

ZH 正恒

ZH INTERNATIONAL HOLDINGS LIMITED

正恒國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立之有限公司)

(Stock Code 股份代號 : 185)



ANNUAL REPORT

2017 年報

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Past Performance and Forward Looking Statements

The performance and the results of operations of ZH International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") as set out in this annual report are historical in nature and past performance is not a guarantee of future performance. This annual report may contain forward-looking statements and opinions (including statements, figures, plans, images and other information) that involve risks and uncertainties. Actual results may also differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor any of its directors, employees or agents shall assume any obligations or liabilities in the event that any forward-looking statements or opinions does not materialise or turns out to be incorrect.

過往表現及前瞻性陳述

正恒國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)在本年報所載的業務表現及營運業績僅屬歷史數據，過往表現並不保證日後表現。本年報或載有前瞻性陳述及意見(包括陳述、數字、計劃、圖像及其他資料)而當中涉及風險及不明朗因素。實際業務表現可能與前瞻性陳述及意見中論及的預期表現有重大差異。本集團、及其任何董事、僱員、代理均不承擔倘因任何前瞻性陳述或意見不能實現或變得正確而引致的任何責任。

CORPORATE PROFILE

公司簡介



Xinxiang Zensun Golden Mile House 新鄉正商金域世家

ZH International Holdings Limited (the “Company”) was founded in 1965 and has been listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 1972.

The headquarter of the Company is located in Hong Kong, and has offices in Japan and the United States (“U.S.” or “USA”). It also owns a sizeable portfolio of properties in Singapore, Hong Kong, Japan, the U.S. and the People’s Republic of China (“PRC” or “China”). The Company together with its subsidiaries (the “Group”) is principally engaged in property development, property investment and management, hotel operations and securities trading and investment in the PRC, Hong Kong and overseas. The Group is currently pursuing twin engines of growth – expansion in property development in the PRC and the Real Estate Investment Trust (“REIT”) ownership and management strategy (“REIT strategy”) in the U.S..

正恒國際控股有限公司(「本公司»)於一九六五年成立，自一九七二年起於香港聯合交易所有限公司(「聯交所»)主板上市。

本公司總部位於香港，辦事處遍佈日本及美國(「美國»)。其於新加坡、香港、日本、美國及中華人民共和國(「中國»)擁有規模龐大之物業組合。本公司連同其附屬公司(統稱「本集團»)主要於中國、香港及海外從事物業發展、物業投資及管理、酒店營運以及證券買賣及投資。本集團目前專注尋求發展兩個增長據點，即於中國進行之房地產發展擴張及於美國進行之房地產投資信託(「房地產投資信託»)擁有及管理策略(「房地產投資信託策略»)。

With the change of controlling shareholder of the Company since July 2015, a number of immediate benefits have been brought to the Group, such as introduction of highly experienced new members to our management team and the board (“Board”) of directors of the Company (the “Directors”) in property development industry with decades of experience in China, provision for strong financial support for the growth of the Group and engagement with certain qualified competent construction contractors for the property development projects of the Group. With the synergistic effects from these significant resources and networks in China, the Group expects to be able to leverage for its future development in the property development sector. During the years of 2016 and 2017, the Group has successfully bid five and fourteen large-scaled and certain medium to small-scaled land parcels respectively in public auctions in Henan Province and Beijing in the PRC, and obtained financial support for property development of certain of these land parcels.

Following the Group’s strategy in expanding its business operation in the PRC, the Board will continue to identify new property development projects and bid for land use rights of selective land parcels in the PRC with focus on Zhengzhou City, Henan Province and other first and second tier cities in the PRC in the coming years.

With the Group’s continuous drives on REIT strategy, one of its U.S. listed REITs, Global Medical REIT, Inc. (“GMR”), has successfully completed the offering of its share and migration listing from Over-The-Counter (“OTC”) to New York Stock Exchange (“NYSE”) in the U.S. during the year of 2016. The Group has continued providing management services and receiving recurring management fees directly to and from GMR under the management agreement.

Another U.S. REIT subsidiary, American Housing REIT, Inc. (“AHR”), an OTC listed REIT, owns a portfolio of single family rentals primarily in Texas, Florida and Georgia, USA. With the Group’s REIT strategy in seeking higher-than-average annualized yield, the Group revisits the current properties portfolio of AHR and diversifies its investment from single family housing to senior housing communities to seize the potential opportunity for the current strong demand on retirement communities and elderly care industry in the U.S.. During the year of 2017, AHR has successfully acquired two senior housing communities. The Board will continue to identify opportunities for acquisition of other senior housing communities and working towards upgrading AHR listing as our second listed REIT in NYSE or other international stock exchanges in the near future.

The Company will make use of the Group’s financial, human and technological resources to enhance its portfolio, asset base, brand image as to creating new sustainable revenue streams and enhancing shareholder value.

隨著二零一五年七月之本公司控股股東變更，為本集團帶來多項即時裨益，如為管理團隊及本公司董事（「董事」）會（「董事會」）引入經驗豐富之新成員（彼等於房地產發展行業之經驗豐富，於中國從業數十年，為本集團增長提供強而有力之財務支援及為本集團物業發展項目聘請若干合資格建築承包商。憑藉該等於中國之重要資源及網絡產生之協同效應，本集團預期將能夠促進其於物業發展行業之未來發展。本集團於二零一六年及二零一七年已於河南省及北京之公開拍賣會中分別成功投得五幅及十四幅大型和若干中小型地塊，並已就若干該等地塊之物業發展取得財務支援。

繼本集團於中國實施業務營運擴張策略之後，董事會於未來數年將繼續致力在河南省鄭州市及中國其他一線及二線城市物色新物業發展項目並競投中國其他經揀選地塊之土地使用權。

就本集團對房地產投資信託策略之持續推進，其中一個於美國上市之房地產投資信託Global Medical REIT, Inc.（「GMR」）已於二零一六年在美國成功完成發售其股份及由場外交易市場（「場外交易」）轉至紐約證券交易所（「紐約證券交易所」）上市。本集團按管理協議繼續直接向GMR提供管理服務及自GMR收取經常性管理費。

另外一間為美國房地產投資信託附屬公司American Housing REIT, Inc.（「AHR」），於場外交易上市之房地產投資信託，主要於美國德克薩斯州、佛羅裏達州及喬治亞州擁有單棟出租組合。根據本集團尋求高於平均年化收益之策略，本集團已重新審視當前AHR之物業投資組合，並將其投資由單棟出租單位多樣化至長者住房院舍，以把握美國當前退休群體及安老行業強勁需求的潛在機會。於二零一七年間，AHR已成功收購美國兩套長者住房院舍。董事會將繼續尋找收購其他長者住房院舍機會及正在努力並寄望在不久的將來將AHR打造為我們在紐約證券交易所或其他國際證券交易所上市的第二家房地產投資信託。

本公司將善用本集團之財務、人力及技術資源，以提升其投資組合、資產基礎及品牌形象去開闢可持續之新收益來源，藉以提高股東價值。

CHAIRMAN'S MESSAGE

主席致詞



張敬國先生
Mr. Zhang Jingguo

主席、執行董事兼行政總裁
*Chairman, Executive Director and
Chief Executive Officer*

Dear shareholders,

It is a great honor for me, on behalf of the Board, to present the annual results of ZH International Holdings Limited (the "Company", together with its subsidiaries, the "Group") for 2017 to our shareholders.

Despite complicated global environment and challenging economic conditions in 2017, we responded quickly to the changes in market situation and developed rapidly under the complex environment. During the financial year ended 31 December 2017, the Group recorded operating revenue of approximately HK\$1.27 billion, representing an increase of 1,498% over last year, and recorded gross profit of approximately HK\$426 million, representing an increase of 593% over last year. The significant increase in operating revenue and gross profit of the Group in 2017 was primarily attributable to the Group's expansion in property development business in the PRC.

謹致各位股東：

本人很榮幸代表董事會向各位股東報告正恒國際控股有限公司(以下簡稱「本公司」，及附屬公司統稱「本集團」)2017年年度業績。

回顧2017年，全球環境錯綜複雜，經濟形勢充滿挑戰，面對市場形勢的變化，我們迅速做出回應，在複雜的環境下快速發展。在截至2017年12月31日的財政年度內，本集團實現營業收入約12.7億港元，較去年增長1,498%，毛利收益約4.26億港元，較去年增長593%。2017年集團營業收入及毛利收益的大幅增加，主要得益於集團在中國物業開發業務的成長。

The PRC

2017 was a year of transformation for the Group. The Group was committed to developing high-quality properties in the PRC and had achieved remarkable results, which was highly recognized by our customers and our business partners. Despite tightening controls and increasingly fierce competitions, the Company achieved excellent sales performance and expanded into new markets with successful bids of premium land parcels in first-tier cities as Beijing, as well as cities surrounding Zhengzhou as Xinxiang, Xuchang and Dengfeng. This achievement reflected the Group's expansion strategy of "Focusing on cities based on Zhengzhou (立足鄭州，城市聚焦)", which is also a testament to the Group's capability to expand its presence and enhance its influence.

Development is a long-term and eternal theme, and the prosperous development of the Group depends on its land bank. In 2017, the Group made fourteen successful bids of large-scaled land parcels at an aggregated consideration of approximately RMB9.9 billion, bringing an increment of aggregated GFA of approximately 1.61 million sq.m. to our land bank. Our professional land bidding team has enhanced the success rate of land resources acquisitions. In addition, the Group's land acquisition strategy has been developed on the basis of in-depth and prudent market research on the land location with advanced preparation effort on project design and estimate, so as to secure premium land resources at a relatively competitive cost. Our abundant land reserve with this pragmatic strategy provides a solid basis for the Group's survival and development, and further supports the Group's sustainable and steady development over the next few years.

Apart from adequate and reasonable land resources, the Group's healthy and sustainable development also depends on efficient operating mechanism. The average speed for progress from land acquisition to the launch of sales by the project companies of the Group is in a leading position in the industry. Meanwhile, by cooperating with domestic leading business partners, the Group has adopted refined management and established standardized process and management system, resulting in an efficient value chain system from land acquisition, design, construction, sales to property management services.

中國

2017年是蝶變之年，本集團致力於中國開發的高品質物業，取得顯著成效，得到了客戶和同行的高度認可；儘管調控形勢嚴峻且競爭愈發激烈，公司依然取得了優良的銷售業績，並進入了新的市場，強勢挺進北京等一線城市，布局新鄉、許昌、登封等鄭州周邊城市，取得了優質地段的土地。這是集團實施「立足鄭州，城市聚焦」發展戰略的體現，也是集團開疆拓土，擴大影響力的有利證明。

發展是長期、永恒的主題，集團的蓬勃發展離不開土地儲備。2017年，本集團陸續成功投得十四幅大型地塊，總代價約99億元人民幣，新增土地儲備約161萬平方米。專業的土地競拍團隊，提高了成功獲得土地資源的概率。此外，集團的拿地策略一直是基於對地塊所在市場的深入調研及審慎研究討論，提前設計、測算，以相對低廉的土地成本獲取較為優質的土地資源。科學且充沛的土地儲備，既保證集團擁有生存與發展的基礎性資源，又有利於持續支撐集團在未來數年的穩定發展。

本集團健康可持續的發展，除了依靠充足合理的土地資源外，還得益於高效的運營機制。項目公司自獲取地塊至開盤銷售的平均速度在行業內處於較為領先的地位。同時，集團與國內一線商業夥伴合作，採用精益精細化管理，建立標準化、流程化的管理體系，形成了從土地獲取、設計、施工、銷售、到物業管理服務的高效價值鏈體系。

CHAIRMAN'S MESSAGE

主席致詞

We will continue to enhance the competitiveness of the Group and enhance the awareness and brand image of our properties in the PRC. By adhering to our core work plan of “High quality with business expansion (高品質、擴規模)”, we are committed to establishing the Group’s high-quality image in respect of layout design, selection of suppliers, construction progress management, provision of ancillary facilities, etc. We will also remain committed to providing state-of-the-art products, staying aware of the market and operating cost, in turn, maximizing the Group’s results of operations.

The U.S.

In the U.S., the Group now owns interests in two REITs, namely NYSE-listed GMR and U.S. OTC-listed AHR, which are both managed by its 85%-owned Inter-American Management, LLC (“IAM”), led by a specialised team of highly experienced professionals with in-depth knowledge in the U.S. real estate market, and is committed to constantly exploiting potential business opportunities for the Group’s U.S. operations.

GMR

GMR has been focusing on acquisition of state-of-the-art, purpose-built with contemporary technology, licensed and specialised medical facilities in the U.S., and currently owns 42 specialised medical and healthcare facilities, with approximately 1.65 million rentable square meters, mainly located in Pennsylvania, Texas and Florida in the U.S.. The Group now has 12% equity interest in GMR, and receives management fee income based on 1.5% of the GMR’s net assets annually and quarterly dividends at significant higher-than-average annualised yield of approximately 8%. Under its prosperous operational performance, GMR will continue to accelerate its acquisition of potential medical projects in the future to enlarge its asset base and gain recognition in the U.S. capital market. With expansion of GMR, our management company, IAM, will also enjoy higher management fee income.

我們將繼續提升集團競爭力，增強在中國的物業知名度與品牌形象，並堅持「高品質、擴規模」的總體工作思路，塑造集團的高品質形象，從圖紙設計、供應商甄選、施工進度管理、提供配套等方面入手，用心經營，推敲產品，保持對市場和成本的敏感度，同時最大化提高集團的經營業績。

美國

美國方面，本集團目前持有兩家房地產投資信托的權益，分別為於紐約證券交易所上市的GMR及在美國場外交易市場掛牌的AHR。此兩家房地產投資信托均由本集團持有85%權益的Inter-American Management, LLC(「IAM」)管理，IAM由管理經驗豐富並洞悉美國房地產市場的專業團隊所組成，致力為集團的美國業務，不斷開拓潛在的發展商機。

GMR

GMR一直專注於在美國收購技術頂尖、持有牌照的專科醫療設施，目前擁有42家主要分布於美國賓夕法尼亞州、德克薩斯州、佛羅里達州等地的專科醫療及保健設施，可租賃面積約165萬平方米。本集團目前擁有GMR12%的股權，並按GMR淨資產的1.5%每年收取管理費用，以及每季度收取遠高於平均水平的年度股息，回報率約為8%。GMR整體運營情況良好，未來將繼續加快速度籌劃收購合適的醫療項目，擴大其資產規模，獲得美國資本市場的青睞。在擴大GMR規模的過程中，同時我們的管理公司IAM也將享有更高的管理費收入。

AHR

AHR is currently 99%-controlled by the Group. In 2017, AHR completed the acquisition of two senior housing communities, namely Oxford Derby in Kansas and Oxford McKinney in Texas, amounting to US\$27.6 million, which started up the Group's strategic expansion in elderly care industry. We believe that improved medical services and facilities, growing senior population, improved living standards and the culture of independence in the U.S. nourished a strong demand on the retirement community in the U.S. for nursing home. Therefore, to seize the industry potential for the elderly care industry and in line with the Group's strategy in seeking for higher-than-average annualised yield, the Group has diversified the investment from single family housing to senior housing in 2017. In the future, the Group will proactively cooperate with industry-leading with significant regional advantages senior housing developers and operators to accelerate its acquisitions, thus increasing business revenue with capital support.

Other Overseas Operations

The Group will regularly review the Singapore property market to explore business opportunities in the market and development opportunities in the foreseeable future. For the non-core Japan hotel business, while the Group is seeking potential buyers to dispose of the hotels or operation to enable the Group to deploy its resources in the most efficient way, it is actively seeking ways to enhance its overall profitability with a view to achieving break even soon.

Appreciation

The Group experienced significant challenges and opportunities in 2017. The Group has been growing stronger in face of market regulation and fierce competitions and developed in a steady manner. To achieve this win-win performance with scale and profitability, it depends on the efforts of all staff as well as the support of business partners. On behalf of the Board, I would like to take this opportunity to express our wholehearted gratitude to all shareholders, partners and customers of the Company for their trust and support. In the future, we will not slow down the pace for challenges and continue to monitor the market closely and operate our business diligently, in return, to enhance our profitability and dedicate to create the best returns to our shareholders and investors.

Mr. Zhang Jingguo

Chairman, Executive Director and Chief Executive Officer
Hong Kong, 28 March 2018

AHR

AHR現由集團控制其99%權益。於二零一七年，AHR完成收購分別位於堪薩斯州的Oxford Derby及德克薩斯州的Oxford McKinney兩家養老地產物業，金額達2,760萬美元，開始了本集團在養老產業的布局。我們認為，隨著美國醫療服務及設施有所改善、老齡人口不斷增長，生活水平的提升，以及美國獨立的文化氛圍，使得美國退休群體對養老院的需求較高，因此為把握老年護理行業的商機，滿足本集團追求高於平均年度收益的策略，本集團於2017年從投資單棟出租單位分散至長者住房。未來，本集團將積極選擇與行業領先、區域優勢明顯的養老地產開發商與運營機構合作，加快收購計劃，在資本支持下擴大業務收益。

其他海外業務

本集團將定期審視新加坡物業市場，以便在可見的將來探索市場商機及發展機會。就非核心日本酒店業務方面，本集團正尋覓潛在買家以出售酒店或運營使本集團以最有效的方式配置有關資源，並積極尋求方法加強其整體盈利能力，使其早日實現盈虧平衡。

致謝

2017年，本集團經歷了重大挑戰與機遇，在調控及激烈的競爭中愈戰愈勇，穩健發展，達到了規模與效益共贏，這離不開社會各界及全體員工的努力，亦離不開廣大業界同儕的支持。本人謹借此機會代表董事會向本公司全體股東、合作夥伴、客戶致以衷心的感謝，謝謝你們的信任與支持。未來我們將不會停下挑戰的步伐，密切關注市場，用心經營，增強盈利能力，竭誠為我們的股東及投資者帶來最佳回報。

張敬國先生

主席、執行董事兼行政總裁
香港，二零一八年三月二十八日

HONG KONG AND OVERSEAS PROPERTY PORTFOLIO

香港及海外物業組合

HONG KONG AND OVERSEAS PROPERTY PORTFOLIO

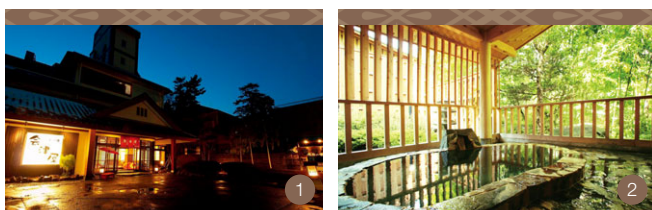
The Group owns a diverse range of residential, commercial properties and quality hotels located in Singapore, Japan, Hong Kong and the U.S..

SINGAPORE PROPERTIES



The Group's Singapore property portfolio is concentrated in locations near Mass Rapid Transit (MRT) stations, Singapore's railway system, ensuring convenience and connectivity. The Group owns a portfolio of SOHO units at Southbank which features high-ceilings and duplexes. These units are uniquely zoned for both residential and commercial uses and hence generate strong rental yield. The Group also owns a portfolio of residential properties at Dakota Residences adjacent to the Dakota MRT station.

JAPAN PROPERTIES



1&2. Aizuya Inn

The Group currently owns two properties in Japan – the first being Aizuya Inn, an authentic and traditional Japanese hot spring inn located at Nasu, Tochigi prefecture, a famous mountain resort area approximately two-hours drive from the Tokyo downtown, and the other being The Hamilton Sapporo Hotel, an 8-storey hotel erected over a one-level basement situated at Chuo Ward, Sapporo City, Japan.

香港及海外物業組合

本集團擁有不同類型的住宅、商務物業以及優質酒店，遍佈新加坡、日本、香港及美國。

新加坡物業



1. Dakota Residences
2&3. Southbank Soho

本集團新加坡物業組合集中於新加坡地鐵站附近，交通方便完善。本集團在Southbank擁有SOHO單位組合，以高樓底及複式公寓為賣點。該等單位選址別具心思，可作住宅及商業用途，因此租金水平頗高。本集團在Dakota Residences擁有住宅物業組合，Dakota Residences毗鄰Dakota地鐵站。

日本物業



3&4. The Hamilton Sapporo Hotel

本集團現在日本擁有兩個物業，首先是Aizuya Inn，是日本正宗傳統溫泉旅館，位於櫛木縣那須町，此處為著名居山度假村，距離東京市中心約兩小時車程；另一個是The Hamilton Sapporo Hotel，樓高八層，有一層地下室，建於日本札幌市中央區。

HONG KONG PROPERTIES

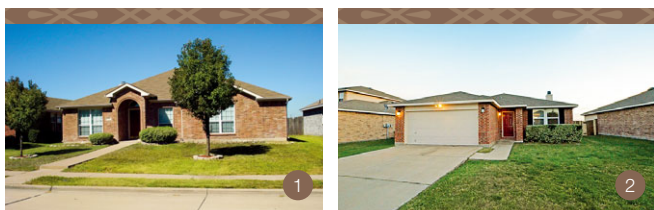


In addition to some smaller properties, the Group owns two floors of the commercial building, Wyndham Place, a prime office building located in the Central district of Hong Kong – the central business district of the region. The Group currently uses a portion of one floor for its headquarters while leasing out the remaining portion.

香港物業

除若干小型物業外，本集團於雲咸商業中心擁有兩層商業樓宇。該樓宇為香港中環主要辦公大樓，位於商業中心地帶。本集團現將其中一層的一部分作為總部，該層其餘部分及另一層作出租用用途。

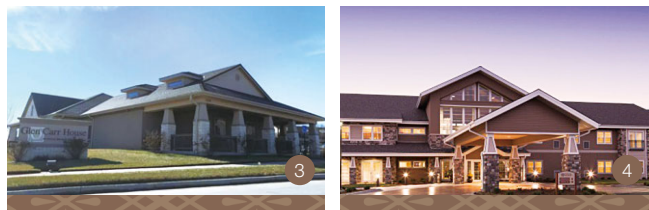
U.S. PROPERTIES



1&2. Single Family Rentals

The Group owns about 38 Single Family Rentals (“SFRs”) located in Texas, Florida and Georgia through its REIT subsidiary, AHR (with total lettable area of approximately 74,659 sq. ft.). These homes are carefully selected for their location, condition, tenant profile and potential for capital appreciation. During the year of 2017, two senior housing communities (one in Texas and one in Kansas) with total area of approximately 98,700 sq.ft. were acquired by AHR’s subsidiary. The Group also owns freehold land parcels with approximately 273,200 sq. m. in California and two residential units situated on Wall Street in New York.

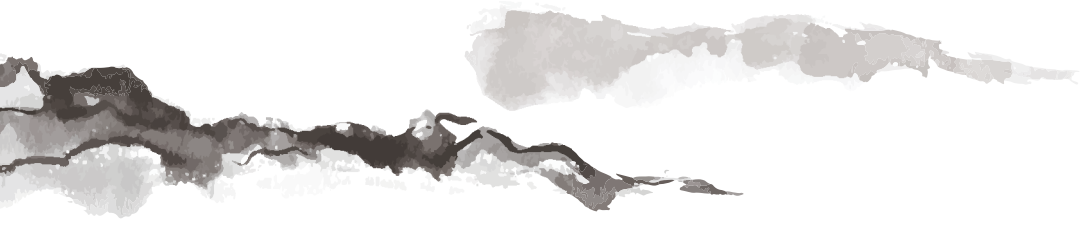
美國物業



3. Glen Carr House,
senior housing communities

4. Oxford Grand McKinney,
senior housing communities

本集團透過其房地產投資信託附屬公司AHR擁有位於德克薩斯州、佛羅里達州及喬治亞州約38間單棟出租單位，可租賃面積合共約為74,659平方呎。我們考慮有關地點、環境、租戶背景及資本升值潛力後嚴選單位。於2017年AHR之附屬公司收購了兩套長者住房宿舍（一套位於德克薩斯州、一套位於堪薩斯州），面積合共約98,700平方呎。本集團亦在加州擁有約273,200平方米之永久業權地塊，並在紐約華爾街擁有兩個住宅單位。



Xinxiang Zensun Golden
Mile House
新鄉正商金域世家



Dengfeng Zensun City
登封正商城



Zensun Prosperity Court
正商殷盛華庭



Zensun Xinghan Garden
正商興漢花園



Xuchang Zensun Scholar Mansion
許昌正商書香華府



Zensun Scholar Garden
正商書香苑





Beijing Shunyi Project
北京順義項目



Zensun Twin Cranes Lake
正商雙鶴湖



Zensun Voyage Garden
正商匯航綠業



Xuchang Zensun Golden Mile House
許昌正商金域世家



Beijing Fengtai Project
北京豐台項目

PROPERTY DEVELOPMENT IN THE PRC AND LAND BANK SUMMARY

在中國之物業發展及土地儲備概要

PROPERTY PROJECTS IN THE PRC

As at 31 December 2017, the Group has two completed property projects and fourteen property projects under development and planning in the PRC. Interests of all these property projects in the PRC are 100% attributable to the Group.

PROJECTS HIGHLIGHTS

Zensun Jingkai Plaza

正商經開廣場



Located at the Economic and Technological Development Zone of Zhengzhou City ("ETDZ"), Zensun Jingkai Plaza is situated in the north of Jingnan 2nd Road, east of Jingkai 9th Avenue, Zhengzhou City. It is the landmark project in the ETDZ in which the Group made substantial investment in 2015. The project has a total site area of 72 mu with aggregate GFA of approximately 293,000 sq.m. at plot ratio of 4.499 and greening ratio of 25%. The project adopts a semi-open concept with an open and self-containing design. It is encompassed by nine building blocks, including four Grade 5A deluxe office buildings, four single office buildings and one white-collar deluxe commercial apartment building. The project features the best investment potential and development prospect, as it is currently the largest and the highest class commercial complex under development in the ETDZ, and well served by supporting facilities.

在中國之物業項目

截至二零一七年十二月三十一日止，本集團於中國擁有二個已落成物業項目、十四個發展中及籌劃中物業項目。本集團應佔所有該等中國物業項目之100%權益。

項目精選

Zhengzhou

鄭州

PROJECT DESCRIPTION

項目簡介

Site Area (approximately):

土地面積(約):

47,736

sq.m.

