current:	流動：		
Amounts due from joint ventures (note b)	應收合營企業賬款(附註b)	7,828	59
Amounts due to joint ventures (note b)	應付合營企業賬款(附註b)	1,581	53,230

The movements in the Group's interests in joint ventures during the year are analysed as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At beginning of the year	年初	119,460	272,066
Exchange realignment	匯兌調整	(11,629)	(18,794)
Addition	添置	-	65,808
Deemed acquisition of Qi Yang Group (note 36(b)(i))	視為收購啓陽集團(附註36(b)(i))	79,613	-
Acquisition of Dolce Field (note 36(b)(iv))	收購都思(附註36(b)(iv))	-	(174,213)
Share of results	所佔業績	(4,672)	(25,407)
At end of the year	年末	182,772	119,460

Notes:

(a) Particulars regarding the principal joint ventures as at 31 March 2017 were set out in note 49 to the consolidated financial statements. The Directors were of the view that as at 31 March 2017, there was no individual joint venture that was material to the Group.

18 聯營公司之權益(續)

附註：(續)

(d) 個別不重大之本集團聯營公司總財務資料概要如下：

19 合營企業之權益

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Non-current:	非流動：		
Interests in joint ventures, including goodwill	合營企業之權益，包括商譽	182,772	119,460
Amounts due from joint ventures (note b)	應收合營企業賬款(附註b)	408,851	401,245
		591,623	520,705
Current:	流動：		
Amounts due from joint ventures (note b)	應收合營企業賬款(附註b)	7,828	59
Amounts due to joint ventures (note b)	應付合營企業賬款(附註b)	1,581	53,230

本集團於本年度所佔合營企業之權益變動之分析如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At beginning of the year	年初	119,460	272,066
Exchange realignment	匯兌調整	(11,629)	(18,794)
Addition	添置	-	65,808
Deemed acquisition of Qi Yang Group (note 36(b)(i))	視為收購啓陽集團(附註36(b)(i))	79,613	-
Acquisition of Dolce Field (note 36(b)(iv))	收購都思(附註36(b)(iv))	-	(174,213)
Share of results	所佔業績	(4,672)	(25,407)
At end of the year	年末	182,772	119,460

附註：

(a) 於二零一七年三月三十一日各主要合營企業之資料已載於綜合財務報表附註49。董事認為於二零一七年三月三十一日，概無個別合營企業對本集團而言屬重大。

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19 INTERESTS IN JOINT VENTURES (CONTINUED)

Notes: (continued)

- (b) Amounts due from joint ventures are unsecured and bear interest at rates mutually agreed between relevant parties except for the balance of HK\$44,000 (2016: HK\$59,000) which is interest-free.

Amounts due from joint ventures under non-current assets of HK\$264,177,000 (2016: HK\$264,171,000) are considered equity in nature and HK\$144,674,000 (2016: HK\$137,074,000) are not repayable within one year while amounts due from joint ventures under current assets are repayable on demand.

The carrying amounts of amounts due from/to joint ventures under current assets/liabilities approximate their fair values.

The carrying amounts of amounts due from/to joint ventures are denominated in the following currencies:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Hong Kong dollar	港幣	408,895	401,304
Renminbi	人民幣	6,203	(53,230)

- (c) The aggregate summarised financial information of Group's joint ventures that are not individually material is set out below:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
The Group's share of total comprehensive expenses	本集團所佔全面支出總額	(4,672)	(25,407)
Aggregate carrying amount of the Group's interests in these joint ventures	本集團所佔此等合營企業權益之總賬面值	591,623	520,705

20 AVAILABLE-FOR-SALE INVESTMENTS

20 可供出售之投資

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Listed investment, at fair value:	上市投資，按公允值：		
– equity securities listed overseas (note a)	– 海外上市之股本證券(附註a)	50,070	40,015
Unlisted investments, at fair values:	非上市投資，按公允值：		
– equity securities	– 股本證券	7,770	7,760
– private funds (note b)	– 私募基金(附註b)	66,314	81,653
		74,084	89,413
		124,154	129,428

附註：(續)

- (b) 應收合營企業賬款為無抵押及按有關方共同協定的利率計息，惟結餘港幣44,000元(二零一六年：港幣59,000元)為免息。

屬非流動資產項下之應收合營企業賬款港幣264,177,000元(二零一六年：港幣264,171,000元)被視為屬權益性質及港幣144,674,000元(二零一六年：港幣137,074,000元)毋須於一年期限內償還，而屬流動資產項下之應收合營企業賬款則按要項償還。

屬流動資產／負債項下之應收／應付合營企業賬款之賬面值與其公允值相若。

應收／應付合營企業賬款之賬面值乃以下列貨幣為單位：

- (c) 個別不重大之本集團合營企業總財務資料概要如下：

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20 AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

The carrying value of available-for-sale investments are denominated in the following currencies:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
US dollar	美元	68,217	81,021
Vietnam Dong	越南盾	50,070	40,015
Others	其他	5,867	8,392
		124,154	129,428

(a) The fair value of the listed investment of the Group is determined based on the quoted market bid prices available on the relevant exchange.

(b) The fair values of the private funds of the Group are primarily determined based on the quoted market prices of the underlying listed investments.

20 可供出售之投資 (續)

可供出售之投資之賬面值乃以下列貨幣為單位：

(a) 本集團上市投資之公允值乃按有關交易所所報之市場買入價釐定。

(b) 本集團之私募基金之公允值乃主要按相關上市投資之市場報價釐定。

21 PROPERTIES UNDER DEVELOPMENT

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At beginning of the year	年初	1,470,824	1,412,825
Exchange realignment	匯兌調整	(89,486)	(71,308)
Additions	添置	229,070	362,541
Acquisition of Dolce Field (note 36(b)(iv))	收購都思 (附註36(b)(iv))	-	546,750
Transfer to properties for sale	轉至待售物業	-	(779,984)
Transfer to assets held-for-sale (note 44)	轉至持作出售資產 (附註44)	(533,464)	-
		1,076,944	1,470,824
At end of the year	年末	1,076,944	1,470,824
Analysed for reporting purposes as:	就報告用途分析為：		
Non-current assets	非流動資產	565,828	1,128,747
Current assets	流動資產	511,116	342,077
		1,076,944	1,470,824

As at 31 March 2017, the balance is related to property development project in Changchun, Mainland China.

The borrowing costs capitalised to properties under development is disclosed in note 9 to the consolidated financial statements.

Properties under development are classified as current assets unless the construction period of the relevant project is expected to complete beyond normal operating cycle. The amount classified as non-current assets was not expected to be realised within the next twelve months.

21 發展中物業

於二零一七年三月三十一日，該結餘與中國內地長春市物業發展項目有關。

發展中物業資本化之借款成本於綜合財務報表附註9披露。

發展中物業均分類為流動資產，除非有關項目之建設期預計將超出正常經營週期完成。歸類為非流動資產之金額預計不會於未來十二個月內變現。

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22 OTHER NON-CURRENT ASSETS

22 其他非流動資產

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Deposits paid for a property development project (note a)	已付一項物業發展項目之按金 (附註a)	27,956	64,104
Others	其他	54,881	57,019
		82,837	121,123

Notes:

- (a) The balance represents deposits paid for a property development project in Changchun, Mainland China.
- (b) Charges were created on the other non-current assets with total carrying value of HK\$21,885,000 (2016: HK\$21,579,000) for the purpose of securing banking facilities granted to the Group.

附註：

- (a) 該結餘為中國內地長春市一項物業發展項目之已付按金。
- (b) 賬面總值港幣21,885,000元(二零一六年：港幣21,579,000元)之其他非流動資產已作抵押，作為授予本集團銀行信貸之擔保。

23 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

23 按公允值列入損益處理之投資

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Listed investments:	上市投資：		
<i>Held for trading</i>	<i>持作買賣用途</i>		
- debt securities	- 債務證券	324,505	296,016
- equity securities listed in Hong Kong	- 香港上市之股本證券	39,980	46,454
- equity securities listed overseas	- 海外上市之股本證券	19,449	26,038
- exchange-traded funds	- 交易所買賣基金	-	2,717
- mutual and hedge funds	- 互惠及對沖基金	695	-
		384,629	371,225
Unlisted investments:	非上市投資：		
<i>Held for trading</i>	<i>持作買賣用途</i>		
- debt securities	- 債務證券	114,329	55,265
- mutual and hedge funds	- 互惠及對沖基金	55,813	79,358
		170,142	134,623
		554,771	505,848

The fair values of the listed investments of the Group are determined based on the quoted market bid prices available on the relevant exchanges and the unlisted investments of the Group are determined based on financial models or with reference to quoted prices from relevant financial institutions.

本集團之上市投資之公允值乃按有關交易所所報之市場買入價而釐定，而本集團之非上市投資之公允值乃按財務模式釐定，或參考來自有關財務機構之報價。

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23 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The carrying amounts of investments at fair value through profit or loss are denominated in the following currencies:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Hong Kong dollar	港幣	39,980	49,171
Japanese Yen	日圓	12,905	17,654
Renminbi	人民幣	14,635	31,032
US dollar	美元	483,984	406,882
Vietnam Dong	越南盾	3,267	1,109
		554,771	505,848

24 INVENTORIES

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Raw materials	原材料	3,794	3,957
Finished goods	製成品	294,624	131,216
Consumables	耗用物料	581	1,144
		298,999	136,317

The cost of inventories recognised as an expense and included in cost of sales amounted to HK\$461,480,000 (2016: HK\$590,829,000).

Charges were created on the inventories with total carrying value of HK\$72,851,000 (2016: HK\$81,994,000) for the purpose of securing banking facilities granted to the Group.

25 PROPERTIES FOR SALE

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Unamortised prepaid land leases	未攤銷預付土地租賃		
– Hong Kong	– 香港	15,882	15,882
– Mainland China	– 中國內地	58,394	544,042
Development costs	發展成本	303,359	673,104
		377,635	1,233,028

Properties for sale included the Group's share of joint operation with an aggregate book value of HK\$18,129,000 (2016: HK\$18,129,000).

The cost of properties sold and included in cost of sales amounted to HK\$144,550,000 (2016: HK\$439,334,000).

23 按公允價值列入損益處理之投資 (續)

按公允價值列入損益處理之投資之賬面值乃以下列貨幣為單位：

24 存貨

已確認為支出並列入銷售成本之存貨成本為港幣461,480,000元（二零一六年：港幣590,829,000元）。

賬面總值港幣72,851,000元（二零一六年：港幣81,994,000元）之存貨已作抵押，作為授予本集團銀行信貸之擔保。

25 待售物業

待售物業包括賬面總值為港幣18,129,000元（二零一六年：港幣18,129,000元）之本集團所佔合營經營。

已售並列入銷售成本之物業成本為港幣144,550,000元（二零一六年：港幣439,334,000元）。

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26 DEBTORS, DEPOSITS AND PREPAYMENTS

26 應收賬款、存出按金及預付款項

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Trade debtors	貿易應收賬款	590,569	641,104
Less: Provision for impairment	減：減值撥備	(45,948)	(27,099)
Trade debtors, net	貿易應收賬款，淨額	544,621	614,005
Retention receivables	應收保留款項	328,933	309,785
Less: Provision for impairment	減：減值撥備	(33,570)	(33,570)
Retention receivables, net	應收保留款項，淨額	295,363	276,215
Other debtors, deposits and prepayments	其他應收賬款、存出按金及預付款項	552,550	197,267
		1,392,534	1,087,487

The Group has established different credit policies for customers in each of its core businesses. The average credit period granted to trade debtors is 60 days, except for insurance business where credit period granted to certain debtors is over 60 days.

本集團對各項核心業務客戶已確立不同之信貸政策。除給予保險業務之若干客戶的信貸期超過60天，給予貿易客戶之平均信貸期為60天。

The ageing analysis of trade debtors, net is as follows:

貿易應收賬款，淨額之賬齡分析如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
0 – 60 days	0 – 60天	491,522	535,860
61 – 90 days	61 – 90天	20,536	22,395
Over 90 days	逾90天	32,563	55,750
		544,621	614,005

As at 31 March 2017, gross trade debtors balances totaling HK\$54,279,000 (2016: HK\$32,452,000) were individually determined to be impaired, which were related to customers that were in financial difficulties. The management assessed that only a portion of these balances was expected to be recovered. Consequently, specific provision for impairment of HK\$45,948,000 was recognised (2016: HK\$27,099,000). The Group did not hold any collateral over these balances. The movement in the provision for impairment during the year is as follows:

於二零一七年三月三十一日來自自有財務困難客戶之貿易應收賬款總結餘共為港幣54,279,000元（二零一六年：港幣32,452,000元），已個別被釐定為將予減值。按管理層之評估，預期僅能收回部分此等結餘。因此，確認特別減值撥備為港幣45,948,000元（二零一六年：港幣27,099,000元）。本集團並無就此等結餘持有任何抵押品。於本年度減值撥備之變動如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At beginning of the year	年初	27,099	24,686
Exchange realignment	匯兌調整	96	(99)
Impairment loss recognised	已確認減值虧損	23,714	9,797
Impairment loss written back	已回撥減值虧損	(2,443)	(1,189)
Uncollectable amounts written off	撇銷不可收回之金額	(2,518)	(6,096)
At end of the year	年末	45,948	27,099

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26 DEBTORS, DEPOSITS AND PREPAYMENTS (CONTINUED)

The ageing analysis of the Group's trade debtors that are not considered to be impaired is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Neither past due nor impaired	並無逾期或減值	295,715	324,483
Up to 60 days past due	逾期60天內	202,156	226,473
61 – 90 days past due	逾期61 – 90天	19,799	15,880
Over 90 days past due	逾期逾90天	18,620	41,816
Amount past due but not impaired	已逾期但未減值	240,575	284,169
Total	總額	536,290	608,652

Trade debtors balances that are past due but not impaired mainly relate to individuals or companies that have been the Group's customers for more than six months with no history of default in the past.

The carrying amounts of the Group's trade debtors are denominated in the following currencies:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Australian dollar	澳元	5,563	36,376
Hong Kong dollar	港幣	443,387	491,578
Macau Pataca	澳門幣	9,408	15,338
Renminbi	人民幣	24,776	10,098
US dollar	美元	47,639	47,651
Others	其他	13,848	12,964
		544,621	614,005

As at 31 March 2017, retention receivables amounted to HK\$33,570,000 (2016: HK\$33,570,000) were individually determined to be impaired, on which the Group experienced unexpected difficulties during the collection process from the customers. The management assessed that the balance was not expected to be recovered and full provision for impairment loss was recognised.

The carrying amounts of retention receivables and other debtors as at 31 March 2017 and 2016 were mainly denominated in Hong Kong dollar and Renminbi.

The carrying amounts of debtors and receivables as at 31 March 2017 and 2016 approximated their fair values.

Included in debtors, deposits and prepayments was the Group's share of receivables of HK\$2,036,000 (2016: HK\$2,010,000) in relation to joint operation.

Charges were created on the debtors, deposits and prepayments with total carrying value of HK\$59,241,000 (2016: HK\$63,320,000) for the purpose of securing banking facilities granted to the Group.

26 應收賬款、存出按金及預付款項(續)

不視作將予減值之貿易應收賬款之賬齡分析如下：

無減值之逾期貿易應收賬款結餘主要與已成為本集團客戶超過六個月且無拖欠記錄之人士或公司有關。

本集團貿易應收賬款之賬面值乃以下列貨幣為單位：

截至二零一七年三月三十一日，應收保留款項港幣33,570,000元(二零一六年：港幣33,570,000元)已個別被釐定為將予減值，乃本集團於自客戶收回賬款過程中遇上意料之外的困難。按管理層之評估，預期未能收回結欠並悉數確認為減值虧損。

於二零一七年及二零一六年三月三十一日，應收保留款項及其他應收賬款之賬面值主要以港幣及人民幣為單位。

於二零一七年及二零一六年三月三十一日，應收賬款及應收款項之賬面值與其公允值相若。

應收賬款、存出按金及預付款項包括本集團就有關一個合營經營所佔之應收賬款，為港幣2,036,000元(二零一六年：港幣2,010,000元)。

賬面總值港幣59,241,000元(二零一六年：港幣63,320,000元)之應收賬款、存出按金及預付款項已作抵押，作為授予本集團銀行信貸之擔保。

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27 AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

27 就合約工程應向客戶收取／支付之款項

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Contracts in progress at end of the year:	於年末之施工中合約：		
Contract costs incurred	已產生之合約成本	10,835,741	8,705,640
Recognised net gains	已確認收益淨額	186,444	68,702
		<u>11,022,185</u>	<u>8,774,342</u>
Less: Progress billings	減：進度款項	(11,462,902)	(9,589,729)
		<u>(440,717)</u>	<u>(815,387)</u>
Analysed for reporting purposes as:	就報告用途分析為：		
Amounts due from customers for contract work included in current assets	已包括於流動資產內就合約工程應向客戶收取之款項	114,795	119,283
Amounts due to customers for contract work included in current liabilities	已包括於流動負債內就合約工程應向客戶支付之款項	(555,512)	(934,670)
		<u>(440,717)</u>	<u>(815,387)</u>

Advances received from customers for contract work amounted to HK\$85,000 (2016: HK\$934,000) and included in creditors.

就合約工程收取客戶預付款為港幣85,000元（二零一六年：港幣934,000元）已包括於應付賬款內。

28 DERIVATIVE FINANCIAL INSTRUMENTS

28 衍生財務工具

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Financial (liabilities)/assets in respect of derivative financial instruments	衍生財務工具之財務（負債）／資產		
– interest rate swap contracts (note a)	– 利率掉期合約（附註a）	(1,554)	(7,231)
– foreign currency forward contracts (note b)	– 遠期外匯合約（附註b）	(1,323)	(720)
		<u>(2,877)</u>	<u>(7,951)</u>
Analysed for reporting purposes as:	就報告用途分析為：		
Current assets	流動資產	97	1,606
Current liabilities	流動負債	(2,974)	(9,557)
		<u>(2,877)</u>	<u>(7,951)</u>

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28 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The derivatives are measured at fair value at the end of each reporting period. Their fair values are determined with reference to fair values of comparable instruments in the market or quoted prices from counterparties. The net carrying amounts of derivatives are denominated in the following currencies:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Australian dollar	澳元	(89)	(248)
Euro	歐羅	(648)	96
Hong Kong dollar	港幣	(1,554)	(7,231)
US dollar	美元	(683)	372
Others	其他	97	(940)
		<u>(2,877)</u>	<u>(7,951)</u>

Notes:

- (a) Interest rate swap contracts of the Group with a total notional amount of HK\$800,000,000 (2016: HK\$800,000,000) were entered to swap floating interest rate to fixed interest rate or to swap between different floating rates. These contracts will mature on 10 October 2018 (2016: mature on 10 October 2018).
- (b) Foreign currency forward contracts of the Group with a total notional amount up to HK\$110,768,000 (2016: HK\$239,328,000) were entered to swap various foreign currencies to other cross currencies. These contracts will mature within the period from 3 April 2017 to 3 January 2023 (2016: period from 5 April 2016 to 5 February 2018).

28 衍生財務工具 (續)

衍生工具按各報告期末之公允值計量。衍生工具之公允值乃根據可供比較工具之市場公允值或對方報價而計算。衍生工具之賬面淨值乃以下列貨幣為單位：

附註：

- (a) 本集團為將浮動利率掉期為固定利率或為不同浮動利率間之掉期而訂立利率掉期合約，其總名義金額為港幣800,000,000元（二零一六年：港幣800,000,000元）。此等合約均將於二零一八年十月十日（二零一六年：於二零一八年十月十日到期）。
- (b) 本集團為將不同外幣掉期為其他交叉貨幣而訂立遠期外匯合約，其總名義金額為港幣110,768,000元（二零一六年：港幣239,328,000元）。此等合約將於二零一七年四月三日至二零二三年一月三日期間內（二零一六年：於二零一六年四月五日至二零一八年二月五日期間內）到期。

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29 BANK BALANCES AND CASH

Bank balances and cash comprise cash held, short-term bank deposits with an original maturity period over three months, short-term bank deposits with an original maturity of three months or less and cash placed with financial institutions. The carrying amounts of these assets approximate their fair values.

29 銀行結存及現金

銀行結存及現金包括所持現金、原有到期期限超過三個月之短期銀行存款、原有到期期限為三個月或以內之短期銀行存款及存入財務機構之現金。此等資產之賬面值與其公允值相若。

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Bank balances and cash	銀行結存及現金	1,337,894	1,374,081
Pledged bank deposits	已抵押銀行存款	405,867	333,410
Unpledged bank deposits maturing after three months	三個月後到期之無抵押銀行存款	17,871	301,791
		1,761,632	2,009,282

The carrying amounts of bank balances and cash are denominated in the following currencies:

銀行結存及現金之賬面值乃以下列貨幣為單位：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Australian dollar	澳元	6,895	2,135
Canadian dollar	加拿大元	36,899	27,108
Euro	歐羅	5,065	1,875
Hong Kong dollar	港幣	943,593	1,254,183
Macau Pataca	澳門幣	4,110	6,833
Renminbi	人民幣	244,692	85,102
Singapore dollar	新加坡元	2,779	6,522
US dollar	美元	474,378	588,330
Others	其他	43,221	37,194
		1,761,632	2,009,282

As at 31 March 2017, the Group's bank balances of HK\$405,867,000 (2016: HK\$333,410,000) were pledged to banks for the purpose of securing banking facilities granted to the Group.

於二零一七年三月三十一日，本集團之銀行結存港幣405,867,000元（二零一六年：港幣333,410,000元）已抵押予銀行，作為授予本集團銀行信貸之擔保。

As at 31 March 2017, the effective interest rates on short-term bank deposits of the Group were 1.1% (2016: 1.0%) per annum respectively; and these deposits had an average maturity of 49 days (2016: 73 days).

於二零一七年三月三十一日，本集團之短期銀行存款之實際年利率分別為1.1%（二零一六年：1.0%），此等存款之平均到期日分別為49天（二零一六年：73天）。

As at 31 March 2017, bank balances and cash of HK\$243,971,000 (2016: HK\$95,411,000) were held in Mainland China and are subject to local exchange control regulations, under which the balances could not be exported freely out of Mainland China. The repatriation of funds out of Mainland China is possibly conducted by way of dividends or other means as complied to the regulations.

於二零一七年三月三十一日，持有於中國內地之銀行結存及現金港幣243,971,000元（二零一六年：港幣95,411,000元）須遵循當地外匯管制規定，據此，此等結存不得自由匯出中國內地。資金可透過股息或其他遵守規定之方式調離中國內地。

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30 CREDITORS, BILLS PAYABLE, DEPOSITS AND ACCRUALS

30 應付賬款、應付票據、存入按金及預提費用

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Trade creditors and bills payable	貿易應付賬款及應付票據	281,994	211,982
Retention payables	應付保留款項	170,435	151,978
Deposits received	已收存入按金	38,428	55,357
Accrued contract costs	預提合約成本	744,749	422,302
Other creditors and accruals	其他應付賬款及預提費用	686,255	456,118
		1,921,861	1,297,737

The ageing analysis of trade creditors and bills payable is as follows:

貿易應付賬款及應付票據之賬齡分析如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
0 – 60 days	0 – 60天	265,123	175,503
61 – 90 days	61 – 90天	1,174	17,192
Over 90 days	逾90天	15,697	19,287
		281,994	211,982

The carrying amounts of the Group's trade creditors and bills payable are denominated in the following currencies:

本集團之貿易應付賬款及應付票據之賬面值乃以下列貨幣為單位：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Hong Kong dollar	港幣	190,944	146,242
Macau Pataca	澳門幣	9,471	21,226
US dollar	美元	15,786	18,684
Renminbi	人民幣	61,405	918
Euro	歐羅	–	10,334
Others	其他	4,388	14,578
		281,994	211,982

The carrying amounts of retention payables and other creditors as at 31 March 2017 and 2016 were denominated in Hong Kong dollar, Macau Pataca and Renminbi.

於二零一七年及二零一六年三月三十一日，應付保留款項及其他應付賬款之賬面值以港幣、澳門幣及人民幣為單位。

The carrying amounts of creditors and payables as at 31 March 2017 and 2016 approximated their fair values.

於二零一七年及二零一六年三月三十一日，應付賬款及應付款項之賬面值與其公允值相若。

Included in creditors, bills payable, deposits and accruals are the Group's share of liabilities of HK\$1,347,000 (2016: HK\$1,249,000) in relation to joint operation.

應付賬款、應付票據、存入按金及預提費用內已包括本集團就一個合營經營所佔之負債為港幣1,347,000元（二零一六年：港幣1,249,000元）。

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31 OUTSTANDING INSURANCE CLAIMS

Insurance claims of the following business classes are not usually settled within one year:

- Employee compensation
- Motor third party liability
- Public liability

The claims development, net of reinsurance, are disclosed as follows:

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
	二零零八年	二零零九年	二零一零年	二零一一年	二零一二年	二零一三年	二零一四年	二零一五年	二零一六年	二零一七年	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Estimate of cumulative claims	估計累計索償										
At end of accident year	意外年度終結時	88,767	39,575	57,615	87,099	131,582	155,800	175,730	161,549	140,112	122,198
One year later	一年後	84,866	50,541	57,145	54,009	105,091	122,921	139,004	109,443	109,851	-
Two years later	兩年後	55,288	45,852	52,207	67,192	113,384	137,053	152,912	114,523	-	-
Three years later	三年後	44,324	40,146	46,556	63,648	91,456	120,451	122,227	-	-	-
Four years later	四年後	44,418	38,954	43,356	62,724	87,170	112,573	-	-	-	-
Five years later	五年後	45,508	39,814	42,636	60,170	86,145	-	-	-	-	-
Six years later	六年後	46,140	40,427	42,595	60,086	-	-	-	-	-	-
Seven years later	七年後	46,952	40,438	43,119	-	-	-	-	-	-	-
Eight years later	八年後	46,971	40,886	-	-	-	-	-	-	-	-
Nine years later	九年後	47,357	-	-	-	-	-	-	-	-	-
Cumulative claims	累計索償	47,357	40,886	43,119	60,086	86,145	112,573	122,227	114,523	109,851	122,198
Less: Cumulative payments	減：累計已付款項	(46,466)	(40,335)	(41,609)	(58,170)	(85,024)	(100,950)	(93,129)	(50,756)	(27,029)	(10,225)
Claims outstanding at 31 March 2017	於二零一七年三月三十一日之未決索償	891	551	1,510	1,916	1,121	11,623	29,098	63,767	82,822	111,973
Claims outstanding at 31 March 2016	於二零一六年三月三十一日之未決索償	949	1,560	1,800	2,521	10,360	35,822	84,250	83,852	131,405	-

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Group faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid which are greater than originally estimated and subsequent development of long tail claims.

The Group manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues.

The Group manages the variability of risks by careful selection and the implementation of underwriting strategies, arrangements of reinsurance, strict claim review policies to assess all new and ongoing claims as well as the investigation of possible fraudulent claims. The Group also enforces a policy of actively managing and promptly pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

The Group's underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks over a number of years and, as such, reduces the variability of the outcome.