平方米

Total GFA (approximately):

總建築面積(約):

292,835

sq.m.

平方米

Architectural Form: Commercial

建築形態: 商業

Completion Time: 4th quarter of 2017

竣工時間: 二零一七年第四季度

正商經開廣場處於高速發展的鄭州市國家經濟技術開發區(簡稱「經開區」)，位於鄭州市經開第九街東、經南二路北。此乃本集團在二零一五年斥巨資打造的經開區地標項目。整個項目總佔地面積72畝，總建築面積約29.3萬平方米，項目容積率為4.499，綠化率為25%，整個項目由九棟樓圍合而成，採用外放內和的半開放式的設計理念，共有四棟5A甲級精裝寫字樓、四棟企業獨棟及一棟精裝白領商業公寓組成。該項目是目前整個經濟開發區體量最大、定位最高、配套最齊全的商業綜合體，最具投資潛力和發展前景。

Zensun Longhushangjing 正商瓏湖上境



As a masterpiece project of the Group, Zensun Longhushangjing ranks the top of Shangjing project series of the Group. Located at Beilong Lake in Zhengdong New District and the junction of Zhongyi Road and Chaoyang Road, the project enjoys the quintessential resources of the city. The project covers a total site area of 93 mu with plot ratio of 1.49. It has aggregate GFA of approximately 186,000 sq.m.. Designed by Australia PT Design, the project is inspired by the palace architectures of Ming and Qing Dynasty with respect to its construction and type, featuring squarish layout with a central axis, comprising 23 blocks of new Chinese-style 5-storey bungalows with lifts. The project provides units with GFA of approximately 142 -209 sq.m., boasting health, intelligence, safety, quality, and culture. Featuring oriental elegant living style, the project is available for people living in Central China.

Zensun River Home 正商家河家



Located in Huiji District in Zhengzhou City, Zensun River Home is situated at the administrative business center of north area in Zhengzhou, adjacent to many institutions such as government of Huiji District. The project is adjacent to Metro Line 2 and 3, surrounded by 2.83 million sq.m. of Huiji special commercial areas with facilities such as hospitals, schools, and leisure parks planned. The project enjoys convenient medical, commercial, recreational, and cultural facilities surrounded. The first phase of the project has planned aggregate GFA of approximately 413,000 sq.m. with plot ratio of 2.99 and greening ratio of 30%. Styled with England architecture, the project comprises 9 blocks of bungalows with lifts and 13 blocks of high-rises, forming a match of low and high buildings with closed-circle design. At the entrance of every block, a small leisure plaza is set. Blossoming flowers, a large area of lawn, and lush trees bring you special mind experience when you come home every time.

Zhengzhou 鄭州

PROJECT DESCRIPTION

項目簡介

Site Area (approximately):

土地面積(約):
62,286 sq.m.
平方米

Total GFA (approximately):

總建築面積(約):
185,842 sq.m.
平方米

Architectural Form: Residential
建築形態: 住宅

Estimated Completion Time: 4th quarter of 2020
預計竣工時間: 二零二零年第四季

正商瓏湖上境是本集團匠心升級之作，亦為本集團上境項目系列最高端的項目。專案擇址鄭東新區北龍湖，地處眾意路與朝陽路交會處，享一城精粹資源。項目總佔地面積約93畝，容積率1.49，總建築面積約18.6萬平米。專案建築、戶型由澳大利亞柏濤擔綱設計，汲取明清皇宮建築精髓，九宮方正、前隱後尊，以中軸禮序格局，規劃23棟五層新中式電梯洋房。建築面積約142-209平方米大境府宅，匠造升級健康、智慧、安全、品質、人文五芯正裝成品家，東方雅境生活，禮獻中原人仕。

Zhengzhou 鄭州

PROJECT DESCRIPTION

項目簡介

Site Area (approximately):

土地面積(約):
98,973 sq.m.
平方米

Total GFA (approximately):

總建築面積(約):
413,205 sq.m.
平方米

Architectural Form: Residential
建築形態: 住宅

Estimated Completion Time: 3rd quarter of 2020
預計竣工時間: 二零二零年第三季

正商家河家項目位於鄭州市惠濟區，地處鄭州北區的行政商務中心，緊鄰惠濟區政府等多家機關單位。項目臨近地鐵2、3號線，周邊還有283萬方的惠濟特色商業區，並規劃有醫院、學校、休閒公園等生活設施，周邊醫療商業、文娛配套及文化產業一應俱全，方便快捷。項目一期規劃總建築面積約41.3萬平方米，容積率為2.99，綠化率為30%，規劃產品風格為英倫建築風格，由9棟電梯洋房和13棟高層構成。洋房，高層高低配，圍合設計，每個單元門口都設有小型的主題休閒廣場，綻放的鮮花，和大面積的草坪及繁茂的樹林，讓您每一次回家都是一次心靈的旅行。

PROPERTY DEVELOPMENT IN THE PRC AND LAND BANK SUMMARY

在中國之物業發展及土地儲備概要

Zhengzhou Zensun River Valley 鄭州正商河峪州



With Yellow River to the north, Mangshan Mountain in the back, the ancient Sui and Tang grand canal in the front, Zhengyun Highway in the left, and Dahe Road to the south, Zensun River Valley enjoys unique natural environment, abundant tourist resources, strong cultural atmosphere, and convenient transit networks. It also belongs to the grand canal cultural area significantly supported by the government. Dominated by residential, commercial and educational functions, Zensun River Valley is planned to own a 45,000 sq.m. of sport park comprising various entertainment facilities such as basketball court, badminton court, tennis court, children's playground, indoor swimming pool, billiard room, gym, indoor golf court, and indoor squash court, etc.. Meanwhile, at the community, it is planned to build 8 kindergartens, 3 primary schools, 3 middle schools and 1 high school; new Chinese-style aesthetic architectures, cross-shaped central landscape area, a garden with 3 rows of buildings, greening in 5 levels, and innovative tiny-slope gardening landscape, making a perfect integration of new Asian architectures and stereoscopic gardening landscape.

Zensun Longshuishangjing 正商瓏水上境



Located at the southeast to the junction of Chaoyang Road and North 3rd Ring at Beilong Lake in Zhengdong New District, Zensun Longshuishangjing is the Group's second Shangjing project following Zensun Longhushangjing. The whole project covers a total site area of approximately 87 mu with plot ratio of 1.699 and greening ratio of 35%, comprising 18 blocks of 7-storey bungalows, 1 block of building for property use, and 1 kindergarten. With approximately 8,400 mu Beilong Lake to the north and approximately 770 mu East Canal Park to the west, the project enjoys the first-tier biological resources. Upgraded based on the top decoration standard of shangjing series, the project has adopted the international high-end decoration brands, creating an artistic living environment. Styled with new Chinese-style architecture, the project is available for elite living in Central China.

Zhengzhou 鄭州

PROJECT DESCRIPTION

項目簡介

Site Area (approximately):

土地面積(約):
183,451 sq.m.
平方米

Total GFA (approximately):

總建築面積(約):
608,319 sq.m.
平方米

Architectural Form: Residential

建築形態: 住宅

Estimated Completion Time: 4th quarter of 2020

預計竣工時間: 二零二零年第四季

正商河峪州北臨黃河，背靠邙山，面古隋唐大運河，左靠鄭雲高速，南依大水路，擁有得天獨厚的自然環境，豐富的旅遊資源，濃厚的文化氣息和方便快捷的交通網絡，同時是政府重點扶持的大運河文化區。正商河峪州以住宅、商業、教育為主，項目內部規劃4.5萬平米體育公園，內設籃球場、羽毛球場、網球場、兒童遊樂場、室內游泳館、室內檯球、健身房、室內高爾夫球館、室內壁球館等娛樂設施；同時社區內部規劃8所幼稚園、3所小學、3所初中及1所高中；新中式美學建築，十字型中央景觀帶，3進式園林，5重綠化，創新微坡園林景觀，使新亞洲建築與立體園林景觀得到完美融合。

Zhengzhou 鄭州

PROJECT DESCRIPTION

項目簡介

Site Area (approximately):

土地面積(約):
58,338 sq.m.
平方米

Total GFA (approximately):

總建築面積(約):
99,175 sq.m.
平方米

Architectural Form: Residential

建築形態: 住宅

Estimated Completion Time: 1st quarter of 2021

預計竣工時間: 二零二一年第一季

正商瓏水上境是本集團繼正商瓏湖上境後匠心打造的第二座上境巨著，位於鄭東新區北龍湖朝陽路與北三環交會處東南角。整個項目總佔地面積約87畝，容積率為1.699，綠化率為35%，涵蓋18棟7F洋房、1棟物業用房和1所幼稚園。項目北臨約8400畝北龍湖，西接約770畝東運河公園，擁享北龍湖一線生態資源；在上境系鼎級裝修標準上再升級，集萃國際前端裝修品牌，聚合藝術級人居空間；以新中式大境府宅，禮獻中原精英人生。

PROPERTY DEVELOPMENT IN THE PRC AND LAND BANK SUMMARY

在中國之物業發展及土地儲備概要

LAND BANK SUMMARY

土地儲備概要

Property Project	Location	Estimated Completion Time	Interest attributable to the Group	Use	Total site area (sq.m.) Approximately	Remaining Completed GFA Unsold (sq.m.) Approximately	GFA Under Development (sq.m.) Approximately	GFA Under Planning (sq.m.) Approximately
物業項目	項目地址	預計竣工時間	本集團於項目中的權益	用途	總佔地面積 (平方米) 約	已竣工仍未出售建築面積 (平方米) 約	發展中建築面積 (平方米) 約	籌劃中建築面積 (平方米) 約

COMPLETED PROPERTY PROJECTS

已完成物業項目

Zensun Jingkai Plaza 正商經開廣場	North of Jingnan 2nd Road, east of Jingkai 9th Avenue, Zhengzhou City 鄭州市經開第九街東、經南二路北	N/A 不適用	100%	Commercial 商業	47,736	234,358	—	—
Zensun Xinghan Garden 正商興漢花園	East of Dahe Road and Guxu Road, Zhengzhou City 鄭州市大河路以東及古須路	N/A 不適用	100%	Residential 住宅	34,439	13,330	—	—

PROPERTY PROJECTS UNDER DEVELOPMENT/PLANNING

在建/籌劃中物業項目

Zensun Scholar Garden 正商書香銘築	The intersection of east to Sanglin East Road and north to Ruifeng Road, Zhengzhou City 鄭州市桑林東路東、瑞風路北交匯處	4th quarter of 2019 二零一九年第四季度	100%	Commercial 商業	25,357	—	143,371	—
Zensun Longhushangjing 正商龍湖上境	North of Chaoyang Road and east of Zhongyi Road, Zhengzhou City 鄭州市朝陽路以北、眾意路以東	4th quarter of 2020 二零二零年第四季度	100%	Residential 住宅	62,286	—	185,842	—
Zensun Voyage Garden 正商匯航銘築	West of Jingkai 17th Avenue, north of Hanghai East Road, Zhengzhou City 鄭州市航海東路東以北與經開第十七大街以西	2nd quarter of 2020 二零二零年第二季度	100%	Commercial 商業	55,631	—	279,396	—
Zhengzhou Zensun River Valley (Phase I) 鄭州正商河峪州(第一期)	North of Lvda Road and west of Yuxiu Road, Zhengzhou City 鄭州市綠達路以北與毓秀路以西	4th quarter of 2020 二零二零年第四季度	100%	Residential 住宅	94,426	—	300,681	—
Zhengzhou Zensun River Valley (Phase II) 鄭州正商河峪州(第二期)	North of Lvda Road and east of Hongsong Road, Zhengzhou City 鄭州市綠達路以北與紅松路以東	4th quarter of 2020 二零二零年第四季度	100%	Residential 住宅	89,025	—	307,638	—

PROPERTY DEVELOPMENT IN THE PRC AND LAND BANK SUMMARY

在中國之物業發展及土地儲備概要

Property Project	Location	Estimated Completion Time	Interest attributable to the Group	Use	Total site area (sq.m.) Approximately	Remaining Completed GFA Unsold (sq.m.) Approximately	GFA Under Development (sq.m.) Approximately	GFA Under Planning (sq.m.) Approximately
物業項目	項目地址	預計竣工時間	本集團於項目中的權益	用途	總佔地面積 (平方米) 約	已竣工仍未出售建築面積 (平方米) 約	發展中建築面積 (平方米) 約	籌劃中建築面積 (平方米) 約
PROPERTY PROJECTS UNDER DEVELOPMENT/PLANNING (Continued) 在建/籌劃中物業項目(續)								
Zensun River Home 正商家河家	South of Xincheng Road, east of Yule Road, Zhengzhou City 鄭州市新成路以南與娛樂路以東	3rd quarter of 2020 二零二零年第三季度	100%	Residential 住宅	98,973	—	413,205	—
Zensun Prosperity Court 正商啟盛華庭	South of Shisu Road, east of Fengshuo South Road, Zhengzhou City 鄭州市石蘇路南及豐碩南路東	2nd quarter of 2020 二零二零年第二季度	100%	Residential 住宅	8,051	—	37,447	—
Beijing Fengtai Project 北京豐台項目	Huaifang Village & Xingong Village, Nanyuan County, Fengtai District, Beijing 北京市豐台區南苑鄉槐房村及新宮村	3rd quarter of 2021 二零二一年第三季度	100%	Residential & educational 住宅及教育	53,214	—	—	90,890
Beijing Shunyi Project 北京順義項目	5th Avenue District, Shunji Newtown, Renhe Town, Shunyi District, Beijing 北京市順義區仁和鎮順義新城第五街區	3rd quarter of 2021 二零二一年第三季度	100%	Residential 住宅	41,170	—	—	60,109
Dengfeng Zensun City • Yu Garden 登封正商城•裕園	Southwest District, Intersection of Taihe Road and Zhengtong Road, Dengfeng City 登封市太和路與政通路交叉口西南區域	1st quarter of 2021 二零二一年第一季度	100%	Residential 住宅	46,899	—	—	136,177
Dengfeng Zensun City • Xi Garden 登封正商城•禧園	Northeast corner, Intersection of Denggao Road and Fuyou Road, Dengfeng City 登封市登高公路與福佑路交叉口東北角	1st quarter of 2021 二零二一年第一季度	100%	Residential & commercial 住宅、商業	15,992	—	—	62,583
Dengfeng Zensun City • Tai Garden 登封正商城•泰園	Northwest corner, Intersection of Denggao Road and Fuyou Road, Dengfeng City 登封市登高公路與福佑路交叉口西北角	1st quarter of 2021 二零二一年第一季度	100%	Residential & commercial 住宅、商業	32,986	—	—	82,466
Dengfeng Zensun City • Xiang Garden 登封正商城•祥園	Northeast corner, Intersection of Hanque Road and Tianzhong Road, Dengfeng City 登封市漢闕路與天中路交叉口東北角	1st quarter of 2021 二零二一年第一季度	100%	Residential & commercial 住宅、商業	27,210	—	—	39,979
Dengfeng Zensun City • He Garden 登封正商城•和園	Northeast corner, Intersection of Yinghe Road and Tianzhong Road, Dengfeng City 登封市潁河路與天中路交叉口東北角	1st quarter of 2021 二零二一年第一季度	100%	Residential & commercial 住宅、商業	50,436	—	—	79,728

Property Project	Location	Estimated Completion Time	Interest attributable to the Group	Use	Total site area (sq.m.) Approximately	Remaining Completed GFA Unsold (sq.m.) Approximately	GFA Under Development (sq.m.) Approximately	GFA Under Planning (sq.m.) Approximately
物業項目	項目地址	預計竣工時間	本集團於項目中的權益	用途	總佔地面積 (平方米) 約	已竣工仍未出售建築面積 (平方米) 約	發展中建築面積 (平方米) 約	籌劃中建築面積 (平方米) 約
PROPERTY PROJECTS UNDER DEVELOPMENT/PLANNING (Continued) 在建／籌劃中物業項目(續)								
Zensun Twin Cranes Lake 正商雙鶴湖	West of Shuanghe Lake 2nd Steet, south of Heshou Outer Ring Road, Zhengzhou City 鄭州市鶴首外環路以南、雙鶴湖二街以西	3rd quarter of 2020 二零二零年第三季度	100%	Commercial 商業	11,215	—	—	39,250
Xuchang Zensun Scholar Mansion 許昌正商書香華府	North of Nongda Road, south of Gui Hua Nong Xuan Road and west of Gui Hua Han Lin Road, Jianan District, Xuchang City 許昌市建安區農大路北側、規劃農軒路南側及規劃漢林路西側	4th quarter of 2020 to 4th quarter of 2021 二零二零年第四季度至二零二一年第四季度	100%	Residential 住宅	115,449	—	—	313,230
Xuchang Zensun Golden Mile House 許昌正商金城世家	East of Laodong North Road and south of Gui Hua Zhou Zhuang Street, Jianan District, Xuchang City 許昌市建安區勞動北路以東、規劃周莊街以南	4th quarter of 2020 to 4th quarter of 2021 二零二零年第四季度至二零二一年第四季度	100%	Residential 住宅	60,948	—	—	167,991
Zensun Longshuishangjing 正商瓏水上境	South of North 3rd Ring Road, east of Longhu Neihuan East Road, Zhengzhou City 鄭州市北三環路南、龍湖內環東路東	1st quarter of 2021 二零二一年第一季度	100%	Residential 住宅	58,338	—	—	99,175
Xinxiang Zensun Golden Mile House (Phase I) 新鄉正商金城世家一期	South of Kelong Avenue, east of Xiner Street, Xinxiang City 新鄉市科隆大道以南、新二街東	1st quarter of 2021 二零二一年第一季度	100%	Residential & commercial 住宅、商業	45,591	—	—	159,569
Xinxiang Zensun Golden Mile House (Phase II) 新鄉正商金城世家二期	West of Xinzhong Avenue, southeast corner of the intersection of Hongyuan Street and Guihua Road, Xinxiang City 新鄉市新中大道以西、鴻源街與規劃路東南角	1st quarter of 2021 二零二一年第一季度	100%	Residential & commercial 住宅、商業	36,712	—	—	128,492
Grand total	總計				1,112,084	247,688	1,667,580	1,459,639

The Group will continue expanding its property development in Henan Province and other first and second tier cities in the PRC.

本集團將繼續擴大於中國河南省及其他第一、第二線城市地產發展的業務。

REIT OWNERSHIP AND MANAGEMENT STRATEGY

房地產投資信託擁有及管理策略



The Company announced on 6 December 2013 a three-phases growth strategy (the “Growth Strategy”) as ascribed in our REIT Strategy, which involves (i) building up a portfolio through seeding and growing REITs in the U.S.; (ii) developing recurring management fees from direct management of these REITs; and (iii) raising capital through potential listings of these REITs.

The Company has so far seeded two U.S. listed REITs, both are managed by the U.S.-based company, IAM, a wholly-owned subsidiary of the 85%-owned Inter-American Group Holdings Inc. (“IA Group”) by the Group, which earns recurring management fees of 1.5% of the REITs’ net assets under management. The remaining 15% stake of IA Group is owned by Mr. Jeffrey Busch, the Chief Executive Officer of IA Group who is a 30-year real estate veteran and previously served two U.S. Presidents, overseeing a yearly budget of over US\$3 billion to develop housing and commercial real estate for the U.S. Government.



IAM is the REIT management arm of IA Group, led by a specialised team of highly-experienced professionals with deep knowledge in the U.S. real estate, REITs, healthcare, management, logistics and business development.

IAM manages our Group’s seeded REITs – AHR and GMR – and plans to eventually manage other global REITs. IAM estimates to receive recurring management fees of 1.5% to 2.0% of assets under management, varying by each individual REIT and depending on their performance. Its REIT management strategy centres on systematising, and creating viable economies of scale, to effectively manage cash flow over the life cycles of a wide range of real estate holdings. IAM focuses on minimising operating expenses by optimising property evaluation and property management practices, through advanced online property tracking tools coupled with on-site evaluations. IAM sources prospective acquisitions based on the broad relationship network of IA Group’s U.S.-based executive team.

To accelerate the REIT’s growth through additional capital raising, the Group is dedicated to carrying out plans to migrate the listing of the two REITs successfully from OTC to international stock exchanges. With the led by our professional management team in IAM, GMR has been successfully completed offering of its shares and migration listing to NYSE in the U.S. during 2016. The Group’s REIT management arm is proactively working towards the migration plan for the next REIT.

於二零一三年十二月六日，本公司宣佈一項房地產投資信託策略之三線發展策略（「發展策略」），涉及(i)透過於美國開拓及發展房地產投資信託建立組合；(ii)直接管理該等房地產投資信託而建立經常性收入來源；及(iii)透過該等房地產投資信託之可能上市籌集資金。

本公司迄今已收納兩個美國上市房地產投資信託，均由本集團擁有85%權益之Inter-American Group Holdings Inc.（美州集團控股公司）（「IA Group」）之全資附屬公司IAM管理，其就所管理房地產投資信託淨資產收取1.5%經常性管理費。IA Group餘下15%股份乃由IA Group行政總裁Jeffrey Busch先生擁有。Jeffrey Busch先生具備30年房地產行業經驗，曾為兩名美國總統服務，負責監管逾30億美元年度預算，為美國政府拓展住房及商用房地產行業。

IAM為IA Group旗下房地產投資信託管理分支，由具備深厚美國房地產、房地產投資信託、醫療、管理、物流及業務發展知識之資深專業團隊帶領。

IAM現時管理本集團所收納之房地產投資信託，即AHR及GMR，並策劃管理其他全球性房地產投資信託。IAM估計就所管理資產收取1.5%至2.0%經常性管理費，視乎各個別房地產投資信託及其表現而定。其房地產投資信託管理策略圍繞系統化管理，藉以產生切實可行之規模經濟，繼而於不同類別房地產資產週期有效管理現金流量。IAM透過先進網上物業追蹤工具及實地評估，最大程度優化物業評估及物業管理手法，盡量削減經營開支。IAM依據IA Group美國執行團隊之廣泛人際關係網絡，物色潛在收購目標。

為透過籌集額外資金加快房地產投資信託之增長，本集團致力於執行將兩個房地產投資信託成功由場外交易轉至國際證券交易所上市之計劃。在我們IAM專業管理團隊之帶領下，GMR已於二零一六年在美國成功完成發售其股份及轉至紐約證券交易所上市。本集團之房地產投資信託管理團隊正積極策劃下一個房地產投資信託之轉板計劃。



AHR is currently a 99%-controlled U.S. OTC-listed REIT and managed by IAM. The primary business strategy of AHR is to acquire and lease single-family homes as well-maintained investment properties to generate attractive risk-adjusted returns over the long-term. AHR consistently employs a disciplined and focused approach in evaluating available acquisition opportunities, and maximising the expected returns with the mix of rent yield and future potential appreciation in value. As at 31 December 2017, AHR owned a portfolio of about 38 single-family rentals (“SFRs”) primarily in Texas, Florida and Georgia in the U.S.

In view of our professional specialist management arm on the favourable potential prospect on retirement communities and elderly care industry in the U.S., the Group diversifies its current property portfolio from single family housing to senior housing in order to seize the industry potential. Two senior housing communities in Texas and Kansas in the U.S. were acquired in the first half of 2017. The Group believes that a diversified investment portfolio will generate a higher-than-average annualised yield and assist future capital fund raising in potential migration listings.



GMR was previously a 99.9%-controlled U.S. OTC-listed REIT and managed by IAM. During 2016, GMR has successfully completed the offering of its shares and migration listing from OTC to NYSE in the U.S.. As a result, the Group’s interest in GMR was diluted from 99.9% to 14.8%. Although GMR ceased to be a subsidiary of the Company and no longer controlled by the Group after the GMR offering, IAM has continued providing management services in return for receiving recurring management fee at 1.5% per annum of GMR’s net assets under the management agreement. IAM also continued managing various fund raising activities in the future to increase the capital base of GMR, which in return, increase the recurring management fee income. As at 31 December 2017, the Group has 12% equity interests in GMR.

GMR holds a medical real estate portfolio of specialised, high-acuity medical facilities and seeks to maintain distributions with a higher-than-average annualised yield of 8%.

AHR為目前由本集團控制99%的美國場外交易上市房地產投資信託，由IAM管理。AHR之主要業務策略為收購及出租獨戶住宅作維護完善的投資物業，以獲取具吸引力之長期風險調整回報。AHR一貫審慎專注地評估可得收購機遇，最大限度提升預期回報，並綜合考慮租金收益及日後升值潛力。於二零一七年十二月三十一日，AHR主要於美國德克薩斯州、佛羅里達州及喬治亞州擁有約38間單棟出租單位（「單棟出租單位」）組合。

由於我們的專業專家管理分支看好美國退休群體及安老行業之潛在前景，為把握行業潛力，本集團將其現有物業組合從單棟出租單位分散至養老地產物業。於二零一七年上半年，本集團已收購位於美國德克薩斯州及堪薩斯州之兩套長者住房院舍。本集團相信，分散投資組合將產生高於平均水平之年度收益，並有助於未來潛在轉板上市之資本融資。

GMR為先前由本集團控制99.9%的美國場外交易上市房地產投資信託，由IAM管理。於二零一六年，GMR已在美國成功完成發售其股份及由場外交易轉至紐約證券交易所上市。因此，本集團於GMR中擁有之權益由99.9%攤薄至14.8%。儘管於GMR發售後，GMR不再為本公司之附屬公司及不再由本集團控制，IAM按管理協議繼續提供管理服務，並每年按GMR淨資產之1.5%收取經常性管理費。IAM亦繼續於未來管理不同集資活動以進一步提升GMR的資本基礎，從而提高經常性管理費收入。於2017年12月31日，本集團擁有GMR 12%股權。

GMR擁有一個由專門治理高度急症之醫療設施組成之醫療房地產組合，力求支付股息，年度回報率達8%，高於平均水平。

REIT OWNERSHIP AND MANAGEMENT STRATEGY

房地產投資信託擁有及管理策略

GMR's strategy is to acquire licensed, specialised medical healthcare facilities and lease to locally-dominant healthcare operators on long-term leases with contractual annual rent escalations. These leases are structured as triple net which require tenants to pay for all property operating expenses including property taxes, insurance, maintenance and capital expenditure. GMR looks for opportunities in sector that healthcare operators wish to monetize their real estates to redeploy into core health-care operation and immediate growth initiatives. A key differentiation for GMR with other real estate investors is GMR focus on high-acuity single-tenanted properties which require in-depth health care knowledge and industry expertise to underwrite creating an investment "barrier to entry" for "generalist", while other real estate investors focus on generic office, residential, and retail real estate.