31 未決保險索償

下列業務類別之保險索償一般不在一年內結清：

- 僱員賠償
- 汽車第三者責任
- 公眾責任

賠償發展（扣除再保險）披露如下：

保險合約項下之風險乃發生已承保事件之風險，包括金額之不確定因素及任何由此產生之索償時間。本集團根據此等合約面臨之主要風險為實際索償及賠付金額超逾保險負債賬面值。此乃受到索償頻率、索償嚴重程度、實際賠付超出原先估計及隨後拖延索償發展等影響。

本集團透過控制承保額度、制定牽涉新產品或超出限額交易之審批程序、訂立定價指引、集中管理再保險安排及適時監控問題以管理其保險風險。

本集團藉以下方式管理風險之變動性：仔細選擇及實施承保策略、安排分保、嚴格檢討索賠政策以評估所有全新及持續發生之索賠以及調查有欺詐嫌疑之索賠。本集團亦實行積極管理及即時處理索賠之政策，以減少可能對本集團造成不利影響之不可預期未來發展之風險。

本集團之承保策略為尋求一個分散而平衡的組合及藉著多年來所維持的一個由眾多類似風險組成的龐大組合以減低出現不穩定性。

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32 BANK AND OTHER BORROWINGS

32 銀行及其他借款

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Bank and other borrowings are repayable as follows:	銀行及其他借款償還期如下：		
Within one year	一年內	520,247	960,852
More than 1 year but not exceeding 2 years	一年以上但不超過兩年	355,199	529,521
More than 2 years but not exceeding 5 years	兩年以上但不超過五年	1,307,320	809,412
Exceeding 5 years	超過五年	607,673	812,751
		2,790,439	3,112,536
Less: Amount due within one year disclosed under current liabilities	減：在流動負債內披露並於一年內到期之金額	(520,247)	(960,852)
		2,270,192	2,151,684
Represented by:	呈列為：		
Secured	有抵押	1,409,272	1,817,931
Unsecured	無抵押	1,381,167	1,294,605
		2,790,439	3,112,536

The carrying value of the bank and other borrowings approximate their fair values as majority of the borrowings carried interest at floating rate. The bank and other borrowings are denominated in the following currencies:

因大部分借款乃以浮動利率計息，銀行及其他借款之賬面值與其公允值相若。銀行及其他借款乃以下列貨幣為單位：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Canadian dollar	加拿大元	26,942	26,360
Hong Kong dollar	港幣	1,498,318	1,970,688
Renminbi	人民幣	301,688	259,200
US dollar	美元	963,491	856,288
		2,790,439	3,112,536

The effective interest rates per annum of the bank and other borrowings as at 31 March were as follows:

於三月三十一日，銀行及其他借款之實際年利率如下：

		2017 二零一七年	2016 二零一六年
Canadian dollar	加拿大元	2.1%	1.9%
Hong Kong dollar	港幣	1.9%	2.4%
Renminbi	人民幣	4.8%	4.7%
US dollar	美元	4.1%	4.2%

Bank and other borrowings of HK\$1,409,272,000 (2016: HK\$1,817,931,000) were secured by charges on the assets of the Group as set out in notes 14, 15, 22, 24, 26 and 29 to the consolidated financial statements.

銀行及其他借款港幣1,409,272,000元（二零一六年：港幣1,817,931,000元）乃以本集團資產作抵押，於綜合財務報表附註14、15、22、24、26及29內披露。

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33 SHARE CAPITAL

33 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
Ordinary shares of HK\$1.25 each	每股面值港幣1.25元之普通股		
Authorised:	法定股本：		
At 1 April 2015, 31 March 2016 and 31 March 2017	於二零一五年四月一日、 二零一六年三月三十一日及 二零一七年三月三十一日	540,000,000	675,000
Issued and fully paid:	已發行及繳足股本：		
At 1 April 2016 and 31 March 2017	於二零一六年四月一日及 二零一七年三月三十一日	301,928,440	377,411
At 1 April 2015	於二零一五年四月一日	299,990,835	374,989
Issue of shares under scrip dividend schemes	根據以股代息計劃發行股份	1,937,605	2,422
At 31 March 2016	於二零一六年三月三十一日	301,928,440	377,411

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34 RESERVES

34 儲備

		Attributable to shareholders of the Company 本公司股東應佔								
		Share premium	Capital reserve	Capital redemption reserve	Investment revaluation reserve	Other assets revaluation reserve	Hedging revaluation reserve	Exchange fluctuation reserve	Retained profits	Total
		股份溢價	資本儲備	贖回儲備	重估儲備	其他資產重估儲備	重估儲備	浮動儲備	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
			(note)							
			(附註)							
At 1 April 2016	於二零一六年四月一日	704,087	365,799	8,785	42,600	613,555	(7,212)	267,060	5,377,599	7,372,273
Profit for the year	年度溢利	-	-	-	-	-	-	-	540,263	540,263
Fair value surplus of properties for own use	自用物業之公允值盈餘	-	-	-	-	88,488	-	-	5,907	94,395
Exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures	換算海外附屬公司、聯營公司及合營企業之業務所產生之外匯兌換差額	-	-	-	-	-	-	(224,947)	-	(224,947)
Change in fair value of available-for-sale investments	可供出售之投資的公允值變動	-	-	-	9,506	-	-	-	-	9,506
Impairment loss on available-for-sale investments transferred to consolidated income statement	可供出售之投資的減值虧損轉撥至綜合收益表	-	-	-	5,676	-	-	-	-	5,676
Fair value adjustments on the derivative financial instruments designated as cash flow hedge in respect of interest rate swap and foreign currency forward contracts	指定為現金流量對沖的衍生財務工具有關利率掉期及遠期外匯合約的公允值調整	-	-	-	-	-	4,985	-	-	4,985
Total comprehensive income for the year	年度全面收益總額	-	-	-	15,182	88,488	4,985	(224,947)	546,170	429,878
Dividends paid	已付股息	-	-	-	-	-	-	-	(211,350)	(211,350)
Disposals of:	出售：									
- Wonder (note 36(b)(iii))	- Wonder (附註36(b)(iii))	-	-	-	-	-	-	1,509	-	1,509
- other subsidiaries	- 其他附屬公司	-	-	-	-	-	-	(265)	-	(265)
At 31 March 2017	於二零一七年三月三十一日	704,087	365,799	8,785	57,782	702,043	(2,227)	43,357	5,712,419	7,592,045

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34 RESERVES (CONTINUED)

34 儲備 (續)

		Attributable to shareholders of the Company 本公司股東應佔									
		Share premium	Capital reserve	Capital redemption reserve	Investment revaluation reserve	Other assets revaluation reserve	Hedging revaluation reserve	Other reserve	Exchange fluctuation reserve	Retained profits	Total
		股份溢價	資本儲備	贖回儲備	重估儲備	重估儲備	重估儲備	其他儲備	浮動儲備	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
			(note)								
			(附註)								
At 1 April 2015	於二零一五年四月一日	680,214	364,096	8,785	73,978	566,711	(1,801)	1,057	402,446	5,418,776	7,514,262
Profit for the year	年度溢利	-	-	-	-	-	-	-	-	315,056	315,056
Fair value surplus of properties for own use	自用物業之公允價值盈餘	-	-	-	-	51,420	-	-	-	4,144	55,564
Share of reserves of an associate	所佔一間聯營公司之儲備	-	-	-	-	(4,254)	1,446	(1,057)	-	-	(3,865)
Exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures	換算海外附屬公司、聯營公司及合營企業之業務所產生之外匯兌換差額	-	-	-	-	-	-	-	(137,248)	-	(137,248)
Change in fair value of available-for-sale investments	可供出售之投資的公允價值變動	-	-	-	(48,538)	-	-	-	-	-	(48,538)
Impairment loss on available-for-sale investments transferred to consolidated income statement	可供出售之投資的減值虧損轉撥至綜合收益表	-	-	-	17,160	-	-	-	-	-	17,160
Fair value adjustments on the derivative financial instruments designated as cash flow hedge in respect of interest rate swap contracts	指定為現金流量對沖的衍生財務工具有關利率掉期合約的公允價值調整	-	-	-	-	-	(6,857)	-	-	-	(6,857)
Total comprehensive income for the year	年度全面收益總額	-	-	-	(31,378)	47,166	(5,411)	(1,057)	(137,248)	319,200	191,272
Dividends paid	已付股息	-	-	-	-	-	-	-	-	(360,377)	(360,377)
Issue of shares under scrip dividend schemes	根據以股代息計劃發行股份	23,873	-	-	-	-	-	-	-	-	23,873
Deemed disposal of interest in Cafe Deco (note 36(b)(iii))	視為出售所佔Cafe Deco之權益(附註36(b)(iii))	-	1,703	-	-	(322)	-	-	1,862	-	3,243
At 31 March 2016	於二零一六年三月三十一日	704,087	365,799	8,785	42,600	613,555	(7,212)	-	267,060	5,377,599	7,372,273

Note: The balance arose mainly from various Group reorganisations in the past including redomicile of the Company, spin-offs and privatisation of group entities.

附註：結餘主要來自過去多項集團重組事項，包括本公司遷冊、集團企業之分拆及私有化。

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35 DEFERRED TAXATION

The followings are the major deferred tax liabilities/(assets) recognised and movements thereon during the current and prior reporting years:

		Accelerated tax depreciation 加速稅項減值 HK\$'000 港幣千元	Amortisation of goodwill and trademarks 攤銷商譽及商標 HK\$'000 港幣千元	Revaluation of properties 重估物業 HK\$'000 港幣千元	Tax losses 稅項虧損 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 April 2016	於二零一六年四月一日	38,956	46,780	218,673	(39,194)	(4,540)	260,675
Exchange realignment	匯兌調整	(38)	61	(11,607)	(61)	(79)	(11,724)
Charged/(credited) to consolidated income statement for the year (note 11)	在年度綜合收益表扣除/(計入) (附註11)	455	11,300	56,102	(22,472)	(2,235)	43,150
Charged to other comprehensive income for the year	在年度其他全面收益扣除	-	-	29,632	-	-	29,632
Deemed acquisition of Qi Yang Group (note 36(b)(i))	視為收購啓陽集團 (附註36(b)(i))	-	-	23,944	-	-	23,944
At 31 March 2017	於二零一七年三月三十一日	39,373	58,141	316,744	(61,727)	(6,854)	345,677
At 1 April 2015	於二零一五年四月一日	38,730	36,167	211,573	(41,068)	1,554	246,956
Exchange realignment	匯兌調整	32	(44)	(5,470)	153	(653)	(5,982)
(Credited)/charged to consolidated income statement for the year (note 11)	在年度綜合收益表(計入)/扣除 (附註11)	(140)	12,450	12,570	715	(5,441)	20,154
Deemed disposal of interest in Cafe Deco (note 36(b)(iii))	視為出售所佔Cafe Deco之權益 (附註36(b)(iii))	334	(1,793)	-	1,006	-	(453)
At 31 March 2016	於二零一六年三月三十一日	38,956	46,780	218,673	(39,194)	(4,540)	260,675

For the purposes of consolidated statement of financial position presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	(26,815)	(18,547)
Deferred tax liabilities	遞延稅項負債	372,492	279,222
		345,677	260,675

As at 31 March 2017, the Group had unused tax losses of HK\$2,537,188,000 (2016: HK\$2,425,039,000) available for offset against future taxable profits. A deferred tax asset had been recognised in respect of HK\$214,203,000 (2016: HK\$150,855,000) of such losses. No deferred tax asset had been recognised in respect of the remaining HK\$2,322,985,000 (2016: HK\$2,274,184,000) due to the unpredictability of future profit streams. Included in tax losses were losses of HK\$136,678,000 and HK\$75,785,000 (2016: HK\$131,039,000 and HK\$152,831,000) of subsidiaries in Mainland China and the United States of America ("US") that will gradually expire until December 2021 and March 2037 respectively; the remaining tax losses may be carried forward indefinitely.

35 遞延稅項

下文所載乃本呈報年度及過往呈報年度確認之主要遞延稅項負債/(資產)及其變動:

為配合綜合財務狀況表之編列方式，若干遞延稅項資產及負債經已作抵銷。遞延稅項結餘作財務報告用途之分析如下：

於二零一七年三月三十一日，本集團未動用之稅項虧損為港幣2,537,188,000元(二零一六年：港幣2,425,039,000元)，可用作抵銷將來之應課稅溢利。其中港幣214,203,000元(二零一六年：港幣150,855,000元)之稅項虧損已確認為遞延稅項資產。因未來溢利難以預測，故並無就餘下之稅項虧損港幣2,322,985,000元(二零一六年：港幣2,274,184,000元)確認為遞延稅項資產。稅項虧損包括中國內地及美利堅合眾國(「美國」)附屬公司使用期分別至二零二一年十二月及二零三七年三月之港幣136,678,000元及港幣75,785,000元(二零一六年：港幣131,039,000元及港幣152,831,000元)；而餘下之稅項虧損將可無限期結轉。

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35 DEFERRED TAXATION (CONTINUED)

As at 31 March 2017, deferred tax liabilities of HK\$39,859,000 (2016: HK\$30,237,000) had not been recognised for the withholding tax that would be payable on the unappropriated earnings of certain subsidiaries. Such amounts were expected to be reinvested.

As at 31 March 2017, the Group had unrecognised deductible temporary differences of HK\$8,173,000 (2016: HK\$18,733,000). No deferred tax asset had been recognised in relation to such deductible temporary differences as it is not probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

35 遞延稅項 (續)

截至二零一七年三月三十一日，未有就若干附屬公司未分派盈利而可能支付之預扣稅確認遞延稅項負債港幣39,859,000元(二零一六年：港幣30,237,000元)，預期此等款項會用作再投資。

截至二零一七年三月三十一日，本集團之未確認可扣減暫時性差異為港幣8,173,000元(二零一六年：港幣18,733,000元)。預計在未來並無足夠之應課稅溢利以用作抵銷有關之可扣減暫時性差異，故並未確認相關之款額為遞延稅項資產。

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit before taxation	除稅前溢利	743,157	463,112
Adjustments for:	調整：		
Share of results of associates	所佔聯營公司業績	(87,922)	(116,932)
Share of results of joint ventures	所佔合營企業業績	4,672	25,407
Interest income from bank deposits	銀行存款的利息收入	(19,333)	(23,646)
Interest expenses on bank overdrafts and bank and other borrowings	銀行透支及銀行及其他借款的利息支出	93,538	105,156
Dividend income from investments	來自投資之股息收入	(10,538)	(22,687)
Depreciation	折舊	81,559	104,195
Amortisation of other intangible assets	其他無形資產攤銷	485	2,619
Increase in fair value of investment properties	投資物業之公允值增加	(226,033)	(31,997)
Gain on disposal of an investment property	出售一項投資物業之收益	(276)	(52)
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(498)	188
Loss on disposals of	出售以下公司之虧損		
– Wonder (note 36(b)(iii))	– Wonder (附註36(b)(iii))	3,972	–
– other subsidiaries	– 其他附屬公司	(265)	97
– associates	– 聯營公司	3	147
Gain on disposal of available-for-sales investments	出售可供出售之投資的收益	–	(12)
(Gain)/loss on investments at fair value through profit or loss	按公允值列入損益處理之投資的(收益)/虧損	(14,294)	23,258
(Gain)/loss on derivative financial instruments	衍生財務工具之(收益)/虧損	(1,385)	1,569
Write down/(back) of inventories to net realisable value, net	撇減/(撥回)存貨至可變現淨值，淨額	765	(1,839)
Impairment loss on goodwill	商譽之減值虧損	–	4,656
Impairment loss on amounts due from associates	應收聯營公司賬款之減值虧損	–	118,832
Impairment loss on available-for-sale investments	可供出售之投資的減值虧損	5,676	17,160
Impairment loss on trade and other debtors	貿易及其他應收賬款之減值虧損	20,374	8,644
Gain on deemed acquisition of Qi Yang Group (note 36(b)(i))	視為收購啓陽集團之收益(附註36(b)(i))	(7,060)	–
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	586,597	677,875

36 綜合現金流量表附註

(a) 來自營運之現金

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36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

36 綜合現金流量表附註 (續)

(a) Cash generated from operations (continued)

(a) 來自營運之現金 (續)

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Changes in working capital	營運資金變動		
(Increase)/decrease in amounts due from non-controlling interests	應收非控股權益賬款 (增加)/減少	(2,850)	8,761
Increase in investments at fair value through profit or loss, net	按公允值列入損益處理之投資增加，淨額	(34,629)	(164,772)
Decrease in inventories	存貨減少	7,855	9,224
Decrease in properties for sale	待售物業減少	184,911	439,334
Increase in properties under development	發展中物業增加	(216,981)	(353,445)
(Increase)/decrease in debtors, deposits and prepayments	應收賬款、存出按金及預付款項 (增加)/減少	(207,744)	125,448
Decrease in amounts due from customers for contract work	就合約工程應向客戶收取之款項減少	7,079	16,320
Increase in derivative financial instruments, net	衍生財務工具增加，淨額	1,296	17,571
Decrease in amount due to a non-controlling interest	應付單一非控股權益賬款減少	-	(3,538)
Decrease in amounts due to customers for contract work	就合約工程應向客戶支付之款項減少	(379,158)	(16,815)
Increase/(decrease) in creditors, bills payable, deposits and accruals	應付賬款、應付票據、存入按金及預提費用增加/(減少)	445,222	(363,988)
Decrease in unearned insurance premiums and unexpired risk reserves	遞延保險費及未過期風險儲備減少	(56,552)	(60,549)
Decrease in outstanding insurance claims	未決保險索償減少	(47,247)	(23,529)
Increase/(decrease) in deferred income	遞延收入增加/(減少)	3,931	(4,364)
Exchange difference	匯兌差額	22,442	31,513
Cash generated from operations	來自營運之現金	<u>314,172</u>	<u>335,046</u>

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36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

36 綜合現金流量表附註(續)

(b) Acquisition and disposal of businesses

(b) 收購及出售業務

(i) Deemed acquisition of Qi Yang

Qi Yang Group is engaged in car dealership business in Mainland China. The Group has owned 40% equity interest in Qi Yang, an associate of the Group. The remaining 60% equity interest is held by Qi Yang Holdings Limited, the PRC business partner.

(i) 視為收購啓陽

啓陽集團於中國內地從事汽車代理業務。本集團持有啓陽(本集團的一間聯營公司)之40%股權，餘下60%股權由中國業務夥伴啓陽控股有限公司持有。

During the year, in order to step up the Group's participation in the operations and strengthen the corporate governance of Qi Yang Group, the Group's management had agreed with the PRC business partner to implement certain changes to (i) the board compositions of Qi Yang and its wholly-owned subsidiary, Qi Yang (Chengdu) Investment Management Limited and (ii) the control of the key operating and financial activities of Qi Yang Group's businesses. Pursuant to the announcement made by the Group on 30 March 2017, Qi Yang became a non-wholly owned subsidiary of the Group since then.

於本年度，為增強本集團參與運作及加強啓陽集團的企業管治，本集團的管理層已與中國業務夥伴達成協議，對(i)啓陽及其全資附屬公司啓陽(成都)投資管理有限公司的董事會組成以及(ii)啓陽集團業務主要經營及財務活動的控制進行若干變更。根據本集團日期為二零一七年三月三十日之公告，啓陽自此成為本集團的一間非全資附屬公司。

		HK\$'000 港幣千元
Total consideration satisfied by:		
Interest originally held by the Group (note 18)	總代價之支付方式： 由本集團原本持有的權益(附註18)	63,536
Amount due from Qi Yang Group	應收啓陽集團之賬款	291,551
		<u>355,087</u>
Less: fair value of identified assets acquired, liabilities assumed and the non-controlling interest at the deemed acquisition date:		
Property, plant and equipment (note 15)	物業、廠房及設備(附註15)	356,042
Interests in joint ventures (note 19)	合營企業之權益(附註19)	79,613
Inventories	存貨	171,302
Debtors, deposits and prepayments	應收賬款、存出按金及預付款項	93,926
Amounts due from non-controlling interests	應收非控股權益賬款	46,437
Bank balances and cash	銀行結存及現金	120,309
Amounts due to non-controlling interests	應付非控制權益之賬款	(260,964)
Amounts due to joint ventures	應付合營企業之賬款	(406)
Creditors, deposits and accruals	應付賬款、存入按金及預提費用	(110,746)
Bank and other borrowings	銀行及其他借款	(88,117)
Deferred tax liabilities (note 35)	遞延稅項負債(附註35)	(23,944)
Non-controlling interests	非控股權益	(21,305)
		<u>362,147</u>
Gain on deemed acquisition (note 8)	視為收購之收益(附註8)	7,060
Net cash inflow arising from the deemed acquisition:	視為收購之現金流入淨額：	
Bank balances and cash	銀行結存及現金	<u>120,309</u>

The above table also served as the disclosure of summarised financial information (after inter-company elimination) of Qi Yang Group that has non-controlling interests which are material to the Group.

上表亦披露啓陽集團(其擁有之非控股權益對本集團屬重大)之財務資料概要(公司間對銷後)。

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36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Acquisition and disposal of businesses (continued)

(i) Deemed acquisition of Qi Yang (continued)

Had Qi Yang Group been consolidated from 1 April 2016, the Group's consolidated income statement would show pro-forma revenue of HK\$6,444 million and no material change in profit for the year.

The non-controlling interest of Qi Yang Group, an unlisted group, was determined based on proportionate share of net assets of Qi Yang Group.

(ii) Disposal of Wonder (HK) Holdings Limited ("Wonder")

In August 2016, the Group entered into an agreement with an independent third party to dispose of the Group's interest in Wonder. The transaction was completed in October 2016.

36 綜合現金流量表附註 (續)

(b) 收購及出售業務 (續)

(i) 視為收購啓陽 (續)

倘啓陽集團自二零一六年四月一日起已被綜合入賬，則本集團之綜合收益表將列示備考收入港幣64.44億元且於年度內之溢利概無重大變動。

非上市集團啓陽集團之非控股權益乃根據分佔啓陽集團資產淨值之比例釐定。

(ii) 出售 Wonder (HK) Holdings Limited (「Wonder」)

於二零一六年八月，本集團與一位獨立第三方訂立協議，出售本集團於Wonder之權益。此項交易已於二零一六年十月完成。

		HK\$'000 港幣千元
Total consideration satisfied by:	總代價之支付方式：	
Cash received	已收現金	30,448
Less: professional fees and other expenses	減：專業費用及其他支出	(164)
		30,284
Less: net assets disposed of:	減：出售以下各項之資產淨值：	
Interest in an associate (note 18)	所佔一間聯營公司權益 (附註18)	53,410
Amount due from non-controlling interests	應收非控股權益款項	988
Non-controlling interests	非控股權益	(21,651)
Exchange fluctuation reserve released upon disposal (note 34)	出售後解除之外匯兌換浮動儲備 (附註34)	1,509
		34,256
Loss on disposal (note 8)	出售之虧損 (附註8)	(3,972)
Net cash inflow arising from the disposal:	出售之現金流入淨額：	
Cash consideration received	已收現金代價	30,448
Professional fees and other expenses	專業費用及其他支出	(164)
		30,284

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36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Acquisition and disposal of businesses (continued)

(iii) Deemed disposal of interest in Cafe Deco Holdings Limited ("Cafe Deco")

Pursuant to the subscription agreement dated 11 December 2015, Cafe Deco had agreed to allot and issue the shares to the third parties. Upon completion, the equity interest of Cafe Deco held by the Group was diluted from 60% to 25.28% and no longer be an indirect non wholly-owned subsidiary and become an associate of the Group.

36 綜合現金流量表附註 (續)

(b) 收購及出售業務 (續)

(iii) 視為出售所佔Cafe Deco Holdings Limited (「Cafe Deco」)之權益

根據日期為二零一五年十二月十一日之認購協議，Cafe Deco已同意向第三方配發及發行股份。完成後，本集團持有Cafe Deco之股權由60%攤薄至25.28%，Cafe Deco不再為一間間接非全資附屬公司，而成為本集團之聯營公司。

		HK\$'000 港幣千元
Fair value of 25.28% equity interest of Cafe Deco	Cafe Deco 25.28%股權之公允值	48,495
Less: net assets disposed of:	減：已出售之資產淨值：	
Property, plant and equipment (note 15)	物業、廠房及設備(附註15)	83,655
Goodwill (note 16)	商譽(附註16)	57,247
Other intangible assets (note 17)	其他無形資產(附註17)	11,619
Interest in an associate	一間聯營公司權益	55
Other non-current assets	其他非流動資產	14,802
Amount due from an associate	應收一間聯營公司賬款	1,160
Inventories	存貨	11,738
Debtors, deposits and prepayments	應收賬款、存出按金及預付款項	49,793
Bank balances and cash	銀行結存及現金	24,563
Creditors, deposits and accruals	應付賬款、存入按金及預提費用	(80,351)
Deferred income	遞延收入	(3,908)
Bank borrowings	銀行借款	(80,857)
Current income tax liabilities	本期所得稅負債	(1,541)
Deferred tax liabilities (note 35)	遞延稅項負債(附註35)	(453)
Non-controlling interests	非控股權益	(42,270)
Capital reserve released upon disposal (note 34)	出售後解除之資本儲備(附註34)	1,703
Other assets revaluation reserve released upon disposal (note 34)	出售後解除之其他資產重估儲備(附註34)	(322)
Exchange fluctuation reserve released upon disposal (note 34)	出售後解除之外匯兌換浮動儲備(附註34)	1,862
		48,495
Gain on disposal	出售之收益	-
Net cash outflow arising from the disposal:	出售之現金流出淨額：	
Bank balances and cash	銀行結存及現金	(24,563)

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36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Acquisition and disposal of businesses (continued)

(iv) Acquisition of 100% equity interest in Dolce Field Limited (“Dolce Field”)

Pursuant to the agreements dated 20 March 2015, the Group agreed to purchase 100% equity interest in Dolce Field, the immediate holding company of 51% equity interest in 成都其士房地產發展有限公司 (“CCPD”), at a consideration of approximately HK\$346,563,000, which represents the cost of share capital and amount due to the Group. CCPD was a company established in Mainland China and owned as 49% joint venture by the Group as of 31 March 2015. The transaction was completed in April 2015 and Dolce Field became a wholly-owned subsidiary of the Company since then.

The following table summarised the consideration paid and the amounts of the assets acquired and liabilities assumed recognised as at the acquisition date:

		HK\$'000 港幣千元
Total consideration satisfied by:	總代價之支付方式：	
Amount due from a joint venture	應收一間合營企業賬款	346,563
Interest originally held by the Group (note 19)	由本集團原本持有的權益（附註19）	174,213
		<hr/>
Fair values of net assets acquired (as shown below)	所收購資產淨值之公允值（載列如下）	520,776

		HK\$'000 港幣千元
Assets acquired and liabilities assumed as follows:	已收購資產及所承擔負債如下：	
Property, plant and equipment (note 15)	物業、廠房及設備（附註15）	4,432
Properties under development (note 21)	發展中物業（附註21）	546,750
Other non-current assets	其他非流動資產	2,750
Inventories	存貨	637
Properties for sale	出售物業	869,325
Debtors, deposits and prepayments	應收賬款、存出按金及預付款項	15,166
Bank balances and cash	銀行結存及現金	2,304
Amount due to a joint venture	應付一間合營企業賬款	(166,701)
Creditors, deposits and accruals	應付賬款、存入按金及預提費用	(612,010)
Bank borrowings	銀行借款	(141,877)
		<hr/>
Total identifiable net assets	可識別資產淨值總額	520,776
		<hr/>
Net cash inflow arising from the acquisition:	收購之現金流入淨額：	
Bank balances and cash	銀行結存及現金	2,304

36 綜合現金流量表附註（續）

(b) 收購及出售業務（續）

(iv) 收購都思有限公司（「都思」）之 100% 股權

根據日期為二零一五年三月二十日之協議，本集團同意購買都思（成都其士房地產發展有限公司（「成都其士房地產」）之51%股權之直接控股公司）之100%股權，代價約為港幣346,563,000元，相等於股本成本及應付本集團賬款。成都其士房地產於中國內地成立，於二零一五年三月三十一日，為本集團擁有49%權益之合營企業。交易於二零一五年四月完成，都思自此成為本公司之一間全資附屬公司。

下表概述已付代價及於收購日期已確認所收購資產及所承擔負債之金額：

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36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Acquisition and disposal of businesses (continued)

(v) Acquisition of 11% equity interest in Mass Harvest Limited ("Mass Harvest")

Pursuant to the agreements dated 20 March 2015, the Group agreed to purchase 11% equity interest in Mass Harvest, the immediate holding company of 成都世代錦江國際酒店有限公司 at a consideration of approximately HK\$26,696,000, which represents the cost of share capital and amount due to the Group. Mass Harvest was a company established in the British Virgin Islands and owned as 49% joint venture by the Group as at 31 March 2016. The transaction was completed in April 2015 and Mass Harvest remained as a joint venture of the Group.