GMR acquires properties on a long-term sale and leaseback basis which provides GMR with secured, predictable, growing rental income. GMR's in-depth experience and contacts within the health care real estate community enable GMR to source non-brokered investment opportunities off-market and on favourable terms. GMR is able to originate property acquisitions with healthcare operators directly by catering specifically to their capital, accounting, legal, regulatory, and strategic needs.

As of 31 December 2017, GMR's portfolio consisted of 37 facilities with an aggregate of (i) approximately 1.3 million rentable square feet, (ii) approximately US\$35.7 million of annualized base rent, (iii) an approximate weighted average capitalization rate of 7.6% and (iv) approximately 10.5 years weighted average lease term remaining. During the year of 2017, GMR completed 23 acquisitions. These medical and healthcare facilities acquisitions included a Rehabilitation Hospital in Austin, Texas; medical office buildings in Moline, Illinois; Albertville, Minnesota; Las Cruces, New Mexico; Clermont, Florida; and Brockport, New York. GMR continues to seek investment in primarily off-campus medical office buildings and purpose-built, licensed specialized medical facilities, such as surgery centers, specialty hospitals, and in-patient rehabilitation facilities to align the portfolio with contemporary trends in the delivery of demographically supported healthcare services. GMR targets markets with high demand for premium healthcare services, and within those markets, assets that are strategically located to take advantage of the decentralization of healthcare, such as facilities located away from hospital campuses.

GMR之策略為收購持牌及專業醫療保健設施，以及長期及合約年租金上升的租約出租予本地主導保健服務營運商。此等租約結構為三重淨租約，其要求租戶支付所有物業營運開支包括物業稅、保險、維修費用及資本開支。GMR專注於保健營運商有意將其房地產變賣以重新調配核心醫療營運及即時增長計劃之情況及機會。GMR與其他房地產投資者之關鍵區別為GMR專注於挑選專門治理高度急症之物業，其需要深厚保健知識及行業專業，以包銷為「全才」創造投資「進入門檻」，而其他房地產投資者則專注於一般辦公、住宅及房地產零售。

GMR按長期售後回租之基準收購物業，保障GMR穩健、可預測及不斷增長的租金收入。GMR於保健房地產領域之豐富經驗及人脈使GMR可按有利條款獲得場外非經紀投資機會。GMR可透過迎合其特定資本、會計、法律、法規及戰略需求，主動直接向保健營運商提出收購物業。

於二零一七年十二月三十一日，GMR之組合包括37項設施，合共(i)可租賃面積約1.3百萬平方呎；(ii)年化基本租金約35.7百萬元；(iii)加權平均資本化率約7.6%及(iv)加權平均餘下租期約10.5年。於二零一七年，GMR完成23項收購。該等醫療保健設施收購包括位於德克薩斯州奧斯汀之一間康復醫院、位於伊利諾伊州莫林、明尼蘇達州阿爾貝威爾、新墨西哥州拉斯克魯塞思、佛羅里達州克萊蒙特及紐約州布魯克波特之醫療辦公大樓。GMR繼續主要物色投資於校外醫療辦公大樓及特定用途之持牌專業醫療設施(如手術中心、專科醫院及住院病人康復設施)，以使其組合符合時下趨勢提供廣受歡迎之保健服務。GMR瞄準具有較高高端保健服務需求之市場，以及該等市場上處於可發揮醫療分散化優勢之戰略位置之資產，例如遠離醫院之設施。

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Zhang Jingguo (*Chairman and
Chief Executive Officer*)
Zhang Guoqiang

Non-Executive Director

Huang Yanping

Independent Non-Executive Directors

Liu Da
Liu Qiao
Ma Yuntao

AUDIT COMMITTEE

Liu Da (*Chairman*)
Liu Qiao
Ma Yuntao

REMUNERATION COMMITTEE

Ma Yuntao (*Chairman*)
Zhang Jingguo
Liu Qiao

NOMINATION COMMITTEE

Liu Qiao (*Chairman*)
Zhang Jingguo
Liu Da

AUTHORISED REPRESENTATIVES

Zhang Jingguo
Chan Chi Keung

JOINT COMPANY SECRETARIES

Chan Chi Keung
Yuen Ping Man

AUDITOR

Deloitte Touche Tohmatsu

SOLICITOR

Howse Williams Bowers

PRINCIPAL BANKERS

China Construction Bank (Asia)
Corporation Limited
Credit Suisse AG
DBS Bank Limited
East West Bank
Hang Seng Bank Limited
United Overseas Bank Limited

SHARE REGISTRAR

Tricor Friendly Limited
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Hong Kong

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STOCK CODE

Stock Exchange: 185

董事會 執行董事

張敬國
(*主席及行政總裁*)
張國強

非執行董事

Huang Yanping

獨立非執行董事

劉達
劉俏
馬運強

審核委員會

劉達(*主席*)
劉俏
馬運強

薪酬委員會

馬運強(*主席*)
張敬國
劉俏

提名委員會

劉俏(*主席*)
張敬國
劉達

授權代表

張敬國
陳志強

聯席公司秘書

陳志強
源秉民

核數師

德勤•關黃陳方會計師行

律師

何韋鮑律師行

主要往來銀行

中國建設銀行(亞洲)股份
有限公司
瑞士信貸銀行
星展銀行有限公司
華美銀行
恒生銀行有限公司
大華銀行有限公司

股份過戶登記處

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香港
皇后大道東183號
合和中心22樓

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股份代號

聯交所：185

* Information on the website does not form part of this annual report
網站內的資訊並不構成本年報一部份

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINAL RESULTS AND DIVIDEND

For the year ended 31 December 2017, the Group recorded a turnover of approximately HK\$1,272.0 million and gross profit of approximately HK\$425.6 million, representing an increase of 1,498% as compared to turnover of approximately HK\$79.6 million and increase of 593% as compared to gross profit of approximately HK\$61.4 million in the corresponding period. The revenue and gross profit in 2017 were mainly derived from the property development business in the PRC. The significant increase in revenue and gross profit was primarily attributable to the Group's expansion in property development business in the PRC starting from 2015. The Group completed and delivered its first two property development projects in 2017.

The Group had net other losses of approximately HK\$4.7 million in 2017, as compared to net other losses of approximately HK\$24.8 million in 2016. The Group's net other losses in 2017 mainly represented the combined effect of decrease in fair value of financial assets at fair value through profit or loss of approximately HK\$14.0 million (2016: approximately HK\$23.4 million) and the net exchange loss of approximately HK\$2.9 million (2016: net exchange gain of approximately HK\$2.4 million), offset with the increase in fair value of investment properties of approximately HK\$12.4 million (2016: approximately HK\$1.4 million). The significant decrease of the net other losses was due to an one off effect from the deemed disposal loss of GMR in relation to its share offering and migration listing on the New York Stock Exchange ("NYSE") in July 2016.

The Group's sales and marketing costs increased by 306% from approximately HK\$13.9 million in 2016 to approximately HK\$56.4 million in 2017. The Group's administrative expenditure increased by 46% from approximately HK\$57.2 million in 2016 to approximately HK\$83.4 million in 2017. Such increases were in line with the further business expansion in the Group's property development business in the PRC during the year ended 31 December 2017.

The Group's income tax expenses increased from approximately HK\$4.6 million in 2016 to approximately HK\$122.7 million in 2017. The increase was primarily attributable to the increase in PRC Enterprise Income Tax and PRC land appreciation tax arising from the operating profits in property development business in the PRC in 2017.

As a result of the foregoing, the Group's profit attributable to owners of the Company for the year amounted to approximately HK\$152.5 million (2016: loss attributable to owners of the Company amounted to approximately HK\$56.7 million).

末期業績及股息

於截至二零一七年十二月三十一日止年度，本集團錄得營業額約1,272,000,000港元及毛利約425,600,000港元，較同期之營業額約79,600,000港元增加1,498%，較同期之毛利約61,400,000港元增加593%。二零一七年之收益及毛利主要來自中國物業發展業務。收益及毛利的大幅增加主要歸功本集團自二零一五年起擴展於中國的物業發展業務。本集團於二零一七年已完成並交付其首兩個物業發展項目。

本集團於二零一七年的其他虧損淨額約4,700,000港元，而於二零一六年的其他虧損淨額則約為24,800,000港元。本集團於二零一七年的其他虧損淨額主要由於按公平值計入損益之金融資產之公平值減少約14,000,000港元(二零一六年：約23,400,000港元)及匯兌虧損淨額約2,900,000港元(二零一六年：匯兌收益淨額約2,400,000港元)的綜合影響所致，抵銷了投資物業公平值增加的約12,400,000港元(二零一六年：約1,400,000港元)。其他虧損淨額大幅減少乃由於GMR於二零一六年七月在紐約證券交易所(「紐交所」)進行股份發售及轉板上市而涉及之GMR視作出售虧損之一次性影響所致。

本集團的銷售及市場推廣成本由二零一六年的約13,900,000港元增加306%至二零一七年的約56,400,000港元。本集團的行政開支由二零一六年的約57,200,000港元增加46%至二零一七年的約83,400,000港元。有關增加與本集團於中國的物業發展業務在截至二零一七年十二月三十一日止年度進行的進一步業務擴展相一致。

本集團所得稅開支由二零一六年的約4,600,000港元增加至二零一七年的約122,700,000港元。有關增加主要由於源自二零一七年中國物業發展業務之經營溢利產生之中國企業所得稅及中國土地增值稅增加所致。

基於上述原因，本公司擁有人本年度應佔本集團溢利約為152,500,000港元(二零一六年：本公司擁有人應佔虧損約56,700,000港元)。

The basic earnings per share for the year ended 31 December 2017 was HK2.47 cents (2016: loss per share of HK0.97 cent).

The Board does not recommend the payment of a dividend in respect of the year (2016: Nil).

BUSINESS REVIEW

Property Development in the PRC

During the year ended 31 December 2017, the property development business contributed revenue of approximately HK\$1,190.8 million (2016: Nil) and segment profit of approximately HK\$271.3 million (2016: segment loss of approximately HK\$18.0 million) to the Group. The significant increase of revenue and segment profit was attributable to the delivery of the first two completed property development projects in 2017.

During the year ended 31 December 2017, the Group has continuously made successful bids of land parcels through listings for sale and acquisition processes from independent third parties in Henan Province and also Beijing, the PRC. Those successful bids further complemented the Group's strategy in expanding its business operation with focus on Zhengzhou City, Henan Province and other first and second tier cities in the PRC. The Group persists continuing effort to expand its land reserve.

During the year ended 31 December 2017, the Group completed its first two property development projects, namely Zensun Xinghan Garden and Zensun Jingkai Plaza, respectively, with aggregate gross floor area ("GFA") amounted to approximately 379,000 sq.m. Zensun Xinghan Garden is a residential project, while Zensun Jingkai Plaza is a commercial complex project with offices and apartments. Upon completion of these two property development projects, the Group have delivered both properties to the customers in accordance with the related terms of sales and purchase agreements in the fourth quarter of 2017.

As at 31 December 2017, the Group had 2 completed property projects and 14 projects under development and planning with aggregate of total estimated GFA of approximately 3.5 million sq.m. in the PRC. The Group adopts a proactive strategy in project development business and will adjust its pace of business expansion and project development progress as and when appropriate.

截至二零一七年十二月三十一日止年度，每股基本盈利為2.47港仙（二零一六年：每股虧損0.97港仙）。

董事會並無建議派付本年度股息（二零一六年：無）。

業務回顧

中國物業發展

於截至二零一七年十二月三十一日止年度，物業發展業務為本集團貢獻收益約1,190,800,000港元（二零一六年：無）及分部溢利約271,300,000港元（二零一六年：分部虧損約18,000,000港元）。收益及分部溢利的大幅增加乃由於在二零一七年交付首兩個已落成物業發展項目所致。

於截至二零一七年十二月三十一日止年度，本集團不斷於中國河南省及北京之獨立第三方提呈出售及收購過程中成功投得地塊。本集團的成功投標進一步補足其集中於河南省鄭州市及中國其他一二線城市擴大業務營運之策略。本集團持續努力擴大其土地儲備。

於截至二零一七年十二月三十一日止年度，本集團完成其首兩個物業發展項目（分別為正商興漢花園及正商經開廣場），總建築面積（「建築面積」）約379,000平方米。正商興漢花園為住宅項目，而正商經開廣場則為集辦公室及公寓於一體的商業綜合體項目。於該兩個物業發展項目完成後，本集團已根據買賣協議之相關條款於二零一七年第四季度向客戶交付該等物業。

於二零一七年十二月三十一日，本集團於中國共有2個完成之物業項目及14個發展中及規劃中項目，估計總建築面積共計約為3,500,000平方米。本集團在項目發展業務中採取主動模式，並將適時調整其業務發展步伐及項目發展進程。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Property Investment and/or Management in the USA on AHR and GMR

During the year ended 31 December 2017, the property investment and management in the USA on AHR and GMR through Inter-American Management, LLC (“IAM”), the 85%-owned REIT management arm of the Group, contributed revenue of approximately HK\$43.6 million (2016: approximately HK\$47.4 million) and segment loss of approximately HK\$0.1 million (2016: approximately HK\$32.0 million) to the Group. The significant decrease in the segment loss was due to an one off effect from the deemed disposal loss of GMR in relation to its share offering and migration listing on the NYSE in July 2016. The Group has continued to provide management services to GMR in return for property management fee income pursuant to the management agreement between GMR and IAM after GMR offering.

In addition, the Group acquired two senior housing communities in the USA, namely the Oxford Grand McKinney and the Glen Carr House, respectively, during the year ended 31 December 2017. The acquisitions have brought up new rental income to the Group and contributed an increase in fair value of investment properties, which in turn improved the overall segment results.

Property Investment other than AHR and GMR

During the year ended 31 December 2017, the property investment other than AHR and GMR divisions contributed revenue of approximately HK\$15.1 million (2016: approximately HK\$16.1 million) and segment profit of approximately HK\$13.2 million (2016: approximately HK\$8.0 million) to the Group. The improvement of segment profit was attributable to a larger extent of increase in fair value of investment properties recorded during the year, which was in line with the better market conditions.

Securities Trading and Investment

During the year ended 31 December 2017, the Group's securities business recorded a revenue of approximately HK\$16.9 million and a segment profit of approximately HK\$3.5 million, as compared to revenue of approximately HK\$8.7 million and segment loss of approximately HK\$14.8 million recorded in 2016. The increment in revenue and segment profit were primarily attributable to the full year effect of dividend income from investment in GMR in 2017.

於美國AHR及GMR之物業投資及／或管理

截至二零一七年十二月三十一日止年度，透過Inter-American Management, LLC(「IAM」)(由本集團擁有85%權益之房地產投資信託管理分支)於美國AHR及GMR進行之物業投資及管理為本集團貢獻收益約43,600,000港元(二零一六年：約47,400,000港元)及產生分部虧損約100,000港元(二零一六年：約32,000,000港元)。分部虧損大幅減少乃GMR於二零一六年七月在紐交所進行股份發售及轉板上市而涉及之GMR視作出售虧損之一次性影響所致。根據GMR與IAM訂立的管理協議，於GMR發售後，本集團繼續為GMR提供管理服務而收取物業管理費用收入。

此外，本集團已於截至二零一七年十二月三十一日止年度收購美國兩套長者住房院舍，即Oxford Grand McKinney及Glen Carr House。有關收購為本集團帶來新的租金收入並增加投資物業之公平值，進而改善整體分部業績。

AHR及GMR以外之物業投資

截至二零一七年十二月三十一日止年度，AHR及GMR以外之物業投資分部為本集團貢獻約15,100,000港元(二零一六年：約16,100,000港元)之收益及約13,200,000港元之分部溢利(二零一六年：約8,000,000港元)。分部溢利改善乃由於本年度內所錄得之投資物業公平值減值增幅較大，與改善的市況一致。

證券買賣及投資

截至二零一七年十二月三十一日止年度，本集團之證券業務錄得收益約16,900,000港元，而分部溢利則約為3,500,000港元，而二零一六年則錄得收益約8,700,000港元及分部虧損約14,800,000港元。增加之收益及分部溢利乃主要由於二零一七年投資於GMR產生之股息收入之全年影響所致。

Hotel Operations

During the year ended 31 December 2017, revenue from the hotel operation division declined from approximately HK\$7.0 million to approximately HK\$5.6 million, which also contributed to a segment loss of approximately HK\$1.9 million (2016: approximately HK\$0.9 million).

Other Investment

During the year ended 31 December 2017, the Group disposed of its entire interest in an unlisted overseas equity investment for a consideration of approximately HK\$0.5 million. In prior years, such equity investment were previously classified as available-for-sale financial assets, and subsequently thereafter recorded an impairment loss in profit and loss after the review of its recoverable amounts by reference to the expected future cash inflows. The disposal transaction completed during the year and therefore recognized a net gain of approximately HK\$0.5 million.

FINANCIAL REVIEW

Liquidity and Capital Resources

Liquidity Position

As at 31 December 2017, the carrying amount of the Group's total cash and bank balances including pledged deposits and restricted bank balances was approximately HK\$1,137.1 million (2016: approximately HK\$270.7 million), representing an increase of approximately 320%. The total cash and bank balances were mainly denominated in Renminbi, Hong Kong dollars, US dollars, Singapore dollars and Japanese Yen.

As at 31 December 2017, certain bank balances and deposits of the Group were pledged to certain banks and financial institutions as securities for the banking facilities granted to the Group and also the mortgage loan facilities granted to the property buyers of the Group. The total pledged deposits was approximately HK\$119.2 million as at 31 December 2017 (2016: approximately HK\$12.8 million).

酒店業務

於截至二零一七年十二月三十一日止年度，酒店業務分部之收益由約7,000,000港元減少至約5,600,000港元，亦導致分部虧損約1,900,000港元(二零一六年：約900,000港元)。

其他投資

於截至二零一七年十二月三十一日止年度，本集團出售非上市海外股本投資之全部權益，代價約為500,000港元。於過往年度，該等股本投資先前獲分類為可供出售金融資產，其後於參考預計未來現金流入審閱其可回收金額後，於損益錄得減值虧損。年內完成出售交易因而確認收益淨額約500,000港元。

財務回顧

流動資金及資金來源

流動資金狀況

於二零一七年十二月三十一日，本集團之現金及銀行結餘總額(包括已抵押按金及受限制銀行結餘)之賬面值增加約320%至約1,137,100,000港元(二零一六年：約270,700,000港元)。現金及銀行結餘總額主要以人民幣、港元、美元、新加坡元及日圓列值。

於二零一七年十二月三十一日，本集團若干銀行結餘及按金已抵押予若干銀行及金融機構，作為本集團獲授銀行融資及本集團物業買家獲授按揭貸款融資之抵押。於二零一七年十二月三十一日，已抵押按金合共約為119,200,000港元(二零一六年：約12,800,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital Structure, Borrowings and Charges on the Group's assets

The capital structure of the Group consists of net debt, which includes bank and other borrowings, loans from a related company, and amounts due to related companies, net of bank balances and cash, restricted bank balances and pledged deposits, and equity attributable to owners of the Company, comprising issued share capital and reserves. As at 31 December 2017, net debt and equity attributable to owners of the Company were approximately HK\$14,223.6 million (2016: approximately HK\$1,173.3 million) and approximately HK\$1,379.6 million (2016: approximately HK\$1,163.1 million), respectively.

As at 31 December 2017, the Group's aggregate borrowings including bank and other borrowings, loans from a related company and amounts due to related companies amounted to approximately HK\$15,360.7 million (2016: approximately HK\$1,444.0 million), of which approximately HK\$10,713.8 million (2016: approximately HK\$1,287.1 million) are repayable within one year or on demand, and approximately HK\$4,646.9 million (2016: approximately HK\$156.9 million) are repayable after one year. The aggregate borrowings were mainly denominated in Renminbi, US dollars, Singapore dollars and Hong Kong dollars.

As at 31 December 2017, certain bank and financial institutions facilities granted to the Group together the mortgage loan facilities granted to the property buyers of the Group were secured by certain property, plant and equipment, investment properties, properties held for sale, properties under development for sale and pledged deposits with total carrying values of approximately HK\$12,582.6 million (2016: HK\$514.7 million). In addition, shares of certain subsidiaries of the Group are pledged to secure certain banking facilities granted to the Group as at 31 December 2017.

The Group's bank and other borrowings carried various fixed interest rates from 4.35% per annum to 7.43% per annum and floating interest rates linking up with international lending rates including Hong Kong Interbank Offered Rate, Singapore Dollar Swap Offered Rate, Singapore Interbank Offered Rate, London Interbank Offered Rate and the base lending rate of the People's Bank of China. The Group's interest rate risk is mainly driven from the bank and other borrowings with floating interest rates. As at 31 December 2017, except the amounts of approximately HK\$31.1 million (2016: approximately HK\$164.5 million) recorded in loans from a related company carried at a fixed interest rate at the lower of (i) 4% per annum or (ii) such other interest rate the Group is able to borrow in an amount equal to the relevant loan from a bank or a financial institution at the date of drawdown, the remaining amounts in loans from a related company and the amounts due to related parties were interest-free.

本集團資產之資本架構、借貸及押記

本集團資本架構包括負債淨額，即包括銀行及其他借貸、來自一間關連公司之貸款及應付關連公司款項，減銀行結餘及現金、受限制銀行結餘及已抵押按金及本公司擁有人應佔股權，包括已發行股本及儲備。於二零一七年十二月三十一日，本公司擁有人應佔負債及權益淨額分別為約14,223,600,000港元(二零一六年：約1,173,300,000港元)及約1,379,600,000港元(二零一六年：約1,163,100,000港元)。

於二零一七年十二月三十一日，本集團借貸總額包括銀行及其他借貸、來自一間關連公司之貸款及應付關連公司款項約15,360,700,000港元(二零一六年：約1,444,000,000港元)，其中約10,713,800,000港元(二零一六年：約1,287,100,000港元)須於一年內或按要求償還，而約4,646,900,000港元(二零一六年：約156,900,000港元)須於一年後償還。借貸總額主要以人民幣、美元、新加坡元及港元列值。

於二零一七年十二月三十一日，授予本集團之若干銀行及金融機構融資連同授予本集團物業買家之按揭貸款融資已由賬面總值約12,582,600,000港元(二零一六年：514,700,000港元)之若干物業、廠房及設備、投資物業、持作出售之物業、待售發展中物業及已抵押按金作抵押。此外，於二零一七年十二月三十一日，本集團若干附屬公司之股份已抵押，以獲授本集團若干銀行融資。

本集團銀行及其他借貸附有與香港銀行同業拆息、新加坡元掉期利率、新加坡銀行同業拆息、倫敦銀行同業拆息及中國人民銀行貸款基準利率等國際貸款利率掛鈎之多項固定年利率(介乎每年4.35厘至每年7.43厘)及浮動利率。本集團之利率風險主要來自浮動利率之銀行及其他借貸。於二零一七年十二月三十一日，除來自一間關連公司之貸款錄得之約31,100,000港元(二零一六年：約164,500,000港元)按下列較低者之固定利率計息外：(i)年利率4厘或(ii)在提取日期本集團能夠向銀行或金融機構借入相等於有關貸款金額之其他利率，餘下來自一間關連公司之貸款及應付關連人士之款項均為免息。

The Group did not use any financial instruments for hedging purpose.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. In view of the Group's expansion strategy, the Group has sourced funding from its related companies and continued to look for external financing sources. The Group's overall strategy remains unchanged from prior year.

Key Financial Ratios

As at 31 December 2017, the Group recorded a current ratio of 1.3 (2016: 1.3) and a gearing ratio of approximately 63.9% (2016: 31.7%). Gearing ratio is defined as the ratio of total borrowings less bank balances and cash, restricted bank balances and pledged deposits to total assets. The increase in gearing ratio was primarily attributable to the increase in loans from a related company and amounts due to related companies for the expansion in property development operation in the PRC during the year ended 31 December 2017.

Capital Commitments

As at 31 December 2017, the capital commitments of the Group in connection with land premium resulting from land acquisitions and the property development expenditures were approximately HK\$1,263.8 million (2016: approximately HK\$1,356.4 million) and approximately HK\$2,795.1 million (2016: approximately HK\$369.1 million), respectively.

Contingent Liabilities

As at 31 December 2017, the Group had contingent liabilities relating to guarantees amounting to approximately HK\$1,184.6 million (2016: approximately HK\$456.0 million) in respect of mortgage facilities provided by certain banks in connection with the mortgage loans entered into by property buyers of the Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group would be responsible for repaying the outstanding mortgage principals together with the accrued interest thereon and any penalties owed by the defaulted buyers to the banks. The Group would be entitled to take over legal title to and possession of the related properties. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the property buyers; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage. In the opinion of the Directors, no provision for the guarantee contracts was recognised in the financial statements for the year ended 31 December 2017 as the default risk is low.

本集團並無使用任何金融工具作對沖用途。

本集團管理資本乃為確保本集團實體能夠持續經營，同時透過優化債務與權益平衡為股東帶來最大回報。鑒於本集團之擴建策略，本集團由關連公司籌集資金來源及繼續尋求外部融資渠道。本集團整體策略與過往年度保持不變。

主要財務比率

於二零一七年十二月三十一日，本集團錄得流動比率為1.3(二零一六年：1.3)，資產負債比率則為約63.9%(二零一六年：31.7%)。資產負債比率定義為借貸總額減銀行結餘及現金、受限制銀行結餘及已抵押存款相對資產總值之比率。資產負債比率增加主要歸因於截至二零一七年十二月三十一日止年度就擴充中國物業發展業務而產生來自一間關連公司之貸款及應付關連公司款項有所增加。

資本承擔

於二零一七年十二月三十一日，本集團有關土地收購所產生之土地溢價及物業發展開支之資本承擔分別為約1,263,800,000港元(二零一六年：約1,356,400,000港元)及約2,795,100,000港元(二零一六年：約369,100,000港元)。

或然負債

於二零一七年十二月三十一日，本集團就有關本集團物業之買家訂立之按揭貸款而由若干銀行提供之按揭融資之擔保擁有或然負債約1,184,600,000港元(二零一六年：約456,000,000港元)。根據擔保條款，倘該等買家拖欠按揭款項，本集團須負責支付失責買家欠付銀行的未償還按揭本金連同累計利息及任何罰款。本集團將有權接管相關物業的法定業權及擁有權。該等擔保將於以下較早者發生時解除：(i)物業買家償還按揭貸款；及(ii)就按揭物業發出物業所有權證並完成按揭的取消登記。董事認為，由於違約風險不大，故並無就擔保合約於截至二零一七年十二月三十一日止年度之財務報表作出撥備。

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Foreign Exchange Exposure

The revenues, expenses, assets and liabilities are denominated substantially in Hong Kong dollars, US dollars, Renminbi, Singapore dollars and Japanese Yen in its respective group entities. Due to the currency peg of the Hong Kong dollars to the US dollars, the exchange rate between these two currencies has remained stable and thus the Group currently does not implement any hedging or other alternatives. Going forward, the Group may formulate a foreign currency hedging policy to provide a reasonable margin of safety for its exposure to Renminbi, Singapore dollars and Japanese Yen through transactions, assets and liabilities should the need arises.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Venture and Future Plans for Material Investments or Capital Assets

- (a) On 14 February 2017 (U.S. time), American Senior Housing REIT, Inc., an indirect 98.82% owned subsidiary of the Company, has entered into two agreements with two independent third parties, CBC Oxford McKinney, LLC and Oxford Derby Memory Care, LLC to acquire two senior housing communities in the U.S., namely, the Oxford Grand McKinney and the Glen Garr House, at a consideration of US\$17.1 million and US\$10.5 million, respectively. The acquisitions were completed in April 2017.
- (b) On 27 April 2017, the Group has been successful in bidding of land use rights of two land parcels in Beijing, the PRC through listing for sale process in the public auction held by Land and Resources Committee of Beijing Municipal Bureau of Land and Resources for transfer of state-owned land use rights at a consideration of RMB2,890.0 million and RMB1,210.0 million, respectively. These development projects are expected to be completed no later than the third quarter of 2021.
- (c) In July 2017, the Group has also made a successful bid for land use rights of one land parcel in Zhengzhou City, Henan Province, the PRC with site area of 62,286.39 square meters for residential use at a consideration of RMB2,205,000,000. This development project is expected to be completed no later than the fourth quarter of 2020.

外匯風險

絕大部分之收益、開支、資產及負債於有關集團實體以港元、美元、人民幣、新加坡元及日圓列值。由於港元與美元掛鈎，故兩者之匯率保持穩定。因此，本集團現時並無進行任何對沖或其他類似活動。倘有需要，本集團將來可能制定外匯對沖政策，為涉及人民幣、新加坡元及日圓之交易、資產及負債所面對之外匯風險提供合理保障。

所持重大投資、重大收購及出售附屬公司、聯營公司及合營企業以及重大投資或資本資產之未來計劃

- (a) 於二零一七年二月十四日(美國時間)，本公司間接擁有98.82%權益之附屬公司American Senior Housing REIT, Inc. 與兩名獨立第三方CBC Oxford McKinney, LLC及Oxford Derby Memory Care, LLC訂立兩份協議，以收購美國兩套長者住房院舍(即Oxford Grand McKinney及Glen Garr House)，代價分別為17,100,000美元及10,500,000美元。收購已於二零一七年四月完成。
- (b) 於二零一七年四月二十七日，本集團分別以代價人民幣2,890,000,000元及人民幣1,210,000,000元，成功於北京市國土資源局國土資源委員會就轉讓國有土地使用權所舉辦之公開拍賣掛牌出售程序中投得中國北京市兩幅地塊之土地使用權。該等發展項目預期將於二零二一年第三季度前完工。
- (c) 於二零一七年七月，本集團亦成功以代價人民幣2,205,000,000元於中國河南省鄭州市投得一幅佔地面積62,286.39平方米(作住宅用途)地塊之土地使用權。預計該發展項目將於二零二零年第四季度前完工。

- (d) On 20 September 2017, the Group has made three successful bids for land use rights for three land parcels in Dengfeng City, Henan Province, the PRC (i) with site area of approximately 46,898.78 sq.m. for residential use at a consideration of RMB106,228,500; (ii) with site area of approximately 27,210.04 sq.m. for residential use and commercial (wholesale & retailing, accommodation & catering) use at a consideration of RMB65,312,000; and (iii) and with site area of approximately 50,435.88 sq.m. for residential use and commercial (wholesale & retailing, accommodation & catering) use at a consideration of RMB130,496,250. These development projects are expected to be completed no later than the first quarter of 2021.
- (d) 於二零一七年九月二十日，本集團成功於中國河南省登封市投得三幅地塊之土地使用權：(i)佔地面積約46,898.78平方米(作住宅用途)，代價為人民幣106,228,500元；(ii)佔地面積約27,210.04平方米(作住宅、商業(批發零售、住宿餐飲)用途)，代價為人民幣65,312,000元；及(iii)佔地面積約50,435.88平方米(作住宅、商業(批發零售、住宿餐飲)用途)，代價為人民幣130,496,250元。預計該等發展項目將於二零二一年第一季度前完工。
- (e) On 21 September 2017, the Group has made two successful bids for land use rights for two land parcels in Dengfeng City, Henan Province, the PRC (i) with site area of approximately 15,991.63 sq.m. for residential use and commercial (wholesale & retailing, accommodation & catering) use at a consideration of RMB25,429,400; (ii) with site area of approximately 32,986.48 sq.m. for residential use and commercial (wholesale & retailing, accommodation & catering) use at a consideration of RMB52,448,800. These development projects are expected to be completed no later than the first quarter of 2021.
- (e) 於二零一七年九月二十一日，本集團成功於中國河南省登封市投得兩幅地塊之土地使用權：(i)佔地面積約15,991.63平方米(作住宅、商業(批發零售、住宿餐飲)用途)，代價為人民幣25,429,400元；(ii)佔地面積約32,986.48平方米(作住宅、商業(批發零售、住宿餐飲)用途)，代價為人民幣52,448,800元。預計該等發展項目將於二零二一年第一季度前完工。
- (f) On 27 September 2017, the Company entered into an agreement with Ms. Huang to acquire the entire issued share capital of Honor Challenge Investment Limited at a total consideration of HK\$1,060,953,720. On 30 January 2018, the Company and Ms. Huang entered into a supplemental agreement to amend and extend the long stop date to 1 August 2018. On 9 March 2018, a termination agreement was entered into between the Company and Ms. Huang to terminate the Agreement as amended by the supplemental agreement.
- (f) 於二零一七年九月二十七日，本公司與Huang女士訂立協議，以收購Honor Challenge Investment Limited之全部已發行股本，總代價為1,060,953,720港元。於二零一八年一月三十日，本公司與Huang女士訂立補充協議，將最後完成日期修訂及延長至二零一八年八月一日。於二零一八年三月九日，本公司與Huang女士訂立終止協議，以終止該協議(經補充協議修訂)。
- (g) On 10 November 2017, the Group has made two successful bids for land use rights for two land parcels in Xuchang City, Henan Province, the PRC (i) with site area of approximately 59,989 sq.m. for residential use at a consideration of RMB175,400,000; (ii) with site area of approximately 55,460 sq.m. for residential use at a consideration of RMB179,000,000. These development projects are expected to be completed no later than the fourth quarter of 2020.
- (g) 於二零一七年十一月十日，本集團成功於中國河南省許昌市投得兩幅地塊之土地使用權：(i)佔地面積約59,989平方米(作住宅用途)，代價為人民幣175,400,000元；(ii)佔地面積約55,460平方米(作住宅用途)，代價為人民幣179,000,000元。預計該等發展項目將於二零二零年第四季度前完工。

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- (h) On 23 November 2017, the Group has made a successful bid for land use rights for a land parcel in Xuchang City, Henan Province, the PRC with site area of approximately 60,948 sq.m. for residential use at a consideration of RMB250,500,000. This development project is expected to be completed no later than the fourth quarter of 2020.
- (i) On 27 December 2017, the Group has made a successful bid for land use rights for a land parcel in Zhengzhou City, Henan Province, the PRC with site area of approximately 58,337.95 sq.m. for residential use at a consideration of RMB1,825,000,000. This development project is expected to be completed no later than the first quarter of 2021.
- (j) On 28 December 2017, the Group has made two successful bids for land use rights for two land parcels in Xinxiang City, Henan Province, the PRC (i) with site area of approximately 45,591.03 sq.m. for residential use and commercial use at a consideration of RMB441,093,215; (ii) with site area of approximately 36,711.87 sq.m. for residential use and commercial use at a consideration of RMB347,477,850. These development projects are expected to be completed no later than the first quarter of 2021.
- (h) 於二零一七年十一月二十三日，本集團成功以代價人民幣250,500,000元於中國河南省許昌市投得一幅佔地面積約60,948平方米(作住宅用途)地塊之土地使用權。預計該發展項目將於二零二零年第四季度前完工。
- (i) 於二零一七年十二月二十七日，本集團成功以代價人民幣1,825,000,000元於中國河南省鄭州市投得一幅佔地面積約58,337.95平方米(作住宅用途)地塊之土地使用權。預計該發展項目將於二零二一年第一季度前完工。
- (j) 於二零一七年十二月二十八日，本集團成功於中國河南省新鄉市投得兩幅地塊之土地使用權，分別為(i)以代價人民幣441,093,215元投得之佔地面積約45,591.03平方米(作住宅及商業用途)；(ii)以代價人民幣347,477,850元投得之佔地面積約36,711.87平方米(作住宅及商業用途)。預計該等發展項目將於二零二一年第一季度前完工。

Employee and Remuneration Policy

Remuneration packages are generally structured with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance-related bonuses. The Company has continued to receive Good MPF Employer Award for 2016-17 issued by Mandatory Provident Fund Authority in recognition of its compliance with employer's statutory obligations and provision of better retirement protection for employees. Moreover, two new awards, namely "e-Contribution Award" and "Support for MPF Management Award" have been received for 2016-17 from Mandatory Provident Fund Authority by the Company which has adopted electronic means for MPF Administration, and has striven to encourage employees to actively manage their MPF. The Company adopted a share option scheme on 28 August 2013 and share options may also be granted to eligible employees of the Group. Total staff related costs, including Directors' emoluments during the year ended 31 December 2017, amounted to approximately HK\$39.0 million (2016: HK\$22.1 million).

As at 31 December 2017, the Group had 89 employees.

僱員及薪酬政策

薪酬待遇一般參考現行市場條款及個人資歷制定。薪金及工資一般會每年根據表現評估及其他相關因素檢討。除薪金外，本集團另有其他員工福利，包括強積金、醫療保險及表現掛鉤花紅。本公司繼續獲得強制性公積金計劃管理局頒發二零一六至一七年度「積金好僱主」獎，以嘉許其履行僱主之法律責任及為僱員提供更佳退休保障。此外，本公司獲得強制性公積金計劃管理局頒發兩項新設獎項，包括二零一六至一七年度「積金供款電子化獎」及「推動積金管理獎」，以表揚其採用電子方式處理強積金行政事宜及致力鼓勵僱員積極管理其強積金。本公司已於二零一三年八月二十八日採納購股權計劃，而本集團亦可向合資格僱員授出購股權。截至二零一七年十二月三十一日止年度，員工相關成本總額(包括董事酬金)約為39,000,000港元(二零一六年：22,100,000港元)。

於二零一七年十二月三十一日，本集團聘用89名僱員。

Outlook and Prospects

The Group will continue to be principally engaged in the businesses of property development, property investment and management and hotel operations and look for investment opportunities which strengthen profitability under the acceptable risk in Hong Kong, the PRC and overseas markets.

The Group will primarily finance the repayments on financial assistance from the controlling shareholder through proceeds from the pre-sale and sale of Group's properties, internally generated cash flows from other operations, and borrowings from commercial banks and financial institutions. Going forward, the Group believes our future fund needs in support of project construction and land acquisition activities will be satisfied by the above-mentioned sources and additional issuance of equity securities or other capital market instruments.

The Group seeks to manage the level of our liquid assets to ensure the availability of sufficient cash flows to meet any unexpected cash requirements arising from our business. The Group will also continue to assess available financial resources in support of our business needs on an ongoing basis and plan and adjust our development schedule or implement cost control measures if necessitated by our then-existing financial conditions and cash requirements.

The Group intends to continue to access existing capital resources, and to seek new sources of funding, to maintain and grow our business on a cost-effective basis.

The PRC

The continuous successful bids for land parcels complemented the Group's strategy in expanding its business operation in the PRC. Thus, the Board will continue to identify new property development projects and bid for land use rights of other selective land parcels in the PRC with a focus in Zhengzhou City, Henan Province and other first and second tier cities in the PRC in the coming few years.

In view of the above positive development in land acquisitions and the ongoing property development projects, the Group's needs on construction work for properties development is expected to increase substantially in the near future. In this regard, the Company entered into a supplemental agreement with Henan Zensun Corporate Development Company Limited (the "Supplemental Agreement") during the year ended 31 December 2017 in relation to the Master Services Agreement to extend the terms up to 31 December 2019 for construction work services to be agreed in definitive agreement(s) to be provided by Zensun Development Group. Thereafter, the Annual Caps under the Master Services Agreement as amended by the Supplemental Agreement for the three financial years ending 31 December 2019 have been approved for increment during the year of 2017. Further information in respect of the Supplemental Agreement to the Master Services Agreement and revision of Annual Caps, is available in the Company's circular dated 26 April 2017.

前景及展望

本集團將繼續主要從物業發展、物業投資及管理以及酒店業務等業務，並於香港、中國及海外市場尋求於可接受風險範圍內增強盈利能力之投資機會。

本集團將主要透過預售及銷售本集團物業所得款項、其他營運內部產生之現金流量以及來自商業銀行及金融機構之借貸，償還來自控股股東之財務資助。日後，本集團相信未來支持項目建設及土地收購活動之資金需求將以上述來源及額外發行股本證券或其他資本市場工具滿足。

本集團致力管理流動資產水平，以確保有充足現金流量應對業務所產生任何突如其來之現金需要。本集團亦將繼續評估可用財務資源以不斷支持我們業務需求，並計劃及調整我們之發展時間表，或因應我們當時現有財務狀況及現金需求推行成本控制措施。

本集團擬繼續使用現有資本資源，並尋求新資金來源，以具成本效益方式維持及發展我們之業務。

中國

本集團持續成功投得地塊有助其於中國實施業務營運擴張策略。因此，董事會於未來數年將繼續致力在河南省鄭州市及中國其他一線及二線城市物色新物業發展項目並競投中國其他經揀選地塊之土地使用權。

鑒於上述土地收購及持續物業發展項目之積極發展，本集團對物業發展建設工程之需求預期於短期內大幅增加。就此，本公司於截至二零一七年十二月三十一日止年度與河南正商企業發展有限責任公司就主服務協議訂立補充協議（「補充協議」），將最終協議中同意由正商發展集團提供建設工程服務之期限延長至二零一九年十二月三十一日。其後，截至二零一九年十二月三十一日止三個財政年度經補充協議修訂之主服務協議年度上限已獲批准於二零一七年度增加。有關主服務協議補充協議及年度上限修訂之進一步資料，可於本公司日期為二零一七年四月二十六日之通函中查閱。

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Furthermore, the Company takes leverage on the PRC property development and investment experience of its management team to seek development in suitable projects with potential to deliver value to its shareholders. In addition to existing business partners, the Company will continue to seek potential partners' cooperation to explore capital resources, reduce capital investment at an early stage and facilitate project development. The management remains cautiously optimistic on the long-term prospects of the real estate industry and will expedite its property development and sales of its development projects in the PRC through making use of its own advantages and leveraging on the national network and business resources of Zensun. The synergistic effect brought by Zensun will improve the position of the Group in the real estate industry in the PRC.

The U.S.

As at the date of this announcement, the Group has 12% equity interest in a NYSE-listed REIT, GMR and 99% equity interest in an USA OTC Company, AHR, both are operated and managed by IAM, the 85%-owned REIT management arm of the Group, led by a specialised team of highly experienced professionals with deep knowledge in the USA real estate market.

1. GMR

The Group has continued providing REIT management services and receiving recurring management fees directly to and from GMR pursuant to the management agreement between GMR and IAM after GMR offering. During the year ended 31 December 2017, GMR have launched several fund raising campaigns including underwritten public offering in the aggregate of 4 million shares of its common stock. It is expected that future fund raising of GMR will further increase its capital base which in return increase the management fee income to be received from GMR.

此外，本公司充分利用其管理團隊之中國物業發展及投資經驗，尋求發展具潛力之合適項目，回饋股東。除現有業務夥伴外，本公司將繼續尋覓潛在夥伴合作關係，以開拓資本來源、減少前期資金投資及促進項目發展。管理層對房地產行業之長期發展前景保持謹慎樂觀態度，並將透過充分利用自身優勢及正商之全國網絡及業務資源，加快位於中國之發展項目之物業發展及銷售。正商帶來之協同效益有助提高本集團於中國房地產行業之地位。

美國

於本公佈日期，本集團當前擁有一項於紐約證券交易所上市之房地產投資信託GMR 12%股權及一間美國場外交易公司AHR 99%股權，均由IAM經營及管理，而IAM為本集團擁有85%權益之房地產投資信託管理分支，由具備深厚美國房地產市場知識之資深專業團隊帶領。

1. GMR

根據GMR與IAM訂立之管理協議，於GMR發售後，本集團繼續直接向GMR提供房地產投資信託管理服務並收取經常性管理費。於截至二零一七年十二月三十一日止年度，GMR推出若干集資活動，包括包銷公開發售合共4,000,000股普通股。預期GMR未來進行集資活動將進一步提升其資本基礎，從而提高將向GMR收取之管理費收入。

2. AHR
AHR is currently 99%-controlled by the Company and owns a portfolio of single-family rentals primarily in Texas, Florida, Georgia and North Carolina. With the Group's strategy in seeking for higher-than-average annualised yield, the Group revisits the current properties portfolio of AHR and diversifies its investment from single family housing to senior housing communities in order to seize the potential opportunity for the current strong demand on retirement communities and elderly care industries in the USA. During the year ended 31 December 2017, two senior housing communities in the USA, namely, the Oxford Grand McKinney and the Glen Carr House were acquired at a total consideration of US\$27.6 million and resulted in the expansion of the AHR properties portfolio. AHR is proactively accelerating its acquisition pipeline in respect of facilities in elderly care industries in the USA in order to assist future capital fund raising in potential international stock exchange for migration listing.

Other Operations

The Group will regularly review the Singapore property market to explore business opportunities in this market in the foreseeable future. For the non-core Japan hotel business, while the Group is seeking potential buyers to dispose of the hotels or operation to enable the Group to deploy its resources in the most efficient way, it is actively seeking ways to enhance its overall profitability with a view to enabling the operations to be self-sustainable.

Overall

The Company will make use of the Group's financial, human and technological resources to enhance its portfolio, asset base and brand image in the PRC, USA and overseas with business growth opportunities.

2. AHR
AHR目前由本公司控制99%權益，主要於德克薩斯州、佛羅里達州、喬治亞州及北卡羅萊納州擁有單棟出租單位組合。本集團之策略為尋求高於平均年度收益，為把握美國當前退休群體及安老行業產生之強勁需求之潛在機會，本集團已重新審視當前AHR之物業投資組合，並將投資從單棟出租單位分散至長者住房院舍。於截至二零一七年十二月三十一日止年度，本集團已按總代價27,600,000美元收購美國兩套長者住房院舍（即Oxford Grand McKinney及Glen Carr House），以擴大AHR物業投資組合。AHR目前正積極加快有關美國安老行業設施之收購計劃，以助於未來進行潛在國際證券交易所轉板上市之資本集資。

其他業務

本集團將定期審查新加坡物業市場以於可見將來發掘該市場商機。就非核心日本酒店業務方面，本集團在尋覓潛在買家以出售酒店或運營以使本集團得以最有效方式配置資源，並積極尋求方法加強其整體盈利能力，達至自負盈虧。

概述

本公司將善用本集團之財務、人力及技術資源，以加強其於中國、美國及海外的投資組合、資產基礎及品牌形象，提高業務增長機會。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

ZHANG JINGGUO

Chairman, Executive Director and Chief Executive Officer

Mr. Zhang Jingguo, aged 55, is the Chairman, Executive Director and Chief Executive Officer of the Company and a member of each of the nomination committee and remuneration committee of the Company. Mr. Zhang is also a director of certain subsidiaries of the Company. He was appointed to the Board on 6 July 2015 following the change of controlling shareholder on 29 June 2015.

Mr. Zhang has approximately 24 years of experience in the real estate development industry in China. From July 1983 to April 1995, Mr. Zhang held various positions at the then Light Industry Bureau of Henan Province, the governmental authority in charge of the light industry in Henan Province, and its associated collectively-owned enterprises, including division chief, engineer and vice manager, where he was responsible for administrative management. From April 1995 to April 2001, he worked at Xingye Real Estate as general manager, where he was responsible for its overall operations. Mr. Zhang Jingguo and Ms. Huang Yanping cofounded a real estate company which has become one of the top 100 property development companies in China. Mr. Zhang has served as the Chairman and chief executive officer of this top 100 real estate company since 2001. Mr. Zhang is responsible for the overall strategic planning and general management of our Group and is instrumental to our growth and business expansion. Mr. Zhang is the spouse of Ms. Huang Yanping.

Mr. Zhang received a bachelor's degree in radio science from Zhengzhou University in July 1983 and an Executive MBA degree from Guanghua School of Management, Peking University in July 2013. Mr. Zhang currently serves as senior consultant of Henan Real Estate Chamber of Commerce, vice-president of Industry & Commerce Association of Henan Province, graduate tutor of Zhengzhou University. Mr. Zhang was awarded "Outstanding Real Estate Developer of Henan Province" by the Department of Housing and Urban-Rural Development of Henan Province in 2011 and "Outstanding Real Estate Developer of Zhengzhou" by the Housing Security and Real Estate Administration Bureau of Zhengzhou in 2009, 2011 and 2012. In 2012, Mr. Zhang was named "Individual with Outstanding Contribution to Market Economy of Henan Real Estate Industry" by Henan Daily and the Private Economy Research Association of Henan Province and "Philanthropist of Henan Province" by the Industry & Commerce Association of Henan Province and the United Front Work Department of the CPC Henan Province Committee. Mr. Zhang received his senior engineer qualification from the People's Government of Henan Province in December 1996 and his first class construction engineer qualification from the Ministry of Housing and Urban-Rural Development in May 2012. Mr. Zhang is also currently a delegate of the 13th Henan Provincial People's Congress since January 2018.

Currently, Mr. Zhang is a non-executive director of Bank of Zhengzhou Co., Ltd., a listed company on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 6196) and the Chairman Ex-officio and a director of Global Medical REIT, Inc., a listed company on the New York Stock Exchange (NYSE: GMRE)

張敬國

主席、執行董事兼行政總裁

張敬國先生，現年五十五歲，為本公司主席、執行董事兼行政總裁及提名委員會和薪酬委員會成員。張先生亦為本公司若干附屬公司的董事。彼於二零一五年六月二十九日控股股東變動後，於二零一五年七月六日獲任命進入董事會。

張先生於中國房地產開發行業擁有約二十四年經驗。自一九八三年七月至一九九五年四月期間，張先生曾擔任河南省輕工業廳（負責河南省輕工業之政府機關）及其相關集體所有制企業之多個職位，包括部門主管、工程師及副經理，負責行政管理。自一九九五年四月至二零零一年四月期間，彼於興業地產(Xingye Real Estate)擔任總經理，負責公司整體營運。張敬國先生與Huang Yanping女士共同創立一家房地產公司，該公司已成為中國物業開發百強公司之一。張先生自二零零一年起擔任該房地產百強公司的主席及行政總裁。張先生負責本集團之整體策略制定及一般管理，並幫助本集團業務增長及業務擴展。張先生為Huang Yanping女士之配偶。

張先生於一九八三年七月取得鄭州大學無線電理學學士學位，並於二零一三年七月取得北京大學光華管理學院高級管理人員工商管理碩士學位。張先生目前擔任河南省房地產業商會高級顧問、河南省工商聯合會副主席、鄭州大學研究生導師。於二零一一年，張先生獲河南省住房和城鄉建設廳頒授「河南省房地產開發先進個人」，並於二零零九年、二零一一年及二零一二年獲鄭州市住房保障和房地產管理局頒授「鄭州市房地產開發先進個人」。於二零一二年，張先生獲河南日報社及河南省民營經濟研究會評為「河南地產民營經濟貢獻人物」，並獲河南省工商業聯合會及中共河南省委統戰部評為「河南省光彩慈善公益功勳人物」。於一九九六年十二月，張先生自河南省人民政府取得高級工程師資歷，並於二零一二年五月獲住房和城鄉建設部授予一級建造師資格。自二零一八年一月起張先生亦為河南省第十三屆人民代表大會代表。

張先生現在是香港聯合交易所主板上市公司鄭州銀行股份有限公司（股份代號：6196）非執行董事及紐約證券交易所上市公司Global Medical REIT, Inc. (NYSE股份代號：GMRE)之當然主席及董事。

HUANG YANPING

Non-Executive Director

Ms. Huang Yanping, aged 56, is the Non-Executive Director of the Company. Ms. Huang is also a director of certain subsidiaries of the Company. She was appointed to the Board on 27 July 2015 following the change of controlling shareholder on 29 June 2015.