37 IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS

For the purpose of impairment testing, goodwill acquired in business combinations, licenses, trademarks, favourable leases and others are allocated, at acquisition, to the CGUs that are expected to benefit from such intangible assets. The respective carrying amounts as at 31 March 2017 and 2016 had been allocated as follows:

		Goodwill 商譽 HK\$'000 港幣千元	License 牌照 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元
Cost	成本			
Construction and engineering – roads, drainage and waterworks	建築及機械工程 – 道路、渠務及水務工程	–	26,534	–
Property development and operations – cold storage and public bonded warehouse (note a)	物業發展及營運 – 冷藏倉庫及 公眾保稅倉 (附註a)	66,027	3,000	–
Senior housing (note b)	安老院舍 (附註b)	569,837	–	5,206
Others	其他	–	–	11,228
Insurance and investment	保險及投資	–	–	4,130
		635,864	29,534	20,564
Accumulated amortisation/ impairment loss	累計攤銷 / 減值虧損			
Construction and engineering – roads, drainage and waterworks	建築及機械工程 – 道路、渠務及水務工程	–	(26,534)	–
Property development and operations – cold storage and public bonded warehouse (note a)	物業發展及營運 – 冷藏倉庫及 公眾保稅倉 (附註a)	(1,461)	(3,000)	–
Senior housing (note b)	安老院舍 (附註b)	(4,662)	–	(5,206)
Others	其他	–	–	(1,900)
Insurance and investment	保險及投資	–	–	(4,072)
		(6,123)	(29,534)	(11,178)
Net book value at 31 March 2017	於二零一七年 三月三十一日之賬面淨值	629,741	–	9,386

36 綜合現金流量表附註 (續)

(b) 收購及出售業務 (續)

(v) 收購宏豐有限公司 (「宏豐」) 之 11% 股權

根據二零一五年三月二十日之協議，本集團同意購買宏豐 (成都世代錦江國際酒店有限公司之直接控股公司) 之 11% 股權，代價約為港幣 26,696,000 元，相等於股本成本及應付本集團賬款。宏豐於英屬維爾京群島成立，於二零一六年三月三十一日，為本集團擁有 49% 權益之合營企業。交易於二零一五年四月完成，宏豐仍為本集團之一間合營企業。

37 商譽及其他無形資產之減值測試

為進行減值測試，於業務合併購入之商譽、牌照、商標、有利租賃及其他乃於收購時分配至預期將從該無形資產中受惠之現金產生單位。於二零一七年及二零一六年三月三十一日，各自之賬面值已獲分配如下：

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37 IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

37 商譽及其他無形資產之減值測試 (續)

		Goodwill 商譽 HK\$'000 港幣千元	License 牌照 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元
Cost	成本			
Construction and engineering – roads, drainage and waterworks	建築及機械工程 – 道路、渠務及水務工程	–	26,534	–
Property development and operations – cold storage and public bonded warehouse (note a)	物業發展及營運 – 冷藏倉庫及公眾 保稅倉 (附註a)	66,027	3,000	–
Senior housing (note b)	安老院舍 (附註b)	569,104	–	5,199
Others	其他	–	–	4,530
Insurance and investment	保險及投資	–	–	4,664
		<u>635,131</u>	<u>29,534</u>	<u>14,393</u>
Accumulated amortisation/impairment loss	累計攤銷／減值虧損			
Construction and engineering – roads, drainage and waterworks	建築及機械工程 – 道路、渠務及水務工程	–	(26,534)	–
Property development and operations – cold storage and public bonded warehouse (note a)	物業發展及營運 – 冷藏倉庫及公眾 保稅倉 (附註a)	(1,461)	(3,000)	–
Senior housing (note b)	安老院舍 (附註b)	(4,656)	–	(4,803)
Others	其他	–	–	(1,904)
Insurance and investment	保險及投資	–	–	(4,551)
		<u>(6,117)</u>	<u>(29,534)</u>	<u>(11,258)</u>
Net book value at 31 March 2016	於二零一六年 三月三十一日之賬面淨值	<u>629,014</u>	<u>–</u>	<u>3,135</u>

The Group tests goodwill annually for impairment, or more frequently if there are indications that they might be impaired.

本集團每年均會測試商譽是否出現減值，或當有減值跡象時，會更頻密進行測試。

The Group tests other intangible assets for impairment whenever there is an indication that they might be impaired.

本集團於其他無形資產在出現有可能減值跡象時進行減值測試。

Determining whether goodwill and other intangible assets are impaired require estimations of the higher of the value in use or fair value less cost to sell. Both approaches require the entity to estimate the future cash flows expected to arise from CGUs and suitable discount rates in order to calculate present value.

釐定商譽及其他無形資產有否減值需估計使用中價值或公允值扣除銷售成本之較高者。在使用該兩個計算法時，該企業需估計該現金產生單位產生之未來現金流量及適當貼現率，以計算其現值。

The key assumptions for both approaches requires the entity to estimate the discount rates and net operating income (for senior housing). Management estimates appropriate discount rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

該兩個計算法之主要假設需要企業估計貼現率及淨營運收入（就安老院舍而言）。管理層估計能反映目前市場對貨幣之時間價值及現金產生單位特有風險之合適貼現率。

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37 IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. Management determined budgeted growth rates and gross margins based on past performance and market expectation. The discount rates and reflect specific risks relating to the relevant CGUs.

(a) Cold storage and public bonded warehouse business

Goodwill, after impairment of HK\$64,566,000 (2016: HK\$64,566,000) is allocated to the Group's cold storage and public bonded warehouse business. The estimated recoverable amount is determined based on value-in-use approach. The calculation uses post-tax cash flow projections based on financial budgets approved by management covering a one-year period. Cash flows beyond the period are extrapolated using a 3% growth rate per annum and a 9% discount rate per annum.

(b) Senior housing business

Goodwill, after impairment of HK\$565,175,000 (2016: HK\$564,448,000) and no lease-in-place, after amortisation (2016: HK\$396,000) are allocated to the Group's senior housing business. The estimated recoverable amounts are determined based on value-in-use approach. The calculation uses pre-tax cash flow projections based on financial budgets approved by management covering three to four-year period. Cash flows beyond the period are extrapolated using a 4% growth rate per annum and a 10.5% discount rate per annum.

37 商譽及其他無形資產之減值測試 (續)

而售價及直接成本之變化則根據過往慣例及對市場未來轉變之預期而定。管理層根據過往表現及市場預期釐定預算增長率及毛利率。貼現率反映與相關現金產生單位所涉及之特定風險。

(a) 冷藏倉庫及公眾保稅倉業務

減值後港幣64,566,000元(二零一六年：港幣64,566,000元)之商譽被分配至本集團之冷藏倉庫及公眾保稅倉業務。估計可收回金額乃按使用中價值法釐定。有關計算使用根據管理層批核之一年期財務預算之除稅後現金流量預測。超過期限之現金流量根據每年3%增長率及9%貼現年率推算。

(b) 安老院舍業務

商譽減值港幣565,175,000元(二零一六年：港幣564,448,000元)及零攤銷現存租賃(二零一六年：港幣396,000元)後被分配至本集團之安老院舍業務。估計可收回金額乃按使用中價值法釐定。有關計算使用根據管理層批核之三至四年期財務預算之除稅前現金流量預測。超過期限之現金流量使用每年4%增長率及10.5%貼現年率推算。

38 BENEFITS AND INTERESTS OF DIRECTORS

Directors' emoluments

Emoluments paid and payable to the Directors are as follows:

38 董事之福利及權益

董事酬金

已付及應付予董事之酬金如下：

		2017 二零一七年			
		Directors' fee	Salaries and other benefits	Retirement scheme contribution	Total
		董事酬金	薪金及其他福利	退休計劃之供款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors		執行董事			
Chow Yei Ching (Co-Chairman)	周亦卿 (聯席主席)	-	1,787	-	1,787
Kuok Hoi Sang (Co-Chairman and Managing Director)	郭海生 (聯席主席兼董事總經理)	-	13,720	675	14,395
Tam Kwok Wing (Deputy Managing Director)	譚國榮 (副董事總經理)	-	11,400	465	11,865
Ho Chung Leung	何宗樑	-	3,500	225	3,725
Ma Chi Wing	馬志榮	-	5,500	262	5,762
Lily Chow	周莉莉	-	1,850	139	1,989
Non-Executive Directors		非執行董事			
Chow Ming Kuen, Joseph #	周明權#	300	-	-	300
Sun Kai Dah, George ***	孫開達***	127	-	-	127
Yang Chuen Liang, Charles #	楊傳亮#	350	-	-	350
Poon Chung Kwong #	潘宗光#	250	-	-	250
Irons Sze **	施榮懷**	87	-	-	87
Chow Vee Tsung, Oscar	周維正	100	-	-	100
Ko Chan Gock, William	高贊覺	100	-	-	100
		1,314	37,757	1,766	40,837

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38 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

38 董事之福利及權益 (續)

Directors' emoluments (continued)

董事酬金 (續)

	Directors' fee	2016 二零一六年		Total
		Salaries and other benefits	Retirement scheme contribution	
	董事酬金	薪金及其他福利	退休計劃之供款	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors	執行董事			
Chow Yei Ching (Co-Chairman)	周亦卿 (聯席主席)	–	15,235	15,235
Kuok Hoi Sang (Co-Chairman and Managing Director)	郭海生 (聯席主席兼董事總經理)	–	13,000	624
Tam Kwok Wing (Deputy Managing Director)	譚國榮 (副董事總經理)	–	10,800	423
Ho Chung Leung	何宗樑	–	3,300	210
Ma Chi Wing	馬志榮	–	4,000	225
Lily Chow	周莉莉	–	1,700	128
Non-Executive Directors	非執行董事			
Chow Ming Kuen, Joseph #	周明權#	250	–	250
Sun Kai Dah, George #	孫開達#	250	–	250
Yang Chuen Liang, Charles #	楊傳亮#	300	–	300
Poon Chung Kwong #	潘宗光#	250	–	250
Chow Vee Tsung, Oscar	周維正	50	2,512	169
Ko Chan Gock, William	高贊覺	100	–	100
		<u>1,200</u>	<u>50,547</u>	<u>1,779</u>
				<u>53,526</u>

Independent Non-Executive Director

* Appointed as Independent Non-Executive Director on 25 November 2016

** Retired as Independent Non-Executive Director on 2 September 2016

獨立非執行董事

* 於二零一六年十一月二十五日獲委任為獨立非執行董事

** 於二零一六年九月二日退任獨立非執行董事

Employees' emoluments

The five highest paid individuals include three (2016: four) Directors, details of whose emoluments are set out above. The total emoluments paid to the remaining two (2016: one) highest paid individuals are as follows:

僱員酬金

五名最高薪酬人士包括三名 (二零一六年：四名) 董事，彼等之酬金詳情已載列如上。支付予其餘兩名 (二零一六年：一名) 最高薪酬人士之總薪酬為：

		2017 二零一七年	2016 二零一六年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Salaries, allowances and benefits in kind	薪金、津貼及其他福利	6,685	2,265
Performance-based bonus	按表現發放之花紅	5,774	4,458
Contributions to retirement scheme	退休計劃之供款	36	18
		<u>12,495</u>	<u>6,741</u>

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38 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

Employees' emoluments (continued)

The emoluments of the remaining two (2016: one) highest paid individuals fall within the following bands.

		2017 二零一七年	2016 二零一六年
HK\$4,000,001 – HK\$4,500,000	港幣4,000,001元 – 港幣4,500,000元	1	–
HK\$6,000,001 – HK\$7,000,000	港幣6,000,001元 – 港幣7,000,000元	–	1
HK\$8,000,001 – HK\$8,500,000	港幣8,000,001元 – 港幣8,500,000元	1	–

The above emoluments paid and payable to Directors and employees also represent only benefits paid to the Group's key management during the years ended 31 March 2017 and 2016.