Ms. Huang has over 16 years' experiences in the property development and investment industry in the PRC. Ms. Huang has been involved in the development of not less than 36 property development projects in Henan, Shandong and Hainan province in China with a total gross floor area of not less than 14 million square meters. She is one of the founders of a real estate company which has become one of the top 100 property development companies in China.

Ms. Huang is the spouse of Ms. Zhang Jingguo, an executive Director. Ms. Huang is also the sole director and shareholder of Joy Town Inc. a controlling shareholder of the Company.

ZHANG GUOQIANG

Executive Director

Mr. Zhang Guoqiang, aged 55, is an Executive Director of the Company. He was appointed to the Board on 27 July 2015 following the change of controlling shareholder on 29 June 2015.

Between August 1983 to October 1997, Mr. Zhang worked as a tutor at the Communication Command Academy of PLA, now known as the National Defence Information Academy of PLA. Between October 1997 to March 2003, Mr. Zhang served as the director of the marketing department of Wuhan Research Institute of Post & Telecommunications, also known as FiberHome Technologies Group, a product and solution provider in the field of information and telecommunications, where he was responsible for marketing. Prior to joining our Group, Mr. Zhang worked as a general manager at Nanjing North Road Technologies Co., Ltd., a coal analysis equipment manufacturer, from May 2003 to November 2005, where he was responsible for general management. Mr. Zhang joined the real estate company co-founded by Mr. Zhang Jingguo and Ms. Huang Yanping in 2006 and is responsible for the management of marketing centre and tendering and procurement centre. Mr. Zhang received a bachelor's degree in radio science from Zhengzhou University in July 1983. In 1988, Mr. Zhang received his lecturer qualification from the National Defence Information Academy of PLA and received his engineer qualification from Wuhan Research Institute of Post of Telecommunications.

HUANG YANPING

非執行董事

Huang Yanping女士，現年五十六歲，為本公司非執行董事。Huang女士亦為本公司若干附屬公司的董事。彼於二零一五年六月二十九日控股股東變動後，於二零一五年七月二十七日獲任命進入董事會。

Huang女士於中國物業發展及投資行業擁有逾十六年經驗。Huang女士一直在中國河南省、山東省及海南省參與不少於36項物業開發項目之發展工作，其總樓面面積不少於14,000,000平方米。彼為一家房地產公司之其中一名創辦人，該公司目前是中國物業開發百強公司之一。

Huang女士為執行董事張敬國先生之配偶。Huang女士亦為本公司控股股東Joy Town Inc.的唯一董事及股東。

張國強

執行董事

張國強先生，現年五十五歲，為本公司執行董事。彼於二零一五年六月二十九日控股股東變動後，於二零一五年七月二十七日獲任命進入董事會。

於一九八三年八月至一九九七年十月期間，張先生於中國人民解放軍通信指揮學院(現稱中國人民解放軍國防信息學院)擔任教員。於一九九七年十月至二零零三年三月期間，張先生擔任武漢郵電科學研究院(亦稱烽火科技集團，為一間信息及電子通訊行業之產品及解決方案供應商)市場部辦事處主任，負責營銷。加入本集團前，自二零零三年五月起至二零零五年十一月止期間，張先生曾擔任南京北路科技有限責任公司(一間煤炭分析設備製造商)總經理，負責綜合管理。張先生於二零零六年加入張敬國先生及Huang Yanping女士共同創立的房地產公司，負責營銷中心及招標以及採購中心的管理。張先生於一九八三年七月取得鄭州大學無線電理學學士學位。於一九八八年，張先生自中國人民解放軍通信指揮學院取得講師資格，並自武漢郵電科學研究院取得工程師資格。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

LIU DA

Independent Non-Executive Director

Mr. Liu Da, aged 42, was appointed as an independent Non-Executive Director on 27 July 2015.

Mr. Liu graduated from the University of International Business and Economics with a major in international business administration and obtained a bachelor's degree in economics. Mr. Liu is also a Certified Public Accountant (CPA) in China. Mr. Liu served as an audit manager and a senior audit manager of PricewaterhouseCoopers ("PwC") Guangzhou Office from 1998 to 2009 and Chicago Office from 2005 to 2007. Mr. Liu provided audit and consulting services to a number of global top 500 enterprises and overseas listed Chinese companies during his tenure of office in PwC. Mr. Liu was appointed as an executive director and the chief financial officer of the Landsea Green Properties Co., Ltd., a listed company on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 106) from 31 July 2013 to 5 January 2015 and was appointed as an independent non-executive director of Long Ji Tai He Holding Limited a listed company on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 1281) from 26 February 2015 to 16 October 2015. Currently, Mr. Liu is the managing partner of Key Wealth Capital Company Limited, providing financing and overseas mergers and acquisition services to Chinese enterprises.

MA YUNTAO

Independent Non-Executive Director

Mr. Ma Yuntao, aged 38, was appointed as an independent Non-Executive Director on 27 July 2015.

Mr. Ma has been serving at Jia Yuan Law Firm as a registered partner from July 2010 up to now, and became the managing partner and senior partner of China Overseas Financing Department (中國海外融資部門) in early 2014. He served at Commerce & Finance Law Offices from July 2002 to June 2010, engaging in securities business as to PRC laws. He acquired qualifications as a practicing solicitor in 2006 and registered as a partner at Commerce & Finance Law Offices in early 2010.

劉達

獨立非執行董事

劉達先生，現年四十二歲，於二零一五年七月二十七日獲委任為獨立非執行董事。

劉先生畢業於對外經濟貿易大學，國際商業管理專業，並獲經濟學學士。彼亦為中國註冊會計師。劉先生於一九九八年至二零零九年期間於普華永道會計師事務所（「普華永道」）廣州辦事處擔任審核經理及高級審核經理，並於二零零五年至二零零七年期間於芝加哥辦事處擔任審核經理及高級審核經理。劉先生於普華永道任職期間曾向數間名列世界500強企業及海外上市中國公司提供審核及諮詢服務。劉先生於二零一三年七月三十一日至二零一五年一月五日期間獲委任為香港聯合交易所主板上市公司朗詩綠色地產有限公司（股份代號：106）執行董事及首席財務官，並於二零一五年二月二十六日至二零一五年十月十六日獲委任為香港聯合交易所主板上市公司隆基泰和控股有限公司（股份代號：1281）獨立非執行董事。劉先生現在是愷華資本有限公司管理合夥人，為中國企業提供融資以及海外併購服務。

馬運弢

獨立非執行董事

馬運弢先生，現年三十八歲，於二零一五年七月二十七日獲委任為獨立非執行董事。

馬先生自二零一零年七月至今於嘉源律師事務所執業，為註冊合夥人，並自二零一四年初擔任中國海外融資部門主管合夥人及高級合夥人。彼自二零零二年七月至二零一零年六月於通商律師事務所執業，從事證券業中國法律業務，其於二零零六年取得律師執業資格，並於二零一零年初註冊為通商律師事務所合夥人。

Mr. Ma ran projects including the IPO project of China Resources Pharmaceutical Group Limited, a company listed in the Hong Kong Stock Exchange (Stock Code: 3320) which is principally engaging in the research and development, manufacturing, distribution and retail of a broad range of pharmaceutical and healthcare products, the privatization and delisting project of Hunan Nonferrous Metals Company Limited, a company formerly listed in Hong Kong Stock Exchange (Stock Code: 2626) which was principally engaged in nonferrous metallic mineral resources mining business, IPO project of Guorui Properties Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 2329) which is principally engaged in real estate development, IPO project of Tianhe Chemicals Group Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 1619) which is principally engaged in fluorochemical and chemical products production, IPO project of Poly Culture Group Corporation Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 3636) which is principally engaged in culture industry involving theatre management, artwork auction and investment, IPO project of Kerry Logistics Network Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 0636) which is principally engaged in logistics, IPO project of eprint Group Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 1884) which is principally engaged in internet printing, spin-off listing in respect of Tonly Electronics Holdings Limited, a company listed in The Stock Exchange of Hong Kong Limited (Stock Code: 1249) which is principally engaged in production of electronics products of TCL Multimedia Technology Holdings Limited, a company listed in The Stock Exchange of Hong Kong Limited (Stock Code: 1070) which is principally engaged in production of electronics products, very substantial acquisition project of China Taiping Insurance Holdings Company Limited, a company listed in The Stock Exchange of Hong Kong Limited (Stock Code: 0966) which is principally engaged in insurance, and IPO project of China Aluminum International Engineering Corporation Limited, a company listed in The Stock Exchange of Hong Kong Limited (Stock Code: 2068) which is principally engaged in nonferrous engineering design and construction.

馬先生曾先後主辦華潤醫藥集團有限公司(於香港聯合交易所上市，股份代號：3320，主要從事研發、製造、分銷及零售種類繁多的醫藥及其他營養保健品)IPO專案、湖南有色股份有限公司(原於香港聯合交易所上市，股份代號：2626，主要從事有色金屬礦業資源開採業務)私有化及退市項目、國瑞置業有限公司(於香港聯合交易所上市，股份代號：2329，主要從事房地產開發業務)IPO專案、天合化工有限公司(於香港聯合交易所上市，股份代號：1619，主要從事氟化學工業及化工產品生產業務)IPO專案、保利文化集團股份有限公司(於香港聯交所上市，股份代號：3636，主要從事文化產業，包括劇院管理、藝術品拍賣及投資等業務)IPO專案、嘉里物流聯網有限公司(於香港聯合交易所上市，股份代號：0636，主要從事物流業務)IPO專案、eprint集團有限公司(於香港聯交所上市，股份代號：1884，主要從事互聯網列印服務業務)IPO專案、分拆通力電子控股有限公司(於香港聯合交易所上市，股份代號：1249，主要從事TCL多媒體科技控股有限公司(於香港聯合交易所上市，股份代號：1070，主要從事電子產品生產業務)電子產品生產業務)上市專案、中國太平保險控股有限公司(於香港聯合交易所上市，股份代號：0966，主要從事保險業務)非常重大收購專案及中鋁國際工程股份有限公司(於香港聯合交易所上市，股份代號：2068，主要從事有色金屬工程設計及施工業務)IPO專案等。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

LIU QIAO

Independent Non-Executive Director

Dr. Liu Qiao, aged 48, was appointed as an independent Non-Executive Director on 27 July 2015.

Dr. Liu is Professor of Finance and Dean at the Guanghua School of Management. He is a leading authority in the area of finance in China, and is recognized for his academic works in corporate finance, financial markets, and the Chinese economy.

Dr. Liu is the winner of Outstanding Youth Award of the National Science Foundation (2013), and was awarded “Li Yining Outstanding Service Award”, the highest award in the Guanghua School of Management in 2013. He is also the Ministry of Education “ChangJiang Scholar” Special Term Professor. Before he joined Guanghua in late 2010, Dr. Liu taught in the Faculty of Business and Economics, University of Hong Kong, and was tenured at University of Hong Kong. Dr. Liu also worked at McKinsey & Company’s Asia-Pacific Corporate Finance and Strategy Practice from 2001 to 2003, where he advised various multinational corporations (MNCs) and leading Asian companies on issues related to corporate finance and strategies. Dr. Liu holds a Doctor of Philosophy Degree in Economics from University of California at Los Angeles (UCLA) (2000), an Master of Arts in International Finance from the Graduate School of People’s Bank of China (1993), and a Bachelor of Science in Economics and Mathematics from the Renmin University of China (1991).

劉俏

獨立非執行董事

劉俏博士，現年四十八歲，於二零一五年七月二十七日獲委任為獨立非執行董事。

劉博士為北大光華管理學院金融學教授及院長。彼為中國金融領域的權威，其有關企業融資、金融市場及中國經濟的學術著作廣為人知。

劉博士為國家自然科學基金傑出青年獎(二零一三年)的得獎者，並於二零一三年獲頒北大光華管理學院最高榮譽「Li Yining Outstanding Service Award」。彼亦為教育部「長江學者」特聘教授。劉博士於二零一零年底加入光華前，於香港大學經濟及工商管理學院任教，於香港大學擁有終身教職。劉博士亦由二零零一年至二零零三年於麥肯錫亞洲企業金融及戰略部門任職，任內彼為不同跨國公司(跨國公司)及亞洲領先企業就有關企業財務及戰略問題提供意見。劉博士擁有加州大學洛杉磯分校(UCLA)(二零零零年)經濟學博士學位、中國人民銀行研究生部(一九九三年)國際金融碩士學位及中國人民大學(一九九一年)經濟應用數學學士學位。

Dr. Liu's primary academic research interests are in corporate finance, empirical asset pricing models, financial markets, and Chinese economy. He has published dozens of articles at leading academic journals including Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Journal of Accounting Research, Management Science, Economic Journal, Journal of Corporate Finance, Journal of Accounting, Auditing, and Finance, Financial Analysts Journal, etc. He has co-edited a book on the Asian debt capital markets – "Asia's debt capital markets: prospects and strategies for development" (Springer, 2006). His co-authored book titled "Finance in Asia: Institutions, Markets, and Regulation," (with Paul Lejot and Douglas Arner) was released by Routledge in March 2013. Dr. Liu is the author of the Chinese bestseller "Big to Brilliant: the Second Long March of Corporate China." Dr. Liu is also the author of "Corporate China 2.0: The Great Shakeup" which was published by end of 2016. Besides academic research, Dr. Liu also writes articles for leading business newspapers and magazines. His articles and views appear in the The Economist, Financial Times, CFO Magazine, 21st Century Business Herald, Caijing Magazine, New Fortune, The Asian Wall Street Journal and South China Morning Post.

Dr. Liu has extensive business experiences. Over the past ten years, he has conducted numerous consulting projects for leading Chinese firms and MNCs including PetroChina, Minsheng Bank, Mercedes Benz (China), Shenzhen Stock Exchange, among many others. Dr. Liu is the founder of Huaxinhui, a platform focusing on advising China's local governments on financing issues. He pioneers the practice of compiling balance sheets of local governments, and providing China's local governments with market-based credit ratings. He is a strong advocate of including local government credit rating as one major key performance indicator to cope with China's fast growing local government debts.

Currently, Dr. Liu is an independent non-executive director of CSC Financial Co. Ltd., a listed company on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 6066) and independent non-executive director of Beijing Capital Co. Ltd., a listed company on Shanghai Stock Exchange (SSE Stock Code: 600008).

劉博士主要學術研究方向為企業融資、實證資產定價模型、金融市場及中國經濟。他曾於權威學術期刊發表數十篇文章，包括《金融經濟學期刊》、《金融與數量分析期刊》、《會計研究期刊》、《管理科學》、《經濟學期刊》、《企業金融》、《會計、審計和金融學期刊》、《金融分析師期刊》等。彼合作編撰關於亞洲債券市場書籍《Asia's debt capital markets: prospects and strategies for development》(Springer出版，2006)。彼所合作編撰的書籍《Finance in Asia: Institutions, Markets, and Regulation》(與Paul Lejot和Douglas Arner合著)由Routledge於二零一三年三月推出。劉博士為中國暢銷書《從大到偉大—中國企業的第二次長征》的作者。劉博士亦於二零一六年年出版英文專著《Corporate China 2.0: The Great Shakeup》。除學術研究外，劉博士亦為領先商業報紙及雜誌撰寫文章。其文章及觀點載於《經濟學人》、《金融時報》、《首席財務官》、《21世紀經濟報導》、《財經雜誌》(Caijing Magazine)、《新財富》、《亞洲華爾街日報》及南華早報。

劉博士擁有豐富商業經驗。於過去十年，彼為領先的中國公司及跨國公司進行多次諮詢項目，其中包括PetroChina、民生銀行、Mercedes Benz (China)及深圳證券交易所。劉博士為專注為中國地方政府融資問題提供諮詢的平台Huaxinhui的創辦人。彼開拓編纂地方政府資產負債表的慣例，為中國地方政府提供以市場為基礎的信用評級。彼堅定倡導包括地方政府信用評級作主要關鍵績效指標以應對快速增長的中國地方政府債務。

劉博士現在是香港聯合交易所主版上市公司中信建投證券股份有限公司(股份代號：6066)的獨立非執行董事及上海證券交易所上市公司北京首都創股份有限公司(SSE股份代號：600008)的獨立非執行董事。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Mr. Chan Chi Keung (David), aged 32, joined the Company in June 2016. Since 1 April 2017, Mr. Chan is appointed as the Chief Financial Officer, Joint Company Secretary and an Authorised Representative of the Company. Mr. Chan is responsible for the Group's strategic planning, corporate finance activities, oversight of financial reporting, investor relations and company secretarial matters.

Mr. Chan has over 9 years of experience in accounting, auditing, financial management and corporate governance matters. Prior to joining the Company, Mr. Chan worked at a reputable international accounting firm and a listed conglomerate in Hong Kong, mainly responsible for auditing and accounting affairs. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan graduated from The City University of Hong Kong in 2008 with a bachelor's degree in business administration, major in accountancy.

Mr. Yuen Ping Man (Dickman), aged 54, is the joint Company Secretary and the Chief Operating Officer (Hong Kong) responsible for the Group's corporate secretarial functions and business operations.

Mr. Yuen has over 20 years of managerial experience in corporate secretarial, business development, human resources and general administration. Mr. Yuen was previously the Chief Operating Officer of Xpress Finance Limited ("Xpress Finance"), a non-wholly owned subsidiary of the Company responsible for compliance, human resource, operations, sales and marketing, customer service and general administration of Xpress Finance. Prior to joining Xpress Finance in June 1997, Mr. Yuen worked in two listed groups and a financial institution.

Mr. Yuen is a fellow member of the Institute of Chartered Secretaries and Administrators (U.K.) and of the Hong Kong Institute of Chartered Secretaries, a senior member of The Hong Kong Institute of Marketing, a professional member of the Hong Kong Institute of Human Resource Management, a member of the Hong Kong Securities and Investment Institute, the Chartered Institute of Marketing (U.K.), the Hong Kong Institute of Purchasing & Supply and Society of Registered Financial Planners.

Mr. Yuen holds a Master's Degree in Business Administration and is also a certified risk planner.

陳志強先生，32歲，於二零一六年六月加入本公司，於二零一七年四月一日陳先生獲委任為本公司首席財務總監、聯席公司秘書及本公司授權代表。陳先生負責本集團的策略統籌、企業融資活動、監督財務報告、投資者關係及公司秘書事務。

陳先生於會計、審計、財務管理及企業管治事宜方面擁有逾9年經驗。加入本公司前，陳先生曾於一家知名國際會計師事務所及一家於香港上市的綜合性企業任職，從事審計及會計工作。陳先生為香港會計師公會會員。陳先生畢業於香港城市大學，彼於二零零八年取得工商管理學士學位主修會計學。

源秉民先生，現年五十四歲，為本集團之聯席公司秘書及首席營運總監(香港)，負責本集團之公司秘書事務及業務運作。

源先生積逾二十年之公司秘書、業務發展、人力資源及一般行政事務之管理經驗。源先生先前為本公司非全資附屬公司匯誠財務有限公司(「匯誠財務」)之營運總裁，負責匯誠財務之監察、人力資源、營運、市務及銷售、客戶服務及一般行政事務。於一九九七年六月加入匯誠財務前，源先生於兩間上市集團及一間財務機構任職。

源先生為英國特許秘書及行政人員公會、香港特許秘書公會之資深會員、香港市務學會之高級會員、香港人力資源管理學會之專業會員、香港證券及投資學會、英國特許市務學會、香港物資採購與供銷學會及註冊財務策劃師協會會員。

源先生擁有工商管理碩士學位及亦為核准風險評估策劃師。

Ms. Leung Ka Ying (Priscilla), aged 31, joined the Company in April 2016 as Financial Controller and is responsible for overseeing the Group's financial reporting and financial management functions. Ms. Leung obtained her bachelor's degree in Business Administration in Professional Accountancy from the Chinese University of Hong Kong in 2008. She is a member of the Hong Kong Institute of Certified Public Accountants with over 8 years of experience in accounting, auditing and financial management. Prior to joining the Company, Ms. Leung worked as a manager in PricewaterhouseCoopers and finance manager of a Hong Kong listed group.

United States Management

Mr. Jeffrey Busch, aged 60, is the Chief Executive Officer of the Group's 85%-owned U.S. subsidiary, IA Group, and oversees all of IA Group's REIT management and real estate activities in the U.S.. Mr. Busch is also Chairman, President and the Chief Executive Officer of Global Medical REIT Inc. ("GMR"), a company listed on the New York Stock Exchange (NYSE: GMRE).

Mr. Busch has more than two decades of real estate experience as a developer, manager and investor, and has held senior positions representing the U.S. government – he was appointed by two U.S. Presidents to serve in senior administration capacities, including Assistant Secretary of the U.S. Housing and Urban Development ("HUD") agency, and as U.S. Ambassador to the United Nations in Geneva, Switzerland. At HUD, Mr. Busch oversaw an annual budget of over US\$3 billion used to develop housing and commercial real estate.

As a principal investor, Mr. Busch has developed properties valued at hundreds of millions of U.S. dollars in various real estate asset classes, including large-scale residential, commercial, hospitality, and retail projects.

Mr. Busch is a graduate of the New York University Stern School of Business, holds a Master of Public Administration from New York University, and also a Doctor of Jurist Prudence from Emory University.

梁家凝小姐，31歲，於二零一六年四月加入本公司為財務總監，負責本集團之財務報告及財務管理職能。梁小姐在二零零八年取得香港中文大學工商管理專業會計學之學士學位。彼為香港會計師公會會員，並於會計、審計及財務管理方面擁有逾8年經驗。於加入本公司前，梁小姐曾於羅兵咸永道會計師事務所擔任經理及一家香港上市集團任職財務經理。

美國管理層

Jeffrey Busch先生，現年六十歲，為本集團擁有85%控股權之美國附屬公司IA Group之行政總裁，監管IA Group於美國之所有房地產投資信託管理及房地產活動。Busch先生亦為於紐約證券交易所上市的Global Medical REIT Inc.（「GMR」，NYSE股份代號：GMRE）之主席、總裁及行政總裁。

作為開發商、經理人及投資者，Busch先生積逾二十年房地產經驗，代表美國政府身兼多個要職－彼曾獲兩任美國總統委任，以高級管理身份出任，包括美國住房及城市發展（「住房及城市發展」）部之助理部長及美國駐瑞士日內瓦聯合國大使。於住房及城市發展，Busch先生監管用於開發住宅及商業房地產之年度預算逾30億美元。

作為主要投資者，Busch先生已開發價值億萬美元之各房地產資產類別物業，包括大型住宅、商業、酒店及零售項目。

Busch先生畢業於紐約大學斯特恩商學院(New York University Stern School of Business)，持有紐約大學公共管理碩士學位，並持有埃默里大學(Emory University)法律哲學博士學位。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Mr. Robert J. Kiernan, aged 52, is the Chief Financial Officer of IA Group and GMR. Mr. Kiernan is a financial executive with 30 years of successful experience in financial accounting, reporting and management. He joined IA Group and GMR in August 2017 as its Chief Financial Officer. Mr. Kiernan's experience includes initial and secondary public offerings, business combinations, quarterly, annual and other filings with the United States Securities and Exchange Commission ("SEC"), and compliance with Sarbanes-Oxley internal control requirements. His extensive management and accounting experience has focused on the financial services industry, including broker dealers, mortgage REITs, and investment funds.

Prior to becoming IA Group's and GMR's Chief Financial Officer, Mr. Kiernan served as the Senior Vice President, Controller and Chief Accounting Officer of FBR & Co. ("FBR", NASDAQ: FBRC) commencing in October 2007. Prior to joining FBR, Mr. Kiernan served as the Senior Vice President, Controller and Chief Accounting Officer of Arlington Asset Investment Corp. ("Arlington Asset", NYSE: AI) commencing in April 2003. Prior to joining Arlington Asset, Mr. Kiernan was a senior manager in the assurance practice at Ernst & Young.

Mr. Kiernan holds a Bachelor of Science in Accounting, Mount St. Mary's University, Cum Laude (1987) and is a member of the American Institute of Certified Public Accountants.

Mr. Alfonso Leon, aged 42, is the Chief Investment Officer of IA Group and is responsible for investment strategy, acquisition execution, deal sourcing and investor relations.

Mr. Leon is a real estate finance executive with 18 years of acquisition and capital markets experience with approximately 150 completed transactions on behalf of institutional investors valued at US\$3.5 billion. Prior to joining GMR, Mr. Leon was a Senior Vice President with Cain Brothers & Company, a boutique health care investment banking firm based out of New York and San Francisco, within their real estate M&A and capital markets group. Mr. Leon joined Cain Brothers in 2005 and worked with leading clients across the health care spectrum including several health systems, multi-specialty physician groups, senior housing operators, NYSE-listed and non-traded private REITs, health care developers, and private equity investors. Prior to Cain Brothers, Mr. Leon was a real estate underwriter with LaSalle Investment Management, an international real estate investment advisor firm, within their North American acquisition group. Mr. Leon joined LaSalle in 2000 and acquired US\$800 million in multi-family, office, medical office, and industrial property on behalf of institutional investors that include the nation's largest pension funds and college endowments and sovereign wealth funds. LaSalle Investment Management is a subsidiary of global consultancy firm Jones Lang LaSalle (NYSE: JLL). The investment committee of JLL was headed by the CEO of JLL.

Robert J. Kiernan先生，52歲，為IA Group及GMR之首席財務總監。Kiernan先生為財務主管，於財務會計、申報及管理方面擁有30年成功經驗。彼於二零一七年八月加入IA Group及GMR，擔任其首席財務總監。Kiernan先生之經驗包括多個範疇：首次及第二市場公開發售、業務合併、向美國證券交易委員會進行季度、年度及其他備案程序以及遵守沙賓法案之內部監控規定。彼在金融服務業（包括經紀交易公司、按揭房地產投資信託及投資基金）擁有豐富之管理及會計經驗。

於成為IA Group及GMR之首席財務總監前，Kiernan先生曾自二零零七年十月起擔任FBR & Co.（「FBR」，納斯達克交易代號：FBRC）之高級副總裁、財務總監及首席會計師。於加入FBR前，Kiernan先生曾自二零零三年四月起擔任Arlington Asset Investment Corp.（「Arlington Asset」，紐約證券交易所交易代號：AI）之高級副總裁、財務總監及首席會計師。於加入Arlington Asset前，Kiernan先生曾於安永會計師事務所從事審計工作，擔任高級經理。

Kiernan先生持有聖瑪麗山大學頒發之會計學榮譽理學士學位（一九八七年），並為美國會計師公會之會員。

Alfonzo Leon先生，現年四十二歲，為IA Group之首席投資總監，負責投資策略、收購執行、交易發掘及投資者關係。

Leon先生為房地產金融行政人員，於收購及資本市場方面擁有18年經驗，代表價值35億美元之機構投資者完成近一百五十項交易。加入GMR（國際醫療房地產投資信託）前，Leon先生為Cain Brothers & Company（一間位於紐約及三藩市之精品保健投資銀行公司）之高級副總裁，任職於該公司之房地產併購及資本市場團隊。Leon先生於二零零五年加入Cain Brothers，與保健領域的眾多領先客戶合作，包括多個保健系統、多方面專業的醫師團體、護老院營運商、紐約證券交易所上市之房地產投資信託及非市場交易私人之房地產投資信託、保健開發商及私募基金投資等。加入Cain Brothers前，Leon先生為LaSalle Investment Management（一間國際房地產投資顧問公司）之房地產投資聯繫人，任職於該公司之北美收購團隊。Leon先生於二零零零年加入LaSalle，代表機構投資者（包括全國最大的養老基金及大學捐贈基金及主權財富基金）收購了價值8億美元之多戶型、辦公室、醫療辦公室及工業物業。LaSalle Investment Management為環球顧問公司仲量聯行（紐約證券交易所交易代號：JLL）之附屬公司。JLL之投資委員會由JLL之行政總裁領導。

Mr. Leon's experience includes managing commercial real estate transactions ranging from US\$5 million to US\$500 million, raising capital for developers for projects valued over US\$100 million, structuring joint ventures between developers and investors, completing large US\$100 million portfolio investment sales to health care REITs, structuring sale-leasebacks for physician groups, acquisitions and dispositions for separate and commingled funds, corporate real estate M&A, structuring credit tenant lease financing for investment grade health systems, and strategic real estate advisory for health systems. Mr. Leon's property type expertise within the health care sector includes medical office, outpatient facilities, surgical facilities, post-acute facilities, senior housing, and hospitals.

Mr. Leon received his Master's degree in real estate finance from The Massachusetts Institutes of Technology and his B.S. in Architecture from The University of Virginia.

Leon先生之經驗包括管理介乎5,000,000美元至500,000,000美元之商業房地產交易、為開發商就價值超過100,000,000美元之項目籌資、於開發商及投資者之間組建合營企業、完成向保健房地產投資信託銷售100,000,000美元之大額組合投資、為醫師團體構建售後回租、收購及處置個別及混合型基金、企業房地產併購、為投資級別保健系統構建信貸租戶租賃融資系統及為保健系統提供策略性房地產顧問業務。Leon先生於保健行業之物業類型專業知識包括醫療辦公室、門診設施、外科手術設施、急性病治療後設施、高級住宅及醫院。

Leon先生取得麻省理工學院房地產金融學碩士學位及弗吉尼亞大學建築學學士學位。

Report of the Directors

董事會報告書

The Directors present their annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2017 (the “year”).

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and together with its subsidiaries engages in property development, property investment and managements, hotel operations and securities trading and investment. The activities and particulars of the Company’s principal subsidiaries are set out in note 40 to the consolidated financial statements.

An analysis of the Group’s revenue and results by principal operating segments for the year is set out in the note 5 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 86.

The Directors do not recommend the payment of a dividend in respect of the year.

BUSINESS REVIEW

The Company was founded in 1965, with business focus on property development, property investment and management, hotel operations and securities trading and investment in Hong Kong, the PRC and overseas.

A detailed business review for the year, including further discussions of important events occurred since the end of the financial year, likely future development of the Group’s business and financial performance review with financial key performance indicators, are set out in “Chairman’s Message” on pages 4 to 7, “Management Discussion and Analysis” on pages 22 to 33, “Financial Summary” on page 199, notes 4 and 30 to the consolidated financial statements, respectively. These discussions form part of this Report of the Directors.

The Company will issue separately an Environmental, Social and Governance Report under Environmental, Social and Governance Reporting Guide as specified in Appendix 27 of the Listing Rules.

本公司董事謹此提呈本集團截至二零一七年十二月三十一日止年度(「本年度」)之年報及經審核綜合財務報表。

主要業務

本公司乃投資控股公司連同其附屬公司主要從事物業發展、物業投資及管理、酒店業務及證券買賣及投資。本公司主要附屬公司之業務及詳情載於綜合財務報表附註40。

本集團於本年度主要經營分部之收益及業績分析載於綜合財務報表附註5。

業績及股息

本集團於本年度之業績載於第86頁之綜合損益及其他全面收益賬。

董事不建議就本年度派付股息。

業務回顧

本公司於一九六五年成立，專注於香港、中國及海外物業開發、物業投資及管理、酒店營運以及證券買賣及投資。

本年度的詳細業務回顧包括本集團所面臨的主要風險及不明朗因素的進一步討論、自財政年度末以來發生的重大事項、本集團業務的可能未來發展及列有主要財務表現指標的財務表現回顧，分別載於第4至7頁「主席致詞」、第22至33頁「管理層討論及分析」、第199頁「財務概要」及綜合財務報表附註4及30。該等討論為本董事會報告書的組成部分。

本公司將根據上市規則附錄二十七的《環境、社會及管治報告指引》發佈一份獨立的環境、社會及管治報告。

Report of the Directors

董事會報告書

Principal risks and uncertainties

Under our current risk management and internal control system, regular review of the principal risks and uncertainties that may affect the Group's financial condition, results of operations, business and prospects are maintained. There may be other risks and uncertainties further to the following key risk areas and uncertainties currently identified by the Group.

The Group's performance on businesses of property development in the PRC and property investment and/or management in the USA on AHR and GMR are susceptible to the macro-economic and industrial government policies and controls in the PRC and the USA. Any changes of these policies may penetrate into the overall national economic conditions, and influence changes in consumer confidence, consumption spending and preferences in property market in the PRC and also medical and healthcare services in the USA.

The Group's operation is also subject to certain risk factors pertaining to businesses of property development in the PRC, property investment and management in the USA and other regions. Lack of availability of potential land resources in the PRC, shortage of construction materials, equipment and skilled labour, default on the part of our customers, construction contractors, business partners and tenants, adverse weather conditions, other unexpected inadequacies or failure of internal process or other external factors may have various levels of the Group's operations.

The Group's financial risks and management are set out in note 30 to the consolidated financial statements.

In response to these possible risks and uncertainties, the Group continues to implement a series of internal control and strategies to adapt itself to cope with the possible risks and changes. The Group also develops and reviews strategies, policies and guidelines on risk control which enable the Group to monitor closely and formulate business strategies to respond to risk promptly and effectively. The Group also actively proposes measures to minimise any potential business impact on the Group from these possible risks and uncertainties.

主要風險及不明朗因素

在我們現行的風險管理及內部監控系統下，本集團對可能有影響其財務狀況、經營業績、業務及前景的主要風險及不明朗因素維持作出定期審視。除本集團認為之以下主要風險及不明朗因素外，可能會有其他風險及不確定性。

本集團於中國之物業發展及於美國AHR及GMR之物業投資及／或管理業務表現，容易受到中國及美國實施的宏觀經濟及行業政府政策及調控所影響。任何相關政策之轉變都可能滲透整體國家經濟狀況，引致在中國房地產市場以及美國醫療保健服務市場出現消費者信心、及消費支出及意向之轉變。

本集團的營運亦面對多項與中國之物業發展、於美國及其他地區之物業投資及管理相關業務的風險因素。於中國缺乏具潛力的土地資源、建築材料、設施及具技術員工之短缺、部分買家、工程承建商、商業伙伴及租戶出現違約、惡劣天氣情況、及其他意外發生內部程序不足或失誤以及其他外部因素均可能對本集團的營運業績造成負面影響。

本集團的財務風險及其管理載於綜合財務報表附註30。

為應對該等潛在風險及不明朗因素，本集團持續實際一系列內部監控政策及策略使其可應對每項潛在風險及不明朗因素。本集團亦制定及審閱對風險控制之策略、政策及指引，令本集團能夠密切監察並有效及迅速地制定應對風險之商業策略。本集團亦積極建議解決方案，減低因該等潛在風險及不明朗因素對本集團的任何潛在業務影響。

Report of the Directors

董事會報告書

Key stakeholder relationships

To build a solid foundation for the Group's sustainable development, the Group recognise its employees, customers and business partners being the key stakeholders and maintain a continuous dialogue with them. The Group is dedicated to establish a close and supporting relationship with its employees, provide quality products and services to customers and strengthen all kinds of cooperation with its business partners.

The Company provides a healthy and safe workplace, career development opportunities and competitive remuneration and benefits to employees on their qualifications in accordance with industry practise in the geographical locations in which they are located. To treasure its loyal and industrious staff members and improve their performance at their positions, different forms of rewards and compensation including salaries, provident fund, bonus, insurance coverage, or share options, etc, will be considered and reviewed on annual basis based on performance appraisals for eligible employees.

Maintaining close relationship with its customers as well as tenants are paramount to the long-term success for the Group. Interacting channels with customers and tenants are established to identify and respond to the dynamic market needs proactively, improve the quality of products and services to adhere to customers' needs and preference timely. In a long run, it fosters customer to enhance brand recognition on the Group with a trust-worthy basis.

The Group is also committed to develop fair and co-operating business partnership with suppliers and contractors to ensure stability of the Group's operation. Through a series of standardised procurement process including the tendering procedures, cost and quality of the procurement supply of the Group are able to be monitored, assessed and evaluated reasonably. The Group continuously upholds an effective communication with suppliers to deliver quality products and services to customers for the long-term sustainability.

主要利益相關人士關係

為就本集團可持續發展建立堅實基礎，本集團確認，其僱員、客戶及業務夥伴為主要利益相關人士，並與彼等保持持續緊密聯繫。本集團致力於與僱員建立緊密及相互支持的關係，為客戶提供高質量產品及服務，並加強與業務夥伴的全方位的合作關係。

本公司為員工提供健康安全的工作環境、事業發展機會及根據彼等所在的地理區域的行業慣例就其資質而言具競爭力的薪酬及福利。為珍惜忠誠及勤奮的員工及提升彼等於工作崗位的表現，本公司將考慮為合資格僱員提供不同形式的回報及薪酬，其包括薪金、公積金、花紅、保險保障或購股權等，並根據彼等的表現評估進行年度審閱。

與客戶及租客維持緊密關係對本集團的長期成功至關重要。與客戶及租客建立互動渠道以識別及主動應對動態市場需求，提升產品及服務質量以及時跟隨客戶的需求及愛好。長期以來，其有助增強客戶對本集團的品牌認知及信賴。

本集團亦致力於與供應商及承包商發展公平的業務合作關係，以確保本集團營運的穩定性。透過一系列標準化採購流程，包括招標程序，本集團的採購供應的成本及質量可被合理監控、評估及評核。本集團繼續堅持與供應商進行有效溝通，從而為長期可持續發展向客戶交付高質量產品及服務。

Report of the Directors

董事會報告書

Compliance with laws and regulations

As far as the Company is aware of, the Group has complied with applicable laws and regulations promulgated by the relevant regulatory bodies which are significant to the operations of the Group.

Environmental policy

The Group is committed to the long-term sustainability of businesses and communities with which it engages. We pursue this business approach by managing our business prudently and executing management decisions with due care and attention to balance the sustainable business growth and environmental protection.

The Group endeavors to make improvements by promoting environmental friendly policies in the Group's operations and increasing the employee's awareness over environmental protection. By means of advocating eco-friendly and reusable materials, paper-recycling and energy saving measures on office equipment and appliances, it helps enhance efficient use of resources, energy efficiency and reduction of waste.

The Group is committed acting in an environmentally responsible manner to review its environmental protection policies and activities from time to time for implementation of any further measures and practices on environmental protection in the business operation.

MAJOR PROPERTIES

Particulars of the major properties of the Group at 31 December 2017 are set out in "Land Bank Summary" on pages 15 to 17 and "Particulars of Major Investment Properties" on page 200.

SHARE CAPITAL

There were no changes in the number of the issued share during the year. Details of movement in the share capital of the Company during the year are set out in note 26 to the consolidated financial statements.

遵守法律及法規

據本公司所知，本集團已遵守相關監管機構制定的對本集團的營運而言屬重大的適用法律及法規。

環境政策

本集團致力於業務及其營運所在的社區的長期可持續發展。我們透過對可持續業務增長及環境保護的平衡保持謹慎及關注，審慎管理我們的業務及執行管理決策，以求達致可持續發展的業務模式。

本集團於其營運過程中透過推進環境友好型政策努力作出改善及不斷增強僱員的環保意識。透過倡導使用環境友好型及可多次利用材料、紙循環利用及辦公室設備及機器的節能措施等多種措施，有助於加強資源有效使用、能源效率及減少浪費。

本集團致力於以環保負責任的方式行事，於業務營運中實施任何進一步環保措施及實踐時不時檢討其環保政策及活動。

主要物業

本集團於二零一七年十二月三十一日持有之主要物業詳情載於第15至17頁土地儲備概要及第200頁「主要投資物業概要」。

股本

本年度已發行股份數目概無變動。於本年度本公司之股本變動詳情載於綜合財務報表附註26。

Report of the Directors

董事會報告書

RESERVES

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 89.

Distributable reserves of the Company at 31 December 2017 amounted to approximately HK\$314.6 million (2016: HK\$291.7 million).

CHARITABLE DONATIONS

The charitable donations made by the Group during the year amounted to approximately HK\$470,000.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company or the laws of Hong Kong, which would oblige the Company to offer new shares to existing shareholders of the Company on a pro-rata basis.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 199.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

儲備

本集團於本年度之儲備變動情況載於第89頁之綜合權益變動表。

本公司於二零一七年十二月三十一日可供分派儲備約314,600,000港元(二零一六年：291,700,000港元)。

慈善捐獻

年內本集團慈善捐獻合共約470,000港元。

優先購買權

本公司組織章程細則或香港法例概無有關優先購買權之條文，致使本公司須按比例向現有本公司之股東發售新股份。

財務概要

本集團過去五個財政年度之業績及資產及負債概要載於第199頁。

購買、出售或贖回上市證券

本公司於年內概無贖回任何上市證券。本公司及其任何附屬公司於年內概無購買或出售本公司任何上市證券。

Report of the Directors

董事會報告書

DIRECTORS

(a) Directors of the Company

The Directors during the year and present Directors up to the date of this Report of the Directors are:

Executive Directors:

Zhang Jingguo (Chairman and Chief Executive Officer)

Zhang Guoqiang

Eric Jackson Chang (resigned on 1 April 2017)

Non-executive Director:

Huang Yanping

Independent non-executive Directors:

Liu Da

Liu Qiao

Ma Yuntao

In accordance with Articles 78 and 79 of the Company's Articles of Association and pursuant to code provision A.4.2 of Appendix 14 of the Listing Rules, Mr. Zhang Jingguo and Dr. Liu Qiao will retire by rotation at the forthcoming annual general meeting of the Company to be held on 12 June 2018 (the "2018 AGM") and, being eligible, will offer themselves for re-election. Details of the Directors to be re-elected at the 2018 AGM are set out in the circular to the shareholders sent together with this annual report.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Company considers that all of the independent non-executive Directors are independent.

No Director being proposed for re-election at the 2018 AGM has a service contract with the Company or any of its subsidiaries which are not determinable within one year without payment of compensation, other than normal statutory obligations.

The biographical details of the Directors and senior management of the Group are set out on pages 34 to 43.

董事

(a) 本公司董事

於本年度之董事及截至本董事會報告書日期之現任董事為：

執行董事：

張敬國 (主席及行政總裁)

張國強

張世澤 (已於二零一七年四月一日辭任)

非執行董事：

Huang Yanping

獨立非執行董事：

劉達

劉俏

馬運弢

根據本公司組織章程細則第78及79條以及上市規則附錄十四守則條文第A.4.2條，張敬國先生及劉俏博士將於二零一八年六月十二日舉行之本公司應屆股東週年大會(「二零一八年股東週年大會」)上輪值告退，惟彼等合資格且願意重選連任為董事。有關於二零一八年股東週年大會上重選的董事之詳情載於隨本年度報告一併寄發予股東之通函內。

本公司已接獲各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，本公司認為所有獨立非執行董事均為獨立人士。

概無擬於二零一八年股東週年大會上重選之董事與本公司或其任何附屬公司訂立不可於一年內毋須支付賠償(一般法定賠償除外)而可予終止之服務合約。

本集團董事及高級管理層之履歷詳情載於第34至43頁。

Report of the Directors

董事會報告書

(b) Directors of the Company's subsidiaries

The directors of the Company's subsidiaries during the year and until the date of this report of the Directors are:

Bai Mengjun	(appointed on 25 October 2017)
Bie Sanjiang	(appointed on 28 September 2017)
Chen Weibing	(appointed on 13 November 2017)
Conn Flanigan	(resigned on 5 May 2017)
Eric Jackson Chang	(resigned on 1 April 2017)
Guo Wei	(appointed on 30 September 2017)
Huang Yanping	
Jeffrey Busch	
Lim Wei Jie	(appointed on 5 January 2018)
Liu Zhengqiang	(appointed on 18 October 2017)
Qin Yufei	(resigned on 25 October 2017)
Tan Shu Mei	(resigned on 8 January 2018)
Wang Jinhu	(appointed on 3 January 2017)
Zhang Huiqi	
Zhang Jingguo	

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in notes 10, 25 and 37 to the consolidated financial statements, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, its holding company, fellow subsidiaries or subsidiaries was a party and in which a Director or any entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONTRACT OF SIGNIFICANCE

Save as disclosed in notes 25 and 37 to the consolidated financial statements in relation to the financial assistance provided by the controlling shareholder of the Company to the Group and the transactions set out under sections headed "Related Party Transactions" and "Continuing Connected Transactions" and disclosed in note 41(iv) to the consolidated financial statements, there was no contract of significance between the Company or any of its subsidiaries, and a controlling shareholder of the Company or any of its subsidiaries at the end of the year or at any time during the year.

DIRECTORS EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors, together with those of the five highest paid individuals of the Group for the year are set out in note 10 to the consolidated financial statements.

(b) 本公司附屬公司之董事

於本年度及截至本董事會報告書日期，本公司附屬公司之董事為：

白孟軍	(於二零一七年十月二十五日獲委任)
別三江	(於二零一七年九月二十八日獲委任)
陳衛兵	(於二零一七年十一月十三日獲委任)
Conn Flanigan	(已於二零一七年五月五日辭任)
張世澤	(已於二零一七年四月一日辭任)
郭偉	(於二零一七年九月三十日獲委任)
Huang Yanping	
Jeffrey Busch	
Lim Wei Jie	(於二零一八年一月五日獲委任)
劉振強	(於二零一七年十月十八日獲委任)
秦昱斐	(已於二零一七年十月二十五日辭任)
Tan Shu Mei	(已於二零一八年一月八日辭任)
王金虎	(於二零一七年一月三日獲委任)
張惠琪	
張敬國	

董事於交易、安排或合約之權益

除於綜合財務報表附註10、25及37所披露者外，本公司、其控股公司、同系附屬公司或附屬公司概無訂立董事或任何與董事關連之實體直接或間接擁有重大權益且於年終或年內任何時間仍然生效之對本集團業務而言屬重要之交易、安排及合約。

重大合約

除於綜合財務報表附註25及37內容有關由本公司控股股東向本集團提供之財務資助、所載於「關連人士交易」一節、「持續關連交易」一節及於綜合財務報表附註41(iv)之交易所披露者外，本公司或其任何附屬公司與本公司控股股東或其任何附屬公司於年終或本年度內任何時間概無訂立重大合約。

董事薪酬及五名最高薪人士

於本年度，董事連同本集團五名最高薪人士薪酬的詳情載於綜合財務報表附註10。

Report of the Directors

董事會報告書

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2017, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were 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 are taken or deemed to have under such provisions of the SFO), or any interest or short positions which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or any interests and short positions which have to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) as set out in Appendix 10 of the Listing Rules, were as follows:

Long positions

(i) Interest in ordinary share of the Company

Name of Director	Capacity in which interests are held	Number of Shares held	Approximate percentage of the issued share capital of the Company (%) 約佔本公司已發行股本百分比(%)
董事姓名	權益持有者身份	所持股份數目	
Mr. Zhang Jingguo 張敬國先生	Spousal Interest (Note 2) 配偶權益(附註2)	3,579,612,209	57.95
Ms. Huang Yanping Huang Yanping女士	Interest of controlled corporation (Note 1) 受控法團權益(附註1)	3,579,612,209	57.95

Notes:

- (1) These Shares are owned by Joy Town Inc, which is wholly and beneficially owned by Ms. Huang Yanping.
- (2) Mr. Zhang Jingguo (Chairman, Chief Executive Officer and Executive Director of the Company) is the spouse of Ms. Huang Yanping, he is deemed to be interested in 3,579,612,209 Shares.

董事及主要行政人員於證券之權益及淡倉

於二零一七年十二月三十一日，董事及本公司主要行政人員於股份、本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部已知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例該等條文被當作或視作擁有之權益及淡倉)，或根據證券及期貨條例第352條須登記於該條例所述登記冊之任何權益或淡倉，或根據上市規則附錄十所載上市公司董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之任何權益及淡倉如下：

好倉

(i) 於本公司股份中的權益

附註：

- (1) 該等股份由Huang Yanping女士全資實益擁有之Joy Town Inc. 擁有。
- (2) 張敬國先生(本公司主席、行政總裁及執行董事)為Huang Yanping女士之配偶，彼被視作於3,579,612,209股股份中擁有權益。

Report of the Directors

董事會報告書

Long Positions

		好倉		
(ii) Interest in ordinary share of associated corporation of the Company		(ii) 於本公司相聯法團股份中的權益		
Name of Director	Name of associated corporation	Capacity in which interests are held	Number of shares held	Approximate percentage of the issued share capital (%) 約佔已發行股本百分比(%)
董事姓名	相關法團名稱	權益持有者身份	所持股份數目	股本百分比(%)
Ms. Huang Yanping Huang Yanping女士	Joy Town Inc.	Beneficial owner 實益擁有人	1	100

Save as disclosed, as at 31 December 2017, none of the Directors, chief executive of the Company or their respective associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which: (a) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules.

除上文披露者外，於二零一七年十二月三十一日，於最後可行日期，董事及本公司主要行政人員概無於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益及淡倉）；或(b)根據證券及期貨條例第352條須記入該條所述本公司登記冊之權益或淡倉；或(c)根據上市規則附錄十所載上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益或淡倉。

Report of the Directors

董事會報告書

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, revenue attributable to the largest customer of the Group accounted to approximately 3.2% of the total revenue in the year and the five largest customers of the Group accounted for less than 30% of the Group's total revenue in the year.

During the year, purchases attributable to the largest supplier of the Group amounted to approximately 29.4% of the total purchases in the year and the five largest suppliers of the Group accounted for 50.1% of the Group's purchases in the year.

Mr. Zhang Jingguo, being an executive Director, has beneficial interest in one of the five largest suppliers disclosed above during the year. The transactions have been detailed under the below section headed "Continuing Connected Transactions".

Save as disclosed above, none of the Directors, their associates or any shareholder (which to the knowledge of the Directors own more than 5.0% of the issued share capital of the Company) had an interest in these major customers or suppliers.

RELATED PARTY TRANSACTIONS

During the year, certain Directors and companies controlled by certain Directors entered into transactions with the Group which are disclosed in notes 25 and 37 to the consolidated financial statements. Save as disclosed in the section headed "Continuing Connected Transactions", the Board confirmed that none of these related party transactions constitutes a discloseable connected transaction as defined under chapter 14A of the Listing Rules.

管理合約

於本年度，概無訂立或訂有任何與本公司全部或任何重大業務有關之管理及行政合約。

主要客戶及供應商

於本年度，來自本集團最大客戶收益佔年內總收益之約3.2%，而本集團五大客戶總收益佔本集團本年總收益少於30%。

於本年度，自本集團最大供應商購買額佔年內總購買額之約29.4%，而自本集團五大供應商購買額佔本集團年內購買額之50.1%。

執行董事張敬國先生於本年度於上文披露的五大供應商之一擁有實益權益。有關交易之詳情載於下文「持續關連交易」一節。

除上文披露者外，概無董事、彼等之聯繫人士或任何股東（就董事所知擁有5.0%以上本公司已發行股本）於該等主要客戶或供應商中擁有任何權益。

關連人士交易

於本年度，若干董事及若干董事控制之公司與本集團訂立多項交易（於綜合財務報表附註25及37披露）。除「持續關連交易」一節所披露者外，董事會確認，概無該等關連人士交易構成上市規則第14A章所界定之須予披露關連交易。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

Pursuant to Chapter 14A of the Listing Rules, the following transactions are continuing connected transactions which are subject to the requirements under Chapter 14A of the Listing Rules.

In 2015, a master services agreement (“Master Services Agreement”) has been entered into between the Company and Henan Zensun Corporate Development Company Limited (“Zensun Development”), pursuant to which, Zensun Development has agreed to provide, or procure members among Zensun Development, its subsidiaries and or to control the composition of a major of the board of directors/or any of its subsidiaries taken together are directly or interested so as to exercise or control 30% or more voting power (the “Zensun Development Group”) to provide construction and related ancillary services to the Group according to the definitive agreement(s) signed between Zensun Development Group and the Group from time to time. On 21 February 2017, the Company entered into a supplemental agreement with Zensun Development (the “Supplemental Agreement”) in relation to the Master Services Agreement to extend the terms up to 31 December 2019. Thereafter, the Master Services Agreement as amended by the Supplemental Agreement is effective for three years commencing from 1 January 2017 to 31 December 2019. During the year of 2017, the annual caps for the transactions contemplated under the Master Services Agreement as amended by the Supplemental Agreement for each of the financial years ended/ending 31 December 2017, 2018 and 2019 have been approved as RMB367 million, RMB599 million and RMB237 million, respectively.