Directors' material interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its fellow subsidiaries was a party or were parties and in which a Director of the Company or any entities connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

39 CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of guarantees issued for utilised borrowings in relation to:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Banking facilities granted to associates	授予聯營公司之銀行信貸	3,442	14,081
Banking facilities granted to a joint venture	授予一間合營企業之銀行信貸	295,254	184,232
Guarantees given to banks and housing retirement fund management centers for mortgage facilities granted to certain buyers of properties	給予銀行及住房公積金中心就授予若干物業買家之按揭信貸的擔保	492,299	348,964
		790,995	547,277

The Group's share of contingent liabilities of its joint ventures was as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Guarantees given to banks for mortgage facilities granted to certain buyers of the joint ventures' properties	給予銀行就授予合營企業之物業的若干買家之按揭信貸的擔保	3,212	4,208

38 董事之福利及權益 (續)

僱員酬金 (續)

其餘兩名 (二零一六年：一名) 最高薪酬之人士可按金額劃分為下列組別。

上述向董事及僱員已付及應付之酬金亦即於截至二零一七年及二零一六年三月三十一日止年度向本集團主要管理層支付之唯一福利。

董事於交易、安排或合約中之重大權益

本公司、其附屬公司或其同系附屬公司概無訂立任何於年結日或本年度任何時間仍然存在，而本公司董事或任何與該董事有關連的實體於當中直接或間接擁有重大權益且有關本集團業務的重大交易、安排或合約。

39 或然負債

本集團因已動用借款而作出之擔保之或然負債為：

本集團所佔其合營企業之或然負債如下：

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40 COMMITMENT

The Group had commitment as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Contracted but not provided for in the consolidated financial statements in respect of	就下列項目已簽訂合約但未在綜合財務報表內計提之承擔		
– property development projects	– 物業發展項目	500,114	637,158
– acquisition of plant and equipment	– 購入廠房及設備	14,211	1,311
– acquisition of an investment property	– 購入一個投資物業	–	5,970
		514,325	644,439

The Group's share of commitment of its joint ventures was as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未計提	47,275	307,619

41 OPERATING LEASES

The Group as lessee

The Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of renting of premises which fall due as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	一年內	29,630	24,078
In the second to fifth year inclusive	第二至五年內(包括首尾兩年)	25,103	7,752
Over five years	五年以上	33,944	3,730
		88,677	35,560

The above lease commitments only include commitments for basic rentals, and do not include commitments for additional rental payable (contingent rents), if any, which are to be determined generally by applying pre-determined percentages to future sales less the basic rentals of the respective leases, as it is not possible to determine in advance the amount of such additional rentals.

40 承擔

本集團之承擔如下：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Contracted but not provided for in the consolidated financial statements in respect of		
– property development projects	500,114	637,158
– acquisition of plant and equipment	14,211	1,311
– acquisition of an investment property	–	5,970
	514,325	644,439

本集團所佔其合營企業之承擔如下：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Contracted but not provided for	47,275	307,619

41 營運租賃

本集團作為承租人

本集團就樓宇租賃根據不可撤銷之營運租賃而須於未來支付之最低租賃金額，租約屆滿期如下：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	29,630	24,078
In the second to fifth year inclusive	25,103	7,752
Over five years	33,944	3,730
	88,677	35,560

上述租賃承擔僅包括基本租金承擔，並不包括額外應付租金(或然租金)(如有)之承擔，此等額外租金一般應用未來銷售之預設百分比減各租賃之基本租金而釐定，因此不可能事先釐定額外租金之款額。

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41 OPERATING LEASES (CONTINUED)

The Group as lessor

As at 31 March 2017, investment properties and properties for sale with carrying values of HK\$3,589,366,000 and HK\$21,845,000 (2016: HK\$3,620,184,000 and HK\$22,820,000) respectively were rented out under operating leases. These properties have committed tenants within the next five years. The future minimum lease payments receivable by the Group under non-cancellable operating leases for each of the following periods is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	一年內	97,423	107,576
In the second to fifth year inclusive	第二至五年內(包括首尾兩年)	16,497	27,133
Over five years	超過五年	154	1,041
		114,074	135,750

42 RETIREMENT BENEFITS

The Group has established various retirement benefit schemes for the benefit of its staff in Hong Kong and overseas.

In Hong Kong, the Group participates in both defined contribution schemes which are registered under the Occupational Retirement Schemes Ordinance (the "ORSO Schemes") and Mandatory Provident Fund Schemes (the "MPF Schemes") established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the schemes are held separately from those of the Group and in funds under the control of trustees. The ORSO Schemes are funded by monthly contributions from both employees and the Group at rates ranging from 5% to 7.5% of the employee's basic salary, depending on the length of service with the Group. For members of the MPF Schemes, the Group contributes 5% of the relevant payroll costs per employee, at a maximum of HK\$1,500 per month during the year ended 31 March 2017, to the mandatory contribution of the MPF Schemes.

The Group also participates in the employee pension schemes in countries or locations where the Group operates. The Group is required to make defined contributions at rates calculated as a certain percentage or sum of the monthly payroll.

Where there are employees who leave the ORSO Schemes prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. As at 31 March 2017 and 2016, there were no forfeited contributions, which arose upon employees leaving the ORSO Schemes and which would be available to reduce the contributions payable in future years. No forfeited contributions utilised in this manner during the year end 31 March 2017 (2016: nil). As at 31 March 2017, contributions of HK\$3,154,000 (2016: HK\$3,196,000) due in respect of the reporting period were paid over to various schemes in April 2016.

41 營運租賃(續)

本集團作為出租人

截至二零一七年三月三十一日，以營運租賃出租之投資物業及待售物業之賬面值分別為港幣3,589,366,000元及港幣21,845,000元(二零一六年：港幣3,620,184,000元及港幣22,820,000元)。此等物業獲租客承諾於未來五年內租用。本集團於下列各期間根據不可撤銷之營運租賃而於未來應收之最低租賃金額如下：

42 退休福利

本集團為香港及海外僱員之福利設立多項退休福利計劃。

於香港，本集團參與按《職業退休計劃條例》註冊之界定供款計劃(「職業退休計劃」)及於二零零零年十二月按《強制性公積金計劃條例》設立之強制性公積金計劃(「強積金計劃」)。該等計劃之資產乃由信託人控制之基金持有，與本集團資產分開處理。就職業退休計劃，僱員及本集團每月按僱員底薪之5%至7.5%為供款額，視乎僱員於本集團之年資而定。本集團為強積金計劃之成員，按僱員有關每月入息之5%計算(截至二零一七年三月三十一日止年度每月最多為港幣1,500元)就強積金計劃作出強制性供款。

本集團亦參與本集團經營業務之國家或地區之僱員退休金計劃。本集團須按以每月薪酬之若干百分比或數目計算之金額作界定供款。

倘僱員於供款全數歸屬前退出職業退休計劃，已沒收供款可作為本集團扣減應付供款之用。於二零一七年及二零一六年三月三十一日，並無因僱員退出職業退休計劃並於來年扣減應付供款之已沒收供款。截至二零一七年三月三十一日止年度並無以此形式動用之已沒收供款(二零一六年：無)。於二零一七年三月三十一日，就報告期間應付之各計劃供款港幣3,154,000元(二零一六年：港幣3,196,000元)已於二零一六年四月支付。

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43 RELATED PARTY TRANSACTIONS

Details of the material transactions entered into during the year with related parties are as follows:

43 有關連人士之交易

於本年度與有關連人士之重要交易詳情如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Contract income from a joint venture	來自一間合營企業之合約收入	39,168	20,100
Contract services fee to an associate	給予一間聯營公司之合約服務費用	(991)	(505)
Management fee income from associates (note 7)	來自聯營公司之管理費收入(附註7)	20,146	21,340
Management fee income from joint ventures (note 7)	來自合營企業之管理費收入(附註7)	3,945	3,138
Maintenance fee to an associate	給予一間聯營公司之保養費用	(6,089)	(6,004)
Management fee to an associate	給予一間聯營公司之管理費用	(337)	(336)
Building management fee income from an associate	來自一間聯營公司之樓宇管理費收入	1,121	1,132
Rental income from an associate	來自一間聯營公司之租金收入	20,539	20,506
Rental expenses to an associate	給予一間聯營公司之租金支出	(152)	(161)
Sales and marketing services income from an associate (note 7)	來自一間聯營公司之銷售及市場推廣服務收入(附註7)	27,930	26,037
Secondment fee income from an associate	來自一間聯營公司之借調費收入	1,391	1,244
Sales of food and beverage to associates	銷售予聯營公司之餐飲	-	1,417
Insurance premium from associates	來自聯營公司之保險費	7,368	5,829
Insurance premium from a joint venture	來自一間合營企業之保險費	44	310

The above transactions were entered at terms mutually agreed between all parties involved.

上述交易乃按有關各方共同議定之條款訂立。

The emoluments of the Directors, who are also considered to be key management of the Group, during the year is set out in note 38 to the consolidated financial statements.

本年度董事(彼等亦被視為本集團主要管理層成員)之薪酬載於綜合財務報表附註38。

44 ASSETS HELD-FOR-SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD-FOR-SALE

On 1 June 2017, the Company announced it has entered into an agreement in respect of the disposal of Chinaford Investment Limited ("Chinaford") and Dolce Field (investment holding companies which hold the entire interest in CCPD) and the assignment of debt at an aggregate cash consideration of approximately HK\$1,773 million (the "Disposal Transaction") as detailed in note 45(c). Assets and liabilities of CCPD were reclassified as held-for-sale as at 31 March 2017.

44 持作出售資產／與持作出售資產直接相關之負債

於二零一七年六月一日，本公司宣佈其已就出售長暉投資有限公司(「長暉」)及都思(持有成都其士房地產全部權益之投資控股公司)及債務轉讓訂立一份總現金代價約為港幣17.73億元協議(「出售交易」)，詳情載於附註45(c)。成都其士房地產之資產及負債於二零一七年三月三十一日重新分類為持作出售。

		HK\$'000 港幣千元
Assets	資產	
Property, plant and equipment (note 15)	物業、廠房及設備(附註15)	1,676
Properties under development (note 21)	發展中物業(附註21)	533,464
Properties for sales	出售物業	580,488
Debtors, deposits and prepayments	應收賬款、存出按金及預付款項	8,155
Bank balances and cash	銀行結存及現金	110,004
Assets of subsidiaries reclassified as held-for-sale	重新分類為持作出售之附屬公司之資產	1,233,787
Liabilities	負債	
Amount due to a joint venture	應付一間合營企業賬款	(25,893)
Creditors, deposits and accruals	應付賬款、存入按金及預提費用	(122,375)
Liabilities of subsidiaries reclassified as held-for-sale	重新分類為持作出售之附屬公司之負債	(148,268)

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45 EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) Acquisition of senior housing properties

On 3 April 2017, the Group announced it has entered into an agreement to acquire two additional senior housing properties located in Michigan, the US, at the consideration of US\$33 million (equivalent to approximately HK\$257 million). These two senior housing properties provide an aggregate of 299 units with a total rentable area of over 170,000 square feet.

(b) Acquisition of 100% equity interest in Silver Prosper Holding Limited (“Silver Prosper”)

On 18 May 2017, the Group announced it has entered into a provisional agreement to acquire 100% equity interest in Silver Prosper where the principal asset is the property located at Davis Street, Hong Kong, which is for residential and commercial use at the consideration of HK\$228 million.

(c) Disposal of entire issue share capital in Chinaford and Dolce Field

On 1 June 2017, the Group announced it has entered into an framework agreement to dispose the entire issue share capital in Chinaford and Dolce Field to Yango International Investment Group Limited and Yango City Group Co., Ltd at a net consideration of RMB1,570 million (equivalent to approximately HK\$1,773 million). Chinaford and Dolce Field are the investment holding companies of CCPD which is principally engaged in a property development project in Chengdu of Mainland China, namely Chateau Ermitas, and is also the holders of three parcels of land.

(d) Acquisition of development right for the land

On 13 June 2017, Urban Renewal Authority (“URA”) notified Chevalier Pacific Limited (“Chevalier Pacific”), a wholly-owned subsidiary of the Group that URA has accepted the tender offer submitted by and awarded the right to develop the land (“Land”), which is located at Fuk Chak Street/Li Tak Street in Tai Kok Tsui, Kowloon, Hong Kong to be known as Kowloon Inland Lot No. 11259, to Chevalier Pacific. The consideration payable by Chevalier Pacific for the right to develop the Land is HK\$680 million.

45 報告期末後事項

(a) 收購安老院舍物業

於二零一七年四月三日，本集團宣佈，其已簽訂協議以收購位於美國密歇根州之兩項安老院舍物業，代價為美金3,300萬元（相等於約港幣2.57億元）。該兩項安老院舍物業合共提供299個單位，可出租面積為170,000平方呎。

(b) 收購銀盛集團有限公司（「銀盛集團」）100%股權

於二零一七年五月十八日，本集團宣佈，其已簽訂臨時協議以收購銀盛集團100%權益，代價為港幣2.28億元。該公司的主要資產為位於香港爹核士街的該物業，該物業用作住宅及商業用途。

(c) 出售長暉及都思全部已發行股本

於二零一七年六月一日，本集團宣佈，其已簽訂框架協議以將長暉及都思的全部已發行股本出售予陽光城集團國際投資有限公司及陽光城集團股份有限公司，代價淨額為人民幣15.70億元（相等於約港幣17.73億元）。長暉及都思乃成都其士房地產之投資控股公司，成都其士房地產主要於中國內地成都從事物業開發項目（即半山艾馬仕），並為三幅地塊之持有人。

(d) 收購土地開發權

於二零一七年六月十三日，市區重建局（「市區重建局」）知會本集團之全資附屬公司其士泛亞有限公司（「其士泛亞」），市區重建局已接受其士泛亞就有關土地（「該土地」）之開發權提交之投標及其士泛亞已獲得該土地之開發權。該土地位於香港九龍大角咀福澤街／利得街（稱為九龍內地段第11259號地塊）。其士泛亞就有關該土地開發權應付之代價為港幣6.8億元。

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46 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