As Zensun Development is beneficially wholly-owned by Mr. Zhang and Mr. Zhang is an executive Director and the spouse of Ms. Huang, the non-executive Director and a controlling shareholder of the Company interested in approximately 57.95% of the issued share capital of the Company through Joy Town Inc., the immediate and ultimate holding company of the Company. Zensun Development is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions constitute continuing connected transactions of the Company under the Listing Rules.

持續關連交易

根據上市規則第14A章，下列交易為須受上市規則第14A章之規定規限之持續關連交易。

於二零一五年，本公司與河南正商企業發展有限責任公司（「正商發展」）簽訂主服務協議（「主服務協議」），據此正商發展已同意或促使正商發展、其附屬公司及／或合共直接或擁有權益致使可行使或控制行使30%或以上表決權之任何其他附屬公司（「正商發展集團」）根據正商發展集團與本集團不時簽訂之正式協議為本集團提供建設及相關輔助服務。於二零一七年二月二十一日，本公司與正商發展就主服務協議訂立補充協議（「補充協議」），同意延長主服務協議的年期至二零一九年十二月三十一日。其後，經補充協議修訂之主服務協議由二零一七年一月一日至二零一九年十二月三十一日之三年期間內有效。於二零一七年度，經補充協議修訂之主服務協議項下擬進行之交易於截至二零一七年、二零一八年及二零一九年十二月三十一日止財政年度之年度上限已獲批准分別為人民幣367,000,000元、人民幣599,000,000元及人民幣237,000,000元。

正商發展由張先生全資實益擁有，而張先生為執行董事及Huang女士之配偶，Huang女士則為本公司之非執行董事兼控股股東，透過本公司之直接及最終控股公司Joy Town Inc.於本公司已發行股本中擁有約57.95%權益。因此，根據上市規則第14A章，正商發展為本公司之關連人士。因此，根據上市規則，該等交易構成本公司之持續關連交易。

Report of the Directors

董事會報告書

For the year ended 31 December 2017, the annual cap for the continuing connected transactions between the Group and Zensun Development Group under the Master Services Agreement as amended by the Supplemental Agreement was RMB367 million and the actual transacted amounts were approximately RMB355 million (approximately HK\$426.3 million).

The aforesaid continuing connected transactions have been reviewed by independent non-executive Directors of the Company. The independent non-executive Directors confirmed that the aforesaid continuing connected transactions of the Group for the year ended 31 December 2017 have been entered into

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the auditor of the Company to conduct certain procedures in respect of the continuing connected transactions of the Group in accordance with the Hong Kong Standard on Assurance Engagement 3000 (Revised) “Assurance Engagement Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has also issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor’s letter has been provided by the Company to the Hong Kong Stock Exchange.

於截至二零一七年十二月三十一日止年度，本集團根據經補充協議修訂之主服務協議與正商發展進行之持續關連交易之年度上限為人民幣367,000,000元，而實際交易金額約為人民幣355,000,000元(約426,300,000港元)。

上述持續關連交易已經本公司獨立非執行董事審閱。獨立非執行董事確認，本集團於截至二零一七年十二月三十一日止年度之上述持續關連交易乃：

- (i) 於本集團一般及正常業務過程中訂立；
- (ii) 按一般商業條款訂立；及
- (iii) 根據規管該等交易之相關協議以及按屬公平合理，並符合本公司股東整體利益之條款訂立。

根據上市規則第14A.56條，本公司已委聘本公司核數師根據根據香港會計師公會頒佈之香港核證委聘準則第3000號(經修訂)「審核或審閱過往財務資料以外之核證委聘」並參照實務說明第740號「關於香港上市規則規定所述持續關連交易之核數師函件」對本集團之持續關連交易展開若干工作。核數師亦已發出包括本集團根據上市規則第14A.56條披露之持續關連交易之發現及結論之無保留意見函件。本公司已向香港聯交所提供核數師函件之副本。

Report of the Directors

董事會報告書

In accordance with Hong Kong Standard on Assurance Engagement 3000 (Revised) “Assurance Engagement Other than Audits or Reviews of Historical Financial Information”, the auditor has also reported to the Board that for the year ended 31 December 2017, nothing has come to their attention that the continuing connected transactions, which were governed by the Master Services Agreement as amended by the Supplemental Agreement, (i) have not received the approval of the Board; (ii) have not been entered into, in all material respects, in accordance with the relevant agreement governing such transactions; and (iii) have exceeded the relevant cap amount for the financial year ended 31 December 2017 as set out in the circular dated and published on 26 April 2017, by the Company in respect of the continuing connected transactions.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2017, according to the register of interest in Shares and underlying Shares and short positions kept by the Company pursuant to Section 336 of Part XV of the SFO and so far as is known to or can be ascertained after reasonable enquiries by the Directors, the persons (other than the Directors or chief executive of the Company) who were directly or indirectly interested in 5% or more in the Shares and underlying Shares of the Company are as follows:

Name 名稱	Nature of interest 權益性質	Number of Shares 股份數目	%
Joy Town Inc.	Beneficial owner (Note 1) 實益擁有人(附註1)	3,579,612,209	57.95
Chan Heng Fai 陳恒輝	Beneficial owner (Note 2) 實益擁有人(附註2)	322,580,166	5.22
Chan Yoke Keow 陳玉嬌	Beneficial owner (Note 2) 實益擁有人(附註2)	322,580,166	5.22

Note:

- Ms. Huang Yanping is the sole director and shareholder of Joy Town Inc.
- These Shares are owned by Mr. Chan Heng Fai and Ms. Chan Yoke Keow. Mr. Chan Heng Fai is the spouse of Ms. Chan Yoke Keow, they are deemed interest in the Shares held by each other.

根據香港核證委聘準則第3000號(經修訂)「審核或審閱過往財務資料以外之核證委聘」，核數師亦已向董事會報告，於截至二零一七年十二月三十一日止年度，概無有關受經補充協議修訂之主服務協議規限之持續關連交易之下列事項須提請彼等垂注：(i)未取得董事會批准；(ii)於所有重大方面並未根據規管該等交易之相關協議訂立；及(iii)超出本公司於二零一七年四月二十六日刊發之通函所載之有關持續關連交易於截至二零一七年十二月三十一日止財政年度之相關上限金額。

主要股東

於二零一七年十二月三十一日，根據本公司遵照證券及期貨條例第XV部第336條存置之股份及相關股份權益及淡倉登記冊，以及據董事目前所知或於作出合理查詢後所確定，直接或間接擁有本公司股份及相關股份5%或以上權益之人士(董事或本公司主要行政人員除外)如下：

附註：

- Huang Yanping女士為Joy Town Inc.之唯一董事及股東。
- 該等股份由陳恒輝先生及陳玉嬌女士擁有。陳恒輝先生為陳玉嬌女士之配偶，彼等被視作於各自所持股份中擁有權益。

Report of the Directors

董事會報告書

Save as disclosed above, as at 31 December 2017, no person other than the Directors whose interests are set out in the above section headed “Directors’ and Chief Executive’s Interests and Short Positions in Securities”, had registered an interest of 5% or more in the issued share capital of the Company, and short positions in the Shares and underlying Shares that was required to be recorded in the register of interest pursuant to Section 336 of Part XV of the SFO.

DIRECTORS’ INTEREST IN A COMPETING BUSINESS

As at 31 December 2017, none of the Directors was interested in any business, which competed or was likely to compete, either directly or indirectly, with the Group’s businesses except that Mr. Zhang Jingguo and Ms. Huang Yanping are individually and collectively deemed interested in Zensun Development Group and Henan Zensun Real Estate Co., Ltd. and/or its subsidiaries and associated companies which are engaged in construction, property development and related business in the PRC.

As the Board is independent of the boards of these companies, the Company has therefore been capable of carrying on its businesses independently of, and at arm’s length from, the above businesses.

SHARE OPTION SCHEME

On 28 August 2013, a new share option scheme (the “2013 Scheme”) was adopted by the Company. The purpose of the 2013 Scheme is to motivate eligible persons who contribute to the success of the Group’s operations. The 2013 Scheme will remain in force for 10 years from that date, unless otherwise cancelled or amended. Eligible persons of the 2013 Scheme include (i) a director or proposed director (including an independent non-executive director) of any member of the Group; (ii) a direct or indirect shareholder of any member of the Group; (iii) a supplier of goods or services to any member of the Group; (iv) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (v) a person or entity that provides research, development or other technological support or any advisory, consultancy, professional services to any member of the Group; and (vi) a landlord or tenant (including a sub-tenant) of any member of the Group. Subject to the terms of the 2013 Scheme, the Board shall be entitled at any time during the life of the 2013 Scheme to offer the grant of any option to any eligible person as the Board may in its absolute discretion select and the basis of eligibility shall be determined by the Board from time to time.

除上文披露者外，於二零一七年十二月三十一日，除權益載於上文「董事及主要行政人員於證券之權益及淡倉」一節之董事外，概無任何人士登記擁有本公司已發行股本5%或以上權益及須根據證券及期貨條例第XV部第336條記入權益登記冊之股份及相關股份之淡倉。

董事於競爭業務之權益

於二零一七年十二月三十一日，除張敬國先生及Huang Yanping女士個別及共同被視作於中國從事建築、物業發展及相關業務之正商發展集團及河南正商置業有限公司及／或其附屬公司／聯營公司中擁有權益外，概無董事於直接或間接與本集團業務構成或可能構成競爭之任何業務中擁有權益。

由於董事會獨立於該等公司之董事會，故本公司能獨立於上述業務，按公平協商基準經營業務。

購股權計劃

於二零一三年八月二十八日，本公司採納新購股權計劃（「二零一三年計劃」）。二零一三年計劃旨在激勵對本集團業務成就有所貢獻之合資格人士。除非另經註銷或修訂，否則二零一三年計劃將由該日起一直有效十年。二零一三年計劃之合資格人士包括(i)本集團任何成員公司之董事或候任董事（包括獨立非執行董事）；(ii)本集團任何成員公司之直接或間接股東；(iii)本集團任何成員公司之貨品或服務供應商；(iv)本集團任何成員公司之客戶、諮詢顧問、業務或合營企業伙伴、特許經營人、承包商、代理或代表；(v)向本集團任何成員公司提供研發或其他技術支持或任何顧問、諮詢顧問、專業服務之人士或實體；及(vi)本集團任何成員公司之業主或租戶（包括分租戶）。根據二零一三年計劃之條款，於二零一三年計劃有效期內任何時間，董事會有權向其全權酌情選擇之任何合資格人士提呈授出購股權，而合資格基準不時由董事會釐定。

Report of the Directors

董事會報告書

Pursuant to the 2013 Scheme, the maximum number of shares in respect of which options may be granted is such number of shares which, when aggregated with shares subject to any other share option scheme(s), must not exceed 10% of the issued share capital of the Company from time to time. The maximum number of shares issuable under share options to each eligible person in the 2013 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to the shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options) of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to the shareholders' approval in a general meeting.

The amount payable upon the acceptance of an option is HK\$1.00. The period within which an option must be exercised shall be such period as the Board may in its absolute discretion determine at the time of grant, save that such period shall not be more than 10 years commencing on the date of grant of an option.

The exercise price of the share options is determinable by the Board, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer of the grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of offer of the grant; and (iii) the nominal value of the Company's shares.

根據二零一三年計劃，可能授出之購股權涉及之股份數目，與任何其他購股權計劃涉及之股份相加，最多不得超過本公司不時已發行股本之10%。於任何十二個月期間根據二零一三年計劃可向各合資格人士發行之股份數目上限，以本公司任何時間已發行股份1%為限。任何進一步授出超過該限額之購股權須待股東於股東大會批准後，方可實行。

向本公司董事、主要行政人員或主要股東或彼等任何聯繫人士授出購股權，均須取得本公司獨立非執行董事之事先批准（為購股權承授人之任何獨立非執行董事除外）。此外，在任何十二個月期間，倘向本公司任何主要股東或獨立非執行董事或彼等任何聯繫人士授出任何超過本公司於任何時間已發行股份0.1%及總值超過5,000,000港元（根據本公司股份於授出日期之價格計算）之購股權，則須待股東於股東大會批准後，方可實行。

購股權獲接納時應付金額1.00港元。購股權之必須行使期限由董事會於授出購股權時全權酌情釐定，惟有關期限自購股權授出日期起計不得超過十年。

購股權之行使價由董事會釐定，惟不得低於以下各項之最高者：(i)本公司股份於提呈授出日期（必須為交易日）於聯交所每日報價表所報收市價；(ii)本公司股份於緊接提呈授出日期前五個交易日於聯交所每日報價表所報平均收市價；及(iii)本公司股份面值。

Report of the Directors

董事會報告書

The total number of shares in respect of which options may be granted under the 2013 Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options vested immediately and may be exercised at any time not exceeding a period of 5 years from the date on which the share options is accepted.

During the year, no share options under the 2013 Scheme were granted, exercised, cancelled or lapsed. As at the end of the reporting period, the Company has no outstanding share options under the 2013 Scheme.

As at the date of this report, the total number of shares available for issue under the 2013 Scheme is 617,681,996 shares, representing 10.0% of the share capital of the Company in issue at the date of this report.

EQUITY-LINKED AGREEMENT

Save as disclosed in the section headed "Share Option Scheme", no equity-linked agreement was entered into during the year or subsisted at the end of the year.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes for the employees of the Group are set out in note 36 to the consolidated financial statements.

CORPORATE GOVERNANCE

Detailed information on the Company's corporate governance practices is set out in the Corporate Governance Report on pages 61 to 76.

PUBLIC FLOAT

As at the latest practicable date of prior to the issue of this annual report, the Company has maintained a sufficient public float as required under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

與根據新購股權計劃可能授予之購股權有關之股份總數在未經本公司股東事先批准前，不允許超過本公司於任何時間點已發行股份10%。與於任何一年內授予或可能授予任何人士之購股權有關之已發行及將予發行股份數目在未經本公司股東事先批准前，不允許超過本公司於任何時間點已發行股份1%。購股權自購股權獲接納之日起不超過五年期間內任何時間即時歸屬並可能獲行使。

年內，二零一三年計劃項下之購股權概無獲授出、行使、註銷或失效。於報告期末，本公司二零一三年計劃項下概無尚未行使購股權。

於本報告日期，根據二零一三年計劃，可供發行之股份總數為617,681,996股，佔本報告日期本公司已發行股本之10.0%。

股權掛鈎協議

除「購股權計劃」一節所披露者外，年內概無訂立而於年終亦無存續之股權掛鈎協議。

退休福利計劃

本集團為僱員提供之退休福利計劃詳情載於綜合財務報表附註36。

企業管治

有關本公司之企業管治常規詳細資料載於第61至76頁之企業管治報告內。

公眾持股量

根據本公司公開可得資料及就董事所知悉，於刊發本年報前之最後可行日期，本公司已維持上市規則訂明之足夠公眾持股量。

Report of the Directors

董事會報告書

PERMITTED INDEMNITY

The Company's Articles of Association provides that Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group throughout the year.

IMPORTANT EVENTS SINCE THE YEAR END

Details of the important events since the year end are set out in note 41 to the consolidated financial statements.

ANNUAL GENERAL MEETING

The 2018 AGM will be held on 12 June 2018 and the notice of the 2018 AGM will be published and despatched in the manner as required by the Listing Rules and the Articles of Association of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders who are entitled to attend and vote at the 2018 AGM, the register of members of the Company will be closed from Thursday, 7 June 2018 to Tuesday, 12 June 2018, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the 2018 AGM, unregistered holders of Shares should ensure that all transfers of Shares accompanied by the relevant Share certificates and appropriate transfer forms must be lodged with the office of the Company's Share Registrar, Tricor Friendly Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 6 June 2018.

AUDITOR

The consolidated financial statements have been audited by Deloitte Touche Tohmatsu, who retire and, being eligible, offer themselves for re-appointment at the 2018 AGM.

On behalf of the Board

ZHANG JINGGUO

*Chairman, Executive Director
and Chief Executive Officer*

28 March 2018

獲准許的彌償

本公司之組織章程細則規定，董事有權從本公司的資產中獲得彌償保證，以就其作為董事招致或蒙受的一切損失或責任獲得彌償。本公司已於整個年度為董事及本集團高級職員投購合適的董事及高級職員責任險。

年結後之重大事項

年結後之重大事項詳情載於綜合財務報表附註41。

股東週年大會

本公司將於二零一八年六月十二日舉行二零一八年股東週年大會，有關二零一八年股東週年大會之通告將按上市規則及本公司組織章程細則所規定之方式於適當時候刊發及寄發。

暫停辦理股份過戶登記手續

為釐定有權出席二零一八年股東週年大會及於會上表決之股東，本公司將於二零一八年六月七日(星期四)至二零一八年六月十二日(星期二)(包括首尾兩日)暫停辦理股東登記手續，期內不會辦理股份過戶登記手續。為符合資格出席二零一八年股東週年大會及於會上表決，未登記為股份持有人之人士務請於二零一八年六月六日(星期三)下午四時三十分前，將所有股份過戶文件連同有關股票及適當過戶表格交回本公司之股份登記處卓佳津誠有限公司之辦事處，地址為香港皇后大道東183號合和中心22樓，以便辦理登記手續。

核數師

德勤•關黃陳方會計師行已審核綜合財務報表，彼將於二零一八年股東週年大會上退任，並合資格且願意膺選連任。

代表董事會

張敬國

*主席、執行董事
兼行政總裁*

二零一八年三月二十八日

Corporate Governance Report

企業管治報告

The Company is committed to maintain a high standard of corporate governance, formulate good corporate governance practice to improve accountability and transparency in operations, and strengthen the risk management and internal control systems of the Group from time to time so as to cope with the expectations of the shareholders of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all code provisions (“Code Provisions”) and, where applicable, the recommended best practices of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules throughout the year, save and except for the deviations from Code Provisions A.1.1, A.2.1 and C.2.5 of the CG Code.

Pursuant to Code Provision A.1.1 of the CG Code, Board meetings should be held at least four times a year at approximately quarterly intervals. Although only two regular Board meetings were held during the year, the Board considered that sufficient meetings had been held as business operations were under the management and the supervision of the executive Directors. In addition, senior management of the Group provided to the Directors the information in respect of the Group’s business development and activities from time to time and, when required, ad hoc Board meetings will be held.

Pursuant to Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive of the Company should be segregated. The Company is of the view that it is in the best interest of the Company that Mr. Zhang Jingguo, with his profound expertise in the property business, shall continue in his dual capacity as chairman and chief executive officer.

Pursuant to Code Provision C.2.5 of the CG Code, the Group should have an internal audit function. The Company conducted an annual review on the need for setting up an internal audit department. Given the Group’s simple operating structure, it was decided that the Board would be directly responsible and review on the adequacy and effectiveness of the risk management and internal control systems of the Group. During the year, the Board, assisted with the Audit Committee, had conducted an annual review on the risk management and internal control systems of the Group, including the analysis and appraisal of its adequacy and effectiveness.

本公司銳意維持高水準之企業管治，制訂良好之企業管治常規，致力改善營運之問責性及透明度，並不時加強本集團之風險管理及內部監控系統以達致本公司股東之期望。

企業管治常規

本公司已於本年度遵守上市規則附錄十四所載之原則，並已遵守當中所載企業管治守則(「企業管治守則」)之所有守則條文(「守則條文」)及(如適用)建議最佳常規，惟與企業管治守則之守則條文第A.1.1條、A.2.1條及C.2.5條有所偏離。

根據企業管治守則之守則條文第A.1.1條，董事會會議每年須至少舉行四次，大概每個季度舉行一次。儘管本年度內僅舉行兩次常規董事會會議，惟由於業務營運由執行董事負責管理及監督故董事會認為已舉行足夠會議。此外本集團之高級管理層不時向董事提供有關本集團業務發展及活動之資料，並將於需要時舉行董事會會議。

根據企業管治守則之守則條文第A.2.1條，本公司主席及行政總裁之角色應作出區分。本公司認為，張敬國先生擁有豐富物業業務經驗，應繼續出任主席兼行政總裁，此乃符合本公司之最佳利益。

根據企業管治守則之守則條文第C.2.5條，本集團應具備內部審核職能。本公司就是否需要建立內部審核部門進行年度檢討。鑑於本集團之營運結構簡單，決定由董事會直接負責檢討本集團之風險管理及內部監控系統之充足性及有效性。本年度內，董事會透過審核委員會對本集團之風險管理及內部監控系統已進行年度檢討，包括分析及評核其充足性及有效性。

Corporate Governance Report

企業管治報告

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by the Directors. The Company has made specific enquiries with all Directors and each of them confirmed that they have complied with the required standards set out in the Model Code during the year.

The Company has adopted a code of conduct regarding securities transactions by the relevant employees of the Group who are considered likely to be in possession of unpublished inside information of the Company or its securities on no less exacting terms than the Model Code in relation to their dealings in the securities of the Company pursuant to Code Provision A.6.4 of the CG Code. To the best knowledge and belief of the Directors, all relevant employees have complied with the required standard of such code.

BOARD OF DIRECTORS

Overall Accountability

The Board is accountable to the Shareholders and in discharging its corporate accountability, every Director is required to pursue excellence in the interests of the Shareholders and fulfill his fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements.

Board Responsibilities and Delegation

The Board is responsible for formulating group policies and strategic business directions, and monitoring business performances through implementation of adequate risk management and internal control systems. The executive Directors are delegated with the authorities and responsibilities for the day-to-day management of the Group, operational and business decisions within the control and delegation framework of the Group. The non-executive Directors (including independent non-executive Directors) contribute valuable views, professional opinions and proposals for the Board's deliberation and decisions.

The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;

董事及有關僱員進行證券交易之守則

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之標準守則(「標準守則」)，作為董事進行證券交易之行為守則。經本公司向全體董事作出具體查詢後，全體董事確認於本年度內一直遵守標準守則所載之規定準則。

根據企業管治守則之守則條文A.6.4條，本公司亦對被視為可能擁有未經發佈本公司或其證券內幕消息之本集團之有關僱員已採納一套證券交易操守守則，條款之嚴謹程度不遜於標準守則。據董事所深知及確信，所有有關僱員均遵守該守則規定之規定標準。

董事會

整體問責性

董事會須向股東負責，並履行其企業責任，每名董事須追求卓越，符合股東利益，按法規規定應用所需技能、謹慎且竭盡所能達成其誠信責任。

董事會之責任及授權

董事會負責制定集團政策及策略性業務方向，並透過實行充足的風險管理及內部監控系統監察業務表現。執行董事獲授予於本集團之監控及授權框架內對本集團進行日常管理及作出經營及業務決策之權力及責任。非執行董事(包括獨立非執行董事)貢獻寶貴見解、專業意見及建議，供董事會考慮及決策。

董事會在企業管治職能方面之責任包括以下各項：

- (i) 制定及檢討本公司企業管治之政策及常規；

Corporate Governance Report

企業管治報告

- | | |
|---|---------------------------------------|
| (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; | (ii) 檢討及監察董事及高級管理層之培訓及持續專業發展； |
| (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; | (iii) 檢討及監察本公司遵守法律及法規規定之政策及常規； |
| (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and | (iv) 制定、檢討及監控行為守則及遵守適用於僱員及董事之手冊(如有)；及 |
| (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. | (v) 檢討本公司在遵守企業管治守則方面之合規情況並於企業管治報告中披露。 |

The Board has delegated some of its functions to the board committees, details of which are set out below.

董事會已授權部分職能予董事會委員會，詳情載於下文。

The Board reserves for its decisions all major matters of the Company, including appointment of new Directors, approval of financial statements, dividend policy, significant accounting policies, material contracts, significant appointments such as company secretary and external auditors, terms of reference of board committees, major corporate policies such as code of conduct, and other significant financial and operational matters.

董事會亦保留對本公司重大事宜之決定，包括委任新董事、批准財務報表、股息政策、重大會計政策、重大合約、如委任公司秘書及外聘核數師等重大委任、董事會委員會之職權範圍、主要公司政策如行為守則等，以及其他重大之財務及營運方面事宜。

The Board is also responsible for maintaining and reviewing the effectiveness of the risk management and internal control systems of the Group. It has carried out review of the existing implemented systems, including control measures of financial and operational compliance of the Group.

董事會同時亦負責維持及審閱本集團之風險管理及內部監控系統的效能，並對現時實行之系統已進行審閱程序，其中包括審閱本集團之財務及營運合規性的監控措施。

Liability Insurance for the Directors

The Company has arranged for appropriate liability insurance to indemnify its Directors against liabilities arising out of legal action on corporate activities. Such insurance coverage is reviewed on an annual basis.

董事之責任保險

本公司已為董事安排合適的責任保險，以彌償其董事因企業活動的法律訴訟承擔責任。該等保險覆蓋的保障按年檢討。

Composition of the Board

As at 31 December 2017, the Board comprised six Directors including two executive Directors, one non-executive Director ("NED") and three independent non-executive Directors ("INEDs"). The biographical details of the Directors and the senior management of the Group are set out on pages 34 to 43.

董事會之組成

於二零一七年十二月三十一日，董事會合共有六名董事，包括二名執行董事、一名非執行董事(「非執行董事」)及三名獨立非執行董事(「獨立非執行董事」)。董事及本集團之高級管理層之履歷詳情載於第34至43頁。

Corporate Governance Report

企業管治報告

Mr. Zhang Jingguo is the Chairman of the Board and Chief Executive Officer of the Company. He is primarily responsible for leadership and effective functioning of the Board, ensuring key issues are promptly addressed by the Board, as well as providing strategic direction of the Group, take primary responsibility for ensuring good corporate governance practices with necessary procedures established and also together with other executive Directors are responsible for the Group's daily operations and the effective implementation of corporate strategy and policies.

Executive Directors

As at 31 December 2017, there were two executive Directors including Mr. Zhang Jingguo and Mr. Zhang Guoqiang. Mr. Zhang Jingguo is the spouse of Ms. Huang Yanping.