46 本公司財務狀況及儲備變動表

公司財務狀況表

於二零一七年三月三十一日

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Non-current assets	非流動資產		
Interests in subsidiaries	所佔附屬公司之權益	3,620,707	3,599,408
Interests in associates	所佔聯營公司之權益	89,594	89,594
Other intangible assets	其他無形資產	599	599
Available-for-sale investments	可供出售之投資	66,314	81,653
		<u>3,777,214</u>	<u>3,771,254</u>
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司賬款	3,211,003	1,969,092
Amounts due from associates	應收聯營公司賬款	14,983	18,074
Investments at fair value through profit or loss	按公允值列入損益處理之投資	160,975	195,694
Debtors, deposits and prepayments	應收賬款、存出按金及預付款項	70,872	15,034
Bank balances and cash	銀行結存及現金	314,805	544,590
		<u>3,772,638</u>	<u>2,742,484</u>
Current liabilities	流動負債		
Amounts due to subsidiaries	應付附屬公司賬款	3,817,948	2,872,547
Derivative financial instruments	衍生財務工具	1,493	7,861
Creditors, deposits and accruals	應付賬款、存入按金及預提費用	4,049	3,313
Bank borrowings	銀行借款	104,263	250,943
		<u>3,927,753</u>	<u>3,134,664</u>
Net current liabilities	流動負債淨值	<u>(155,115)</u>	<u>(392,180)</u>
Total assets less current liabilities	總資產減流動負債	<u>3,622,099</u>	<u>3,379,074</u>
Capital and reserves	股本及儲備		
Share capital	股本	377,411	377,411
Reserves (note a)	儲備(附註a)	2,049,583	1,949,869
Total equity	總權益	<u>2,426,994</u>	<u>2,327,280</u>
Non-current liability	非流動負債		
Bank borrowings	銀行借款	1,195,105	1,051,794
Total equity and non-current liability	總權益及非流動負債	<u>3,622,099</u>	<u>3,379,074</u>

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46 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

Note:

(a) Reserves movement of the Company

46 本公司財務狀況及儲備變動表 (續)

附註：

(a) 本公司儲備變動

		Share premium 股份溢價 HK\$'000 港幣千元	Contributed surplus 繳入盈餘 HK\$'000 港幣千元 (note i) (附註i)	Capital redemption reserve 資本贖回儲備 HK\$'000 港幣千元	Investment revaluation reserve 投資重估儲備 HK\$'000 港幣千元	Hedging reserve 對沖儲備 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 April 2016	於二零一六年四月一日	704,087	95,413	8,799	25,351	(7,212)	1,123,431	1,949,869
Profit for the year	年度溢利	-	-	-	-	-	300,279	300,279
Impairment loss on available-for-sale investments transferred to income statement	可供出售之投資的減值虧損轉撥至收益表	-	-	-	5,676	-	-	5,676
Change in fair value of available-for-sale investments	可供出售之投資的公允值變動	-	-	-	(559)	-	-	(559)
Fair value adjustments on the derivative designated as cash flow hedge in respect of interest rate swap contracts	指定為現金流量對沖的衍生工具有關利率掉期合約的公允值調整	-	-	-	-	5,668	-	5,668
Total comprehensive income for the year	年度全面收益總額	-	-	-	5,117	5,668	300,279	311,064
Dividends paid	已付股息	-	-	-	-	-	(211,350)	(211,350)
At 31 March 2017	於二零一七年三月三十一日	704,087	95,413	8,799	30,468	(1,544)	1,212,360	2,049,583
At 1 April 2015	於二零一五年四月一日	680,214	95,413	8,799	71,105	(355)	995,491	1,850,667
Profit for the year	年度溢利	-	-	-	-	-	488,317	488,317
Impairment loss on available-for-sale investments transferred to income statement	可供出售之投資的減值虧損轉撥至收益表	-	-	-	17,160	-	-	17,160
Change in fair value of available-for-sale investments	可供出售之投資的公允值變動	-	-	-	(62,914)	-	-	(62,914)
Fair value adjustments on the derivative designated as cash flow hedge in respect of interest rate swap contracts	指定為現金流量對沖的衍生工具有關利率掉期合約的公允值調整	-	-	-	-	(6,857)	-	(6,857)
Total comprehensive income for the year	年度全面收益總額	-	-	-	(45,754)	(6,857)	488,317	435,706
Dividends paid	已付股息	-	-	-	-	-	(360,377)	(360,377)
Issue of share under scrip divided schemes	根據以股代息計劃發行股份	23,873	-	-	-	-	-	23,873
At 31 March 2016	於二零一六年三月三十一日	704,087	95,413	8,799	25,351	(7,212)	1,123,431	1,949,869

Note: (i) Contributed surplus represents the difference between the value of net assets of subsidiaries acquired and the nominal amount of the Company's shares issued for their acquisition. Under the Companies Act of 1981 of Bermuda, the contributed surplus of the Company is available for distribution to shareholders.

附註：(i) 繳入盈餘乃代表所收購附屬公司之資產淨值與收購時所發行本公司股份之面值間之差額。根據百慕達《一九八一年公司法》，本公司之繳入盈餘乃可供分派予股東。

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47 PRINCIPAL SUBSIDIARIES

47 主要附屬公司

Name of company 公司名稱	Place or country of incorporation or registration/operation 成立或註冊/ 營業地點或國家	Class of shares held 所持股份類別	Issued and paid up share capital/registered capital 已發行及繳足 股本/註冊股本	Number of shares 股份數目	Effective percentage of issued share capital/registered capital held by the Company 本公司持有已發行 股本/註冊股本之實際百分比		Percentage of issued share capital/registered capital held by non-controlling interests 非控股權益持有 已發行股本/ 註冊股本之百分比	Principal activities 主要業務
					Directly 直接 %	Indirectly 間接 %		
Changchun New Star Universe Sheng Chi Real Estate Development Co., Ltd. (note a) 長春新宇聖馳房地產開發 有限責任公司(附註a)	Mainland China 中國內地	N/A 不適用	RMB675,000,000 人民幣675,000,000元	N/A 不適用	-	96	4	Property development 物業發展
Chevalier (Aluminium Engineering) Hong Kong Limited 其士(鋁工程)香港有限公司	Hong Kong 香港	Ordinary 普通	HK\$2 港幣2元	2	-	100	-	Supply and installation of aluminium windows and curtain walls 鋁窗及幕簾之供應及安裝
Chevalier (Aluminium Engineering) Limited (note b) 其士(鋁工程)有限公司(附註b)	Hong Kong 香港	Ordinary 普通	HK\$100 港幣100元	100	-	100	-	Supply and installation of aluminium windows and curtain walls 鋁窗及幕簾之供應及安裝
		Deferred 遞延	HK\$2 港幣2元	2	-	100	-	鋁窗及幕簾之供應及安裝
Chevalier Automobiles Inc.	Canada 加拿大	Common 普通	CAD101 101加拿大元	200	-	100	-	Sale and servicing of automobiles 汽車銷售及維修服務
Chevalier (Building Supplies & Engineering) Limited (note b) 其士(建材工程)有限公司 (附註b)	Hong Kong 香港	Ordinary 普通	HK\$20,000,100 港幣20,000,100元	20,000,100	-	100	-	Supply and installation of building materials 建築材料供應及安裝
		Deferred 遞延	HK\$2 港幣2元	2	-	100	-	建築材料供應及安裝
Chevalier Cali Holding (Cal) Inc.	US 美國	Common 普通	US\$4,012,000 4,012,000美元	4,012,000	-	100	-	Grocery trading 雜貨貿易
Chevalier (Chengdu) Investment Management Limited (note c) 其士(成都)投資管理有限公司(附註c)	Mainland China 中國內地	N/A 不適用	RMB250,000,000 人民幣250,000,000元	N/A 不適用	-	100	-	Investment holding and provision of management service 投資控股及提供管理服務
Chevalier Chrysler Inc.	Canada 加拿大	Common 普通	CAD101 101加拿大元	200	-	100	-	Sale and servicing of automobiles 汽車銷售及維修服務
Chevalier Cold Storage and Logistics Limited 其士冷藏物流有限公司	Hong Kong 香港	Ordinary 普通	HK\$2 港幣2元	2	-	75	25	Operation of a cold storage warehouse and logistic business 經營冷凍倉庫及物流業務
Chevalier (Construction) Company Limited 其士(建築)有限公司	Hong Kong 香港	Ordinary 普通	HK\$60,500,000 港幣60,500,000元	60,500,000	-	99.67	0.33	Building construction and maintenance 樓宇建築及保養
Chevalier Construction (Hong Kong) Limited (note b) 其士建築(香港)有限公司(附註b)	Hong Kong 香港	Ordinary 普通	HK\$1,000 港幣1,000元	100	-	100	-	Building construction 樓宇建築
		Deferred 遞延	HK\$10,000 港幣10,000元	1,000	-	100	-	

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47 PRINCIPAL SUBSIDIARIES (CONTINUED)

47 主要附屬公司 (續)

Name of company 公司名稱	Place or country of incorporation or registration/operation 成立或註冊/ 營業地點或國家	Class of shares held 所持股份類別	Issued and paid up share capital/registered capital 已發行及繳足 股本/註冊股本	Number of shares 股份數目	Effective percentage of issued share capital/registered capital held by the Company 本公司持有已發行 股本/註冊股本之實際百分比		Percentage of issued share capital/registered capital held by non-controlling interests 非控股權益持有 已發行股本/ 註冊股本之百分比	Principal activities 主要業務
					Directly 直接 %	Indirectly 間接 %		
Chevalier (Corporate Management) Limited 其士(企業管理)有限公司	Hong Kong 香港	Ordinary 普通	HK\$2 港幣2元	2	-	100	-	Provision of corporate management services 提供企業管理服務
Chevalier Development (S) Pte. Ltd.	Singapore 新加坡	Ordinary 普通	S\$2,500,000 2,500,000新加坡元	2,500,000	-	100	-	Property investment 物業投資
Chevalier (E & M Contracting) Limited 其士(機電工程)有限公司	Hong Kong 香港	Ordinary 普通	HK\$69,200,000 港幣69,200,000元	69,200,000	-	100	-	Installation of electrical and mechanical equipment and provision of project management service 安裝機電設備及提供項目管理服務
Chevalier Enviro Services, Inc.	Philippines 菲律賓	Common 普通	PES08,750,000 8,750,000菲律賓比索	87,500	-	100	-	Waste disposal treatment services 經營業務處理業務
Chevalier (Envirotech) Limited 其士(環境技術)有限公司	Hong Kong 香港	Ordinary 普通	HK\$148,600,000 港幣148,600,000元	148,600,000	-	100	-	Environmental engineering 環保工程
Chevalier (Insurance Brokers) Limited 其士(保險顧問)有限公司	Hong Kong 香港	Ordinary 普通	HK\$1,000,000 港幣1,000,000元	1,000,000	100	-	-	Insurance brokerage 保險顧問
Chevalier Insurance Company Limited 其士保險有限公司	Hong Kong 香港	Ordinary 普通	HK\$200,000,000 港幣200,000,000元	200,000,000	100	-	-	Insurance underwriting 保險業務
Chevalier iTech Services Limited 其士科技工程有限公司	Hong Kong 香港	Ordinary 普通	HK\$2 港幣2元	2	-	100	-	Trading and servicing of computers and business machines 電腦及商業機器貿易及維修
Chevalier iTech Thai Limited (note d) (附註d)	Thailand 泰國	Ordinary 普通	BAHT18,980,000 18,980,000泰銖	189,800	-	100	-	Trading of computers and business machines
		Preference 優先	BAHT1,020,000 1,020,000泰銖	10,200	-	100	-	電腦及商業機器貿易
Chevalier (Macau) Limited 其士(澳門)有限公司	Macau 澳門	Ordinary 普通	MOP100,000 澳門幣100,000元	4	-	100	-	Building construction and installation of air-conditioning systems, aluminium windows and curtain walls 樓宇建築與安裝冷氣系統鋁窗及幕牆
Chevalier (Network Solutions) Limited 其士(網絡科技)有限公司	Hong Kong 香港	Ordinary 普通	HK\$2 港幣2元	2	-	100	-	Network systems and solution services 網絡系統及科技服務

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47 PRINCIPAL SUBSIDIARIES (CONTINUED)

47 主要附屬公司 (續)

Name of company 公司名稱	Place or country of incorporation or registration/operation 成立或註冊/ 營業地點或國家	Class of shares held 所持股份類別	Issued and paid up share capital/registered capital 已發行及繳足 股本/註冊股本	Number of shares 股份數目	Effective percentage of issued share capital/registered capital held by the Company 本公司持有已發行 股本/註冊股本之實際百分比		Percentage of issued share capital/registered capital held by non-controlling interests 非控股權益持有 已發行股本/ 註冊股本之百分比	Principal activities 主要業務
					Directly 直接 %	Indirectly 間接 %		
Chevalier Network Solutions Thai Limited	Thailand 泰國	Ordinary 普通	BAHT15,000,000 15,000,000泰銖	150,000	-	100	-	Trading of telecommunication equipment 電訊設備貿易
Keysford 1 Limited (formerly known as "Chevalier (OA) Limited") (前稱為其士(商業系統)有限公司)	Hong Kong 香港	Ordinary 普通	HK\$100,000 港幣100,000元	100,000	-	100	-	Property development 物業發展
OR4 Laurelhurst, LLC	US 美國	N/A 不適用	US\$2,000,000 2,000,000美元	N/A 不適用	-	100	-	Operation of senior housing 經營安老院舍
Chevalier Property Development Limited (note b) 其士物業發展有限公司(附註b)	Hong Kong 香港	Ordinary 普通	HK\$360,000,000 港幣360,000,000元	360,000,000	-	100	-	Property development and investment
		Deferred 遞延	HK\$51 港幣51元	51	-	100	-	物業發展及投資
Chevalier Property Management Limited (note b) 其士富居物業管理有限公司(附註b)	Hong Kong 香港	Ordinary 普通	HK\$100 港幣100元	100	-	100	-	Property management and security services
		Deferred 遞延	HK\$1,002 港幣1,002元	1,002	-	100	-	物業管理及保安服務
CIH (BVI) Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通	US\$1 1美元	1	100	-	-	Investment holding 投資控股
CPC Construction Hong Kong Limited (note b) 其士基建香港有限公司(附註b)	Hong Kong 香港	Ordinary 普通	HK\$415,284,200 港幣415,284,200元	4,152,842	-	100	-	General construction and trading business
		Deferred 遞延	HK\$25,936,200 港幣25,936,200元	259,362	-	100	-	一般建築及貿易業務
Full Ascent Development Limited 騰昇發展有限公司	Hong Kong 香港	Ordinary 普通	HK\$2 港幣2元	2	-	75	25	Property investment 物業投資
Goldyork Investment Limited 金瑞投資有限公司	Hong Kong 香港	Ordinary 普通	HK\$100 港幣100元	100	49	51	-	Property investment 物業投資
Kwai Hei Investments No.1 Limited	Hong Kong 香港	Ordinary 普通	HK\$1 港幣1元	1	-	75	25	Property investment 物業投資
Lac Kar Investment Company Limited 力加置業有限公司	Hong Kong 香港	Ordinary 普通	HK\$3,600,000 港幣3,600,000元	3,600,000	-	100	-	Property investment 物業投資
Macleh (Chevalier) Limited	Canada 加拿大	Common 普通	CAD101,100 101,100加拿大元	10,100	-	100	-	Investment holding of property investment and hotel operation 物業投資及經營酒店業務之投資控股
Macont Developments Inc.	Canada 加拿大	Common 普通	CAD1,000 1,000加拿大元	1,000	-	100	-	Property investment 物業投資

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47 PRINCIPAL SUBSIDIARIES (CONTINUED)

47 主要附屬公司 (續)

Name of company 公司名稱	Place or country of incorporation or registration/ operation 成立或註冊/ 營業地點或國家	Class of shares held 所持股份類別	Issued and paid up share capital/ registered capital 已發行及繳足 股本 / 註冊股本	Number of shares 股份數目	Effective percentage of issued share capital/registered capital held by the Company 本公司持有已發行 股本 / 註冊股本之實際百分比		Percentage of issued share capital/registered capital held by non-controlling interests 非控股權益持有 已發行股本/ 註冊股本之百分比	Principal activities 主要業務
					Directly 直接 %	Indirectly 間接 %		
Matterhorn Properties Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島 / 香港	Ordinary 普通	US\$1 1美元	1	-	100	-	Property investment 物業投資
NC4 Albemarle, LLC	US 美國	N/A 不適用	US\$10,057,286 10,057,286美元	N/A 不適用	-	98.6	1.4	Operation of senior housing 經營安老院舍
NC4 Covington, LLC	US 美國	N/A 不適用	US\$3,574,305 3,574,305美元	N/A 不適用	-	98.6	1.4	Operation of senior housing 經營安老院舍
NC4 Kingsbridge, LLC	US 美國	N/A 不適用	US\$3,116,288 3,116,288美元	N/A 不適用	-	98.6	1.4	Operation of senior housing 經營安老院舍
NC4 Magcreek, LLC	US 美國	N/A 不適用	US\$2,825,617 2,825,617美元	N/A 不適用	-	98.6	1.4	Operation of senior housing 經營安老院舍
NC4 Magnolia, LLC	US 美國	N/A 不適用	US\$3,937,168 3,937,168美元	N/A 不適用	-	98.6	1.4	Operation of senior housing 經營安老院舍
NC4 Oliver, LLC	US 美國	N/A 不適用	US\$2,705,943 2,705,943美元	N/A 不適用	-	98.6	1.4	Operation of senior housing 經營安老院舍
NC4 Wellington, LLC	US 美國	N/A 不適用	US\$2,852,617 2,852,617美元	N/A 不適用	-	98.6	1.4	Operation of senior housing 經營安老院舍
OR4 Beaverton, LLC	US 美國	N/A 不適用	US\$500,000 500,000美元	N/A 不適用	-	100	-	Operation of senior housing 經營安老院舍
Proud Rich Limited (note b) 驕發有限公司 (附註b)	Hong Kong 香港	Ordinary 普通	HK\$20 港幣20元	2	-	100	-	Property investment 物業投資
		Deferred 遞延	HK\$20 港幣20元	2	-	100	-	
上海其士物業管理有限公司 (note c) (附註c)	Mainland China 中國內地	N/A 不適用	US\$3,650,000 3,650,000美元	N/A 不適用	-	100	-	Property management and provision of property management consultation 物業管理及提供物業管理諮詢
Shanghai Chevalier Trading Co., Ltd. (note c) 上海其士貿易有限公司 (附註c)	Mainland China 中國內地	N/A 不適用	US\$6,500,000 6,500,000美元	N/A 不適用	-	100	-	Trading of lifts, escalators, electrical and mechanical equipment 升降機、電扶梯及機電設備貿易

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47 PRINCIPAL SUBSIDIARIES (CONTINUED)

47 主要附屬公司 (續)

Name of company 公司名稱	Place or country of incorporation or registration/ operation 成立或註冊/ 營業地點或國家	Class of shares held 所持股份類別	Issued and paid up share capital/ registered capital 已發行及繳足 股本/註冊股本	Number of shares 股份數目	Effective percentage of issued share capital/registered capital held by the Company 本公司持有已發行 股本/註冊股本之實際百分比		Percentage of issued share capital/registered capital held by non-controlling interests 非控股權益持有 已發行股本/ 註冊股本之百分比	Principal activities 主要業務
					Directly 直接 %	Indirectly 間接 %		
Shanghai Chonmain Real Estate Development Co., Ltd. (note a) 上海創名房地產發展有限公司 (附註a)	Mainland China 中國內地	N/A 不適用	US\$18,000,000 18,000,000美元	N/A 不適用	-	80	20	Property development and investment 物業發展及投資
Tai Tung Industrial Equipment Limited 大同工業設備有限公司	Hong Kong 香港	Ordinary 普通	HK\$30,000,000 港幣30,000,000元	30,000,000	-	87.5	12.5	Logistics services 物流服務
Talent Luck Limited (note b) 祥龍興業有限公司 (附註b)	Hong Kong 香港	Ordinary 普通	HK\$270,000,000 港幣270,000,000元	270,000,000	-	100	-	Property development and investment 物業發展及投資
		Deferred 遞延	HK\$51 港幣51元	51	-	100	-	
Winfield Development Limited 威方發展有限公司	Hong Kong 香港	Ordinary 普通	HK\$2 港幣2元	2	-	100	-	Property investment 物業投資
Xinyang Chevalier Hotel Co., Ltd. (note c) 信陽其士大酒店有限公司 (附註c)	Mainland China 中國內地	N/A 不適用	RMB55,000,000 人民幣55,000,000元	N/A 不適用	-	70	30	Hotel operation 經營酒店業務
757040 Ontario Limited	Canada 加拿大	Common 普通	CAD10 10加拿大元	10	-	100	-	Property investment 物業投資
成都其士房地產發展有限公司	Mainland China 中國內地	N/A 不適用	RMB305,000,000 人民幣305,000,000元	N/A 不適用	-	100	-	Property development 物業發展
四川啟陽汽車貿易有限公司	Mainland China 中國內地	N/A 不適用	RMB15,000,000 人民幣15,000,000元	N/A 不適用	-	40	-	Trading of motor vehicles and provision of maintenance services 汽車貿易及提供保養服務
成都啟陽領航汽車銷售服務有限公司	Mainland China 中國內地	N/A 不適用	RMB30,000,000 人民幣30,000,000元	N/A 不適用	-	40	-	Trading of motor vehicles and provision of maintenance services 汽車貿易及提供保養服務
成都啟陽悅豐汽車銷售服務有限公司	Mainland China 中國內地	N/A 不適用	RMB22,000,000 人民幣22,000,000元	N/A 不適用	-	40	-	Trading of motor vehicles and provision of maintenance services 汽車貿易及提供保養服務
成都啟陽錦悅汽車銷售服務有限公司	Mainland China 中國內地	N/A 不適用	RMB10,000,000 人民幣10,000,000元	N/A 不適用	-	40	-	Trading of motor vehicles and provision of maintenance services 汽車貿易及提供保養服務

Notes:

- (a) Established in Mainland China as sino-foreign owned equity joint ventures.
- (b) All deferred shares are non-voting and practically have no rights to participate in any distribution upon winding up.
- (c) Established in Mainland China as wholly-foreign owned enterprises.
- (d) Preference shares are 10% non-cumulative and every four preference shares of this company carry one vote.

附註:

- (a) 以中外合資企業於中國內地成立。
- (b) 所有遞延股份皆無投票權，而實際上亦無權在公司清盤時獲得任何分派。
- (c) 以外資企業於中國內地成立。
- (d) 優先股為非累計10%，而該公司之每四股優先股帶有一投票權。

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48 PRINCIPAL ASSOCIATES

48 主要聯營公司

Name of associate 聯營公司名稱	Place or country of incorporation or registration/ operation 成立或註冊/ 營業地點或國家	Class of shares held 所持股份類別	Effective percentage of issued share capital/ registered capital held by the Company indirectly 本公司間接持有已發行股本/ 註冊股本之實際百分比 %	Principal activities 主要業務	Measurement method 計量方法
Cafe Deco Holdings Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島/香港	Ordinary 普通	25.28	Investment holding 投資控股	Equity 權益
Chevalier (HK) Limited 其士(香港)有限公司	Hong Kong 香港	Ordinary 普通	49	Marketing, installation and maintenance of lifts and escalators and security devices 營銷、安裝及保養升降機、電扶梯及保安裝置	Equity 權益
東芝電梯(中國)有限公司	Mainland China 中國內地	N/A 不適用	20	Manufacturing, sales, installation, repair and maintenance of lifts and escalators 製造、銷售、安裝、維修及保養升降機及電扶梯	Equity 權益
Toshiba Elevator (Shenyang) Co.,Ltd. 東芝電梯(瀋陽)有限公司	Mainland China 中國內地	N/A 不適用	20	Manufacturing, sales, installation, repair and maintenance of lifts and escalators 製造、銷售、安裝、維修及保養升降機及電扶梯	Equity 權益
Yue Xiu Concrete Company Limited 越秀混凝土有限公司	Hong Kong 香港	Ordinary 普通	25	Manufacturing and provision of concrete 混凝土生產及供應	Equity 權益

Note: The Group's entitlement to share of the profit or loss in these associates is in proportion to its ownership interest.

附註：本集團按其擁有權益之比例計算其所佔聯營公司之溢利或虧損。

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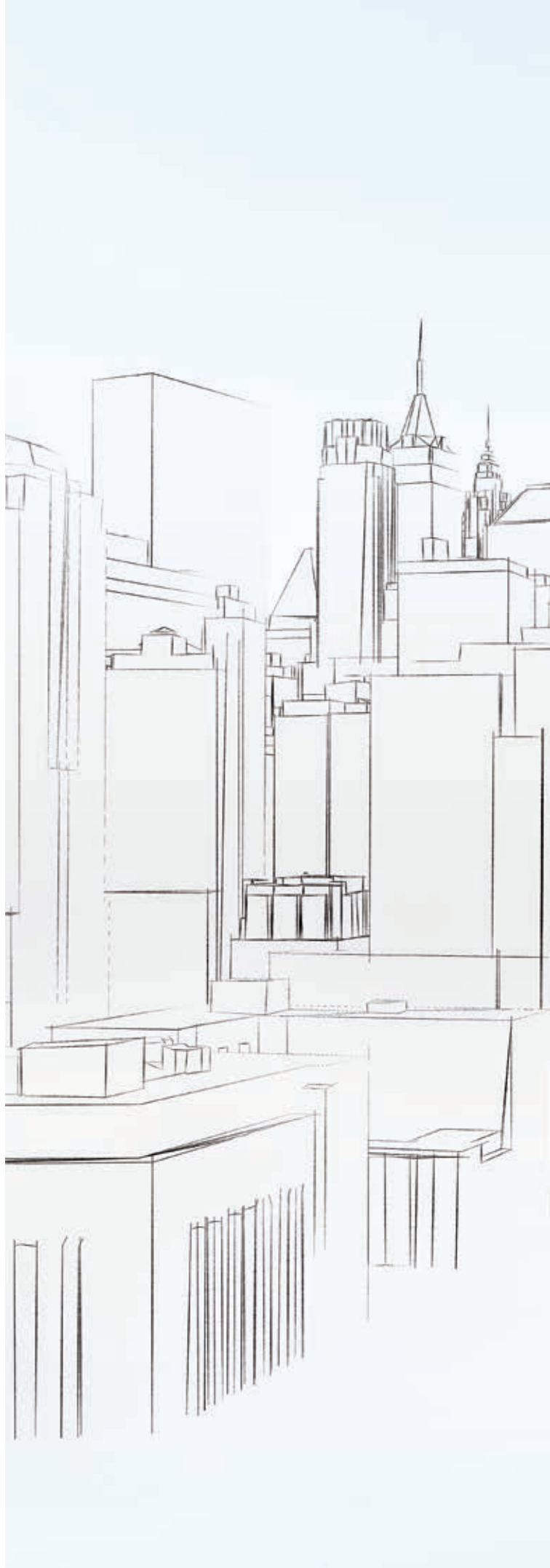
49 PRINCIPAL JOINT VENTURES

49 主要合營企業

Name of joint venture	Place or country of incorporation or registration/ operation	Class of shares held	Effective percentage of issued share capital/registered share capital held by the Company indirectly 本公司間接持有已發行股本／註冊股本之實際百分比	Principal activities	Measurement method
合營企業名稱	成立或註冊／營業地點或國家	所持股份類別		主要業務	計量方法
Lam Woo & Company Limited 聯益建造有限公司	Hong Kong 香港	Ordinary 普通	50	Civil engineering 土木工程	Equity 權益
Rosy Value Limited 達賞有限公司	Hong Kong 香港	Ordinary 普通	50	Property development 物業發展	Equity 權益
北京鳳桐祥瑞房地產開發有限公司	Mainland China 中國內地	N/A 不適用	44	Property development 物業發展	Equity 權益
成都啓陽華通豐田汽車銷售服務有限公司	Mainland China 中國內地	N/A 不適用	21.33	Trading of motor vehicles and provision of maintenance services 汽車貿易及提供保養服務	Equity 權益

Note: The Group's entitlement to share of the profit or loss in these joint ventures is in proportion to its ownership interest.

附註：本集團按其擁有權益之比例計算其所佔合營企業之溢利或虧損。



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