Non-executive Director

As at 31 December 2017 there was one NED, Ms. Huang Yanping. Ms. Huang Yanping is the spouse of Mr. Zhang Jingguo.

Independent Non-executive Directors and their Independence

As at 31 December 2017, there were three INEDs including Dr. Liu Qiao, Mr. Liu Da and Mr. Ma Yuntao.

The Company has appointed a sufficient number of INEDs in accordance with Rules 3.10(1) and 3.10A of the Listing Rules. With Dr. Liu Qiao and Mr. Liu Da's working experience and their academic background in finance and accounting, the Company considers that they are qualified persons with appropriate professional knowledge in accounting and finance as required by Rule 3.10(2) of the Listing Rules.

The Company has already received annual confirmation letters of independence from all the INEDs and each of them have declared fulfillment of all the guidelines for assessing independence in accordance with Rule 3.13 of the Listing Rules. Accordingly, the Board considers that all INEDs are independent as defined in the Listing Rules.

All the Directors, including the NED and INEDs, have entered into service agreements with the Company under which all Directors must retire by rotation at least once every three years, and no Director shall hold office for a continuous period in excess of three years, or past the third annual general meeting, following the Director's appointment or re-election, whichever is longer, without submitting himself/herself for re-election at the annual general meeting.

張敬國先生為董事會主席兼本公司行政總裁。彼主要負責董事會之領導及有效職能、確保董事會即時應對主要問題，並為本集團提供策略方向，同時亦主要負責確保已設立良好企業管治常規及所需程序，並連同其他執行董事負責本集團之日常營運及有效執行企業策略及政策。

執行董事

於二零一七年十二月三十一日，本公司有二名執行董事，包括張敬國先生及張國強先生。張敬國先生為Huang Yanping女士之配偶。

非執行董事

於二零一七年十二月三十一日，本公司有一名非執行董事Huang Yanping女士。Huang Yanping女士為張敬國先生之配偶。

獨立非執行董事及彼等之獨立性

於二零一七年十二月三十一日，本公司有三名獨立非執行董事，包括劉俏博士、劉達先生及馬運強先生。

本公司已根據上市規則第3.10(1)及3.10A條委任足夠數目之獨立非執行董事。憑藉劉俏博士及劉達先生之工作經驗以及彼等於金融及會計之學歷，本公司認為彼等為上市規則第3.10(2)條規定於會計及金融具備合適專業知識之合資格人士。

本公司已向所有獨立非執行董事取得年度獨立性之確認函件，而彼等各自均聲明已符合所有根據上市規則第3.13條評估獨立性之指引。因此，董事會認為所有獨立非執行董事均為上市規則所界定之獨立人士。

所有董事(包括非執行董事及獨立非執行董事)已與本公司訂立服務協議，據此，所有董事必須最少每三年輪席告退一次，於董事委任或膺選連任後，概無董事可未經於股東週年大會上膺選連任而持續連任超過三年，或通過第三屆股東週年大會，以較長者為準。

Corporate Governance Report

企業管治報告

In compliance with Code Provision A.3.2 of the CG Code, an updated list of the Directors identifying their role and function are available on the websites of the Company (www.zhsuccess.com) and the Stock Exchange (www.hkex.com.hk). The Company will review the composition of the Board from time to time to ensure that the Board possesses the appropriate and necessary expertise, skill and experience to meet the needs of the Group's business and to enhance the Shareholders' value.

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors are encouraged to participate in continuous professional development so as to develop and refresh directors' knowledge and skills and to ensure that their contribution to the Board remains informed and relevant.

The Company regularly circulates training materials or briefings to all Directors in respect of the updates on, among other things, the Listing Rules, the SFO or guidelines, the Hong Kong Companies Ordinance and relevant financial or accounting standards which may be of the interest to Directors. During the year, all Directors have complied with the Code Provisions in relation to continuous professional development, apart from reading materials relevant to the Company's business, director's duties and responsibilities. Mr. Zhang Jingguo, Mr. Zhang Guoqiang, Ms. Huang Yanping, Dr. Liu Qiao, Mr. Liu Da and Mr. Ma Yuntao also attended and/or gave presentation in seminars/forums. The Company updates Directors constantly on the latest developments regarding the Group's business and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. All Directors have provided to the Company with their training records on a regular basis, and such records have been maintained by the Company for accurate and comprehensive record keeping.

為遵守企業管治守則之守則條文第A.3.2條，列明其角色及職能之最新董事名單，可在本公司網站(www.zhsuccess.com)及聯交所網站(www.hkex.com.hk)查閱。本公司將不時檢討董事會之組成，確保董事會擁有適當及所需之專長、技能及經驗，以滿足本集團之業務需要，並提升股東價值。

董事之培訓及持續專業發展

所有董事均鼓勵參與持續專業發展，以發展及更新彼等的知識及技能，以確保彼等繼續在具備全面資訊及切合所需的情況下為董事會作出貢獻。

本公司定期向全體董事傳閱董事或會感興趣的培訓資料及簡報，內容有關(其中包括)上市規則、證券及期貨條例或其他有用指引，公司條例以及財務或會計準則的相關資訊。本年度內，除閱讀有關本公司業務、董事職務及責任之資料外，所有董事均已遵守有關持續專業發展之守則條文。張敬國先生、張國強先生、Huang Yanping女士、劉俏博士、劉達先生及馬運強先生亦有出席研討會/講座，及/或於研討會/講座上發表簡報。本公司就本集團業務及其他適用監管規定之最新進展，不斷向董事提供最新資訊，確保遵守及提升董事對良好企業管治常規的意識。全體董事會定期向本公司提供培訓記錄，而有關記錄會由本公司保存，藉以保留準確及完備的培訓記錄。

Corporate Governance Report

企業管治報告

Board Committees

The Board has established three Board committees including the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”) to assume responsibilities for and to oversee particular aspects of the Company’s affairs with respective terms of reference. Details of the board committees are discussed below.

All Board committees are provided with sufficient resources to discharge their duties and are empowered to obtain independent professional advice at the Company’s expense in appropriate circumstances.

Attendance of Directors at various meetings

During the year, details of the Directors’ attendance in the following meetings are set out below:

董事會委員會

董事會已成立三個董事會委員會包括審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)，按各自職權範圍內，專責承擔本公司事務中特定範疇之職責，並就此進行監督。董事會委員會詳情於下文討論。

所有董事會委員會已獲提供充足資源，以履行其委員會的職責，且授權在合適的情況下諮詢獨立專業意見，費用由本公司承擔。

董事於各個會議之出席率

於本年度，董事就以下會議之出席率詳情載列如下：

Directors 董事	Number of meetings attended/Number of meetings held 出席會議次數/舉行會議次數					
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會	Extraordinary General Meeting 股東特別大會
Executive Directors						
執行董事						
Mr. Zhang Jingguo 張敬國先生	2/2	N/A 不適用	1/1	1/1	1/1	1/1
Mr. Zhang Guoqiang 張國強先生	2/2	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Mr. Eric Jackson Chang (resigned on 1 April 2017) 張世澤先生(已於二零一七年四月一日辭任)	1/2	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
NED						
非執行董事						
Ms. Huang Yanping Huang Yanping女士	2/2	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
INEDs						
獨立非執行董事						
Dr. Liu Qiao 劉俏博士	2/2	2/2	1/1	1/1	1/1	1/1
Mr. Liu Da 劉達先生	2/2	2/2	N/A 不適用	1/1	1/1	1/1
Mr. Ma Yuntao 馬運弢先生	2/2	2/2	1/1	N/A 不適用	1/1	1/1

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Audit Committee is primarily responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, including reassessment of the financial and accounting policies, review of interim reports, annual reports and financial information, etc. In addition, the Audit Committee is responsible for making recommendations to the Board, to be put to Shareholders for approval at the annual general meeting (“AGM”), in relation to the appointment, re-appointment and removal of external auditor; review and supervision of the external auditor in respect of its independence and objectivity, the effectiveness of the audit procedures; formulation of policies on the provision of non-audit services by the external auditor; handling any issues related to the resignation or the removal of such auditor and the communication with the external auditor on auditing matters.

As at 31 December 2017, the Audit Committee consisted of three members, namely, Mr. Liu Da, Dr. Liu Qiao and Mr. Ma Yuntao who all are INEDs. Mr. Liu Da is the chairman of the Audit Committee. The most up-to-date version of the written terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

During the year, two Audit Committee meetings were convened. The Audit Committee had performed the followings tasks, among others:

- (i) reviewed the annual results for the year ended 31 December 2016 and interim results for the six months ended 30 June 2017;
- (ii) reviewed the appropriateness and effectiveness of risk management and internal control systems;
- (iii) discussed with the auditor of the Company and reviewed their audit findings;
- (iv) reviewed the auditor’s remuneration;
- (v) reviewed all non-audit services provided by the auditors to determine the provision of such services would affect the independence of the auditors; and
- (vi) performed the corporate governance functions and reviewed the corporate governance policies and practices.

審核委員會

審核委員會主要負責審閱及監察本公司之財務報告、風險管理及內部監控系統，包括重新評估財務及會計政策、審閱中期報告、年度報告及財務資料等。此外，審核委員會負責向董事會就有關委聘、續聘及罷免外聘核數師於股東週年大會（「股東週年大會」）取得股東之批准、審閱及監督外聘核數師之獨立性及客觀性、其審核程序之有效性、制定外聘核數師提供之非審核服務之政策、處理有關核數師退任或罷免該核數師之有關事宜以及與外聘核數師就核數事宜溝通，作出建議。

於二零一七年十二月三十一日，審核委員會包括三名成員，即劉達先生、劉俏博士及馬運強先生，彼等均為獨立非執行董事。劉達先生為審核委員會主席。審核委員會書面職權範圍之最新版本可於本公司及聯交所網站查閱。

於本年度，審核委已舉行兩次會議。審核委員會已進行以下工作，其中包括：

- (i) 審閱截至二零一六年十二月三十一日止年度之年度業績及截至二零一七年六月三十日止六個月之中期業績；
- (ii) 檢討風險管理及內部監控系統之合適性及有效性；
- (iii) 與本公司之核數師討論及檢討其審核發現；
- (iv) 檢討核數師之薪酬；
- (v) 檢討所有由核數師提供之非審核服務以釐定所提供該等服務是否將影響核數師之獨立性；及
- (vi) 履行企業管治職能並檢討企業管治政策及常規。

Corporate Governance Report

企業管治報告

After due and careful consideration with all necessary financial information, and reports from management and the external auditors, the Audit Committee noted that no suspected fraud or irregularities, significant internal control deficiencies, or suspected infringement of laws, rules, or regulations had been found in respect of the Group, and concluded at the meeting held on 28 March 2018 that the risk management and internal control systems were adequate and effective.

On 28 March 2018, the Audit Committee Meeting was convened to review the Group's consolidated financial statements for the year ended 31 December 2017, including the accounting principles and practices, in conjunction with the Company's external auditor. The Audit Committee endorsed the accounting treatment adopted by the Company, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the Annual Report 2017 has complied with the applicable accounting standards and the Listing Rules and the Hong Kong Companies Ordinance. The Audit Committee therefore resolved to recommend for the Board's approval the consolidated financial statements for the year ended 31 December 2017.

The Audit Committee also recommended to the Board the re-appointment of Deloitte Touche Tohmatsu as the auditor of the Company and that the relevant resolution shall be put forth for Shareholders' consideration and approval at the 2018 AGM.

REMUNERATION COMMITTEE

The Remuneration Committee is mainly responsible for making recommendations on and approving the remuneration policy and structure and packages of the Directors and senior management to the Board. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as the prevailing market conditions. The human resources department is responsible for collection and administration of the human resources data for the Remuneration Committee's for consideration.

As at 31 December 2017, the Remuneration Committee consisted of three members, namely, Mr. Zhang Jingguo, Dr. Liu Qiao and Mr. Ma Yuntao. Dr. Liu Qiao and Mr. Ma Yuntao are INEDs while Mr. Zhang Jingguo is an executive Director. Mr. Ma Yuntao is the chairman of the Remuneration Committee. The most up-to-date version of the written terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

審核委員會連同管理層及外聘核數師提交之財務資料及報告經審慎及周詳考慮後，獲悉並無發現本集團涉嫌詐騙或違規、嚴重內部監控不足或涉嫌違反法例、規則或規例之情況，並於二零一八年三月二十八日舉行之會議上總結內部監控系統屬充分且有效。

於二零一八年三月二十八日，審核委員會舉行會議，聯同本公司外聘核數師審閱本集團截至二零一七年十二月三十一日止年度之綜合財務報表，包括本集團採納之會計原則及實務準則。審核委員會贊同本公司所採納之會計處理方式，並已盡力確保二零一七年年報披露之財務資料符合適用會計準則、上市條例及香港公司條例之規定。因此，審核委員會決議建議董事會批准截至二零一七年十二月三十一日止年度之綜合財務報表。

審核委員會亦向董事會建議聘任德勤•關黃陳方會計師行為本公司核數師，並建議將相關決議案於二零一八年股東週年大會上提交予股東考慮及批准。

薪酬委員會

薪酬委員會之主要負責就批准薪酬政策及架構以及董事及高級管理層之薪酬福利，向董事會提供建議。薪酬委員會亦負責設立具高透明度之程序以制訂有關薪酬政策及架構，確保概無董事或其任何聯繫人士將參與決定其本身之薪酬。有關薪酬將參考個人表現及本公司業績以及市場慣例及狀況釐定。人力資源部負責收集及處理人力資源數據，以供薪酬委員會考慮。

於二零一七年十二月三十一日，薪酬委員會包括三名成員，即張敬國先生、劉俏博士以及馬運弢先生。劉俏博士以及馬運弢先生均為獨立非執行董事，而張敬國先生則為執行董事。馬運弢先生為薪酬委員會主席。薪酬委員會書面職權範圍之最新版本可於本公司及聯交所網站查閱。

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During the year, one Remuneration Committee meeting was held. The Remuneration Committee had reviewed and approved the remuneration of executive Directors, NED and INEDs.

NOMINATION COMMITTEE

The Nomination Committee is mainly responsible for reviewing the structure, size, diversity and composition of the Board regularly and make any changes to complement the Company's corporate strategy, including making recommendations on any proposed changes to the Board that assist complementation of the Company's corporate policy.

As at 31 December 2017, the Nomination Committee consisted of three members, namely, Mr. Zhang Jingguo, Dr. Liu Qiao and Mr. Liu Da. Mr. Zhang Jingguo is an executive Director while Dr. Liu Qiao and Mr. Liu Da are INEDs. Dr. Liu Qiao is the chairman of the Nomination Committee. The most up-to-date version of the written terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

During the year, one Nomination Committee meeting was held. The Board had reviewed the current structure and composition of the Board and recommended Mr. Zhang Jingguo and Dr. Liu Qiao to retire, and being eligible, offered themselves for re-election in the 2017 AGM pursuant to Articles 78 and 79 of the Articles of Association and Code Provision A.4.2 of the CG Code.

Under Article 79 of the Articles of Association, at each AGM, one-quarter of the Directors for the time being (or, if their number is not a multiple of four, the number nearest to one-fourth) shall retire from office by rotation. According to Article 83 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy or by way of addition to their number shall hold office only until the next following AGM, and shall then be eligible for re-appointment. Every Director shall be subject to retirement at least once every three years by rotation or offers himself for re-election.

The Company has established a policy concerning diversity of Board members ("Board Diversity Policy") and has made it available on the Company's website.

於本年度，薪酬委員會已舉行一次會議。薪酬委員會已檢討並批准執行董事、非執行董事及獨立非執行董事之薪酬。

提名委員會

提名委員會主要負責檢討董事會之架構、規模、多元化及組成並作出任何可補足本公司之公司策略之變動，包括就任何董事會之建議變動提出意見，有助補足本公司之公司政策。

於二零一七年十二月三十一日，提名委員會包括三名成員，即張敬國先生、劉俏博士及劉達先生。張敬國先生為執行董事，而劉俏博士及劉達先生為獨立非執行董事。劉俏博士為提名委員會主席。提名委員會書面職權範圍之最新版本可於本公司及聯交所網站查閱。

於本年度，提名委員會已舉行一次會議。董事會已審閱董事會之現時架構及組成，並建議由張敬國先生及劉俏博士根據組織章程細則第78及79條及企業管治守則守則條文第A.4.2條退任，而彼等合資格且願意於二零一七年股東週年大會膺選連任。

根據組織章程細則第79條，於各股東週年大會上，當時四分之一董事（或倘其數目並非四之倍數，則為最接近四分之一之數目）須輪席告退。根據組織章程細則第83條，任何獲董事會委任以填補臨時空缺，或藉增設數目之方式委任之董事僅將持有職務至下屆股東週年大會為止，屆時彼將合資格重新委任。各董事將須最少每三年輪席告退或膺選連任一次。

本公司已成立有關董事會成員多元化之政策（「董事會多元化政策」），可於本公司網站查閱。

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In the Board Diversity Policy, the Company recognises diversity of talents in the Board shall enhance the quality of its performance and sees diversity in talents at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Nomination Committee has primary responsibility for identifying suitably qualified candidates to become members of the Board and, in carrying out this responsibility, will give adequate consideration to this policy. The Nomination Committee will review this policy, as appropriate, to ensure the effectiveness of this policy from time to time. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

REMUNERATION OF AUDITORS

For the year ended 31 December 2017, remuneration paid or payable to the Company's auditors, Deloitte Touche Tohmatsu for audit services was HK\$1,650,000 and non-audit services was nil.

ACCOUNTABILITY AND AUDIT

Financial Statements and Financial Reporting

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with applicable accounting standards and Hong Kong Companies Ordinance.

The Directors also acknowledge their responsibilities to ensure that the announcements in relation to the consolidated financial statements on annual and interim results of the Group are published in a timely manner, within three months and two months respectively of the year end and the half-year period end.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in "Independent Auditor's Report" on pages 77 to 85.

Going Concern

The Directors, having made appropriate enquiries, do not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The Directors are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the consolidated financial statements.

於董事會多元化政策中，本公司確認董事會人才多元化可加強其表現質素並就董事會將人才多元化視作實現其戰略目標及可持續發展之必要因素。提名委員會之主要責任為物色合適且合資格之候選人加入董事會，並在履行該項責任時充分考慮本政策。提名委員會將不時檢討本政策(倘適用)，確保本政策之有效性。提名委員會將就任何可能規定之修訂進行討論，並就任何有關修訂向董事會作出推薦意見以供考慮及批准。

核數師酬金

於截至二零一七年十二月三十一日止之年度，就財務審核服務已付或應付本公司之核數師德勤•關黃陳方會計師行之薪酬為1,650,000港元，而就非核數服務之薪酬概無。

問責性及審核

財務報表及財務報告

董事知悉彼等有責任編製本集團之綜合財務報表，並根據適用會計準則及香港公司條例真實而公平地呈列。

董事亦知悉彼等有責任確保本集團就全年及中期業績之綜合財務報表之公告，分別於年結日後三個月及半年期結束後兩個月內儘快刊發。

本公司外聘核數師對本集團之綜合財務報表的申報責任載於第77頁至85頁的「獨立核數師報告」。

持續經營

經作出適當查詢後，董事並不知悉任何重大不明朗事件或情況可能影響本集團持續經營的能力。董事認為本集團擁有足夠資源在可見未來繼續營運，因此本集團適宜採納持續經營基準編製綜合財務報表。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its overall responsibilities for maintaining sound and effective risk management and internal control systems including a review on their effectiveness for achieving long-term sustainable development of the Group. The risk management and internal control systems, under a defined management structure with limits of authority, are designed for the Group to identify and manage the significant risks to pursue its business objectives, safeguard its assets against unauthorised use or disposition, enhance effectiveness and efficiency of its operations, ensure the maintenance of proper accounting records for reliable financial reporting, and ensure compliance with relevant laws and regulations. Such systems are designed to manage rather than eliminate risks of failure in the achievement of the Group's business objectives and can only provide reasonable, but not absolute assurance against material misstatement or loss.

The Board is responsible for the determination of the Group's risk profile within its acceptable tolerance levels in business operation, oversight of management in the design, implementation and monitoring of overall risk management process from risk identification, risk assessment, establishment of appropriate risk responses and regular risk evaluation and monitoring, so as to ensure the systems are effectively established and maintained.

The risk management process is structured from management of the Group from respective business functions at execution level to the Board, together assisted by the Audit Committee in decision-making and monitoring level. Management of the Group identifies, assesses and prioritises the key existing and potential risks through a detailed assessment process and determines the appropriate mitigation strategies and control measures in response of the identified risks. Ongoing evaluation and monitoring of the identified risks, respective measures, and results are carried out and reported to the Board regularly. The Board at decision-making level, assisted by the Audit Committee, reviews the risk appetite, risk management process and strategies and also the internal control systems and provide recommendations for any improvement on the systems in an ongoing basis to ensure risk management effectiveness.

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness.

風險管理及內部監控系統

董事會全面負責維持本集團健全及有效之風險管理及內部監控系統，包括對其有效性作出檢討，有助本集團達致長期持續發展。於界定管理架構及其權限下，風險管理及內部監控系統旨在協助本集團識別及管理於實現業務目標所面對之重大風險、保障資產免於未經授權挪用或處置、確保維護妥當之會計記錄以作出可靠之財務申報，以及確保遵守相關法例及規例。該系統旨在管理而非消除未能實現業務目標之風險，並僅可就避免重大錯誤陳述或損失提供合理但並非絕對的保證。

董事會負責為本集團就其業務營運上的可承受程度而確立風險組合、監督管理層從風險識別、風險評估、制定合適的風險應對措施至定期風險檢討及監察的風險管理流程的設計、實施及監察，以確保有關系統可有效地制定及維持。

風險管理程序的架構由本集團各業務版塊之管理層作為執行層面，至董事會(透過及連同審核委員會)作為決策及監察層面所組成。本集團管理層通過周詳的評估程序對現有及潛在重要風險進行識別、評估及排序，並就已識別之風險制定合適的風險舒緩策略及監控方案。持續對已識別之風險、相應方案及控制結果進行檢討及監察，並定期向董事會作出匯報。董事會作為決策層面，透過及連同連同審核委員會，對風險組合、風險管理流程及策略以及內部控制系統持續進行檢討，及對系統作出任何改善建議，以確保風險管理之有效性。

本公司現時並無內部審核職能，及認為考慮目前本集團營運業務之規模、性質及複雜性，毋須即時於本集團內設立內部審核職能。本集團決定直接由董事會負責本集團之內部監控並審閱其效能。

Corporate Governance Report

企業管治報告

The Board has engaged an independent risk management and internal control review adviser (“the Adviser”), APAC Compliance Consultancy and Internal Control Services Limited, to conduct an annual review of the risk management and internal control systems of the Group for the year ended 31 December 2017. The scope of review was determined and approved by the Board, covering material controls on financial, operational, compliance aspects including review of risk management functions of the Group and the adequacy of resources, qualifications and experience of the staff in the Group’s accounting and financial reporting functions and their training programs and budget. Findings and areas for improvement were reported to management and Audit Committee for evaluation the effectiveness of the risk management and internal control systems. The Board and the Audit Committee are of the view there are no material internal control defeats were identified by the Adviser during the course of review. With the discussion between management, the Adviser and the Audit Committee, the Board, with the concurrence of the Audit Committee, considered that the risk management and internal control systems of the Group are effective and adequate. The review of the risk management and internal control systems of the Group is an ongoing process and the Board maintains a continuing commitment to strengthen the Group’s control environment and processes.

The Company formulated the inside information policy. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information. Also, the Company keeps Directors, senior management and employees apprised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements. Procedures for collection, evaluation of information and the publication manner are in place to ensure timely reporting of the inside information to the Board and the stakeholders of the Group.

董事會已委聘亞太合規顧問及內控服務有限公司擔任其風險管理及內部監控系統獨立顧問(「顧問」)，以對本集團截至二零一七年十二月三十一日止年度之風險管理及內部監控系統進行年度檢討。檢討範圍由董事會釐定及審批，覆蓋本集團於財務方面、營運方面、合規方面之所有重大監控，包括檢討本集團之風險管理職能、本集團於會計及財務匯報職能之員工的資源、資歷、經驗之充足性，以及其培訓課程及預算。檢討發現及改善建議已向管理層及審核委員會匯報，以對風險管理及內部監控系統之有效性進行檢討。董事會及審核委員會均認為顧問於檢討過程中並無發現重大內部監控不足。經過與管理層、審核委員會及顧問的討論，董事會(與審核委員會一致同意)認為本集團之風險管理及內部監控系統屬有效及充足。對於本集團之風險管理及內部監控系統的檢討為持續過程，董事會致力維持其持續承諾，以加強本集團之監控環境及程序。

本公司已制定內部資料政策。本公司會定期提醒董事及員工審慎遵守所有有關內部資料的政策。另外，本公司會向董事、高級管理層及員工提供最新的監管要求。本公司會制定或更新合適的指引或政策，以確保符合相關的監管法定要求。對資料的收集、評估以及發佈的程序本集團均有既定程序，以確保內部資料能適時向董事會以及本集團之利益相關人士匯報。

Corporate Governance Report

企業管治報告

COMPANY SECRETARIES

As at 31 December 2017, the joint secretaries of the Company were Mr. Chan Chi Keung and Mr. Yuen Ping Man. Both of them have confirmed that they have attended not less than 15 hours of relevant professional training during the year.

SHAREHOLDERS AND INVESTOR RELATIONS

Communication Policy

The Board considers that having active communications with Shareholders and investors is important and this will enhance transparency and clarity in public disclosures by the Company. Any significant events of the Group fall to be disclosed will be published in a timely, accurate and complete manner through the websites of the Company and the Stock Exchange, so as to safeguard Shareholders' rights of information and participation. The Board considers that AGM is an important opportunity for direct communication with the Shareholders. The notice of the AGM together with relevant documents will be sent out to the Shareholders at least 20 business days prior to the date on which the AGM will be held. The notice contains details on the procedures for voting by poll as well as other relevant information related to the proposed resolutions.

AGM

The Board and senior management are well aware of their important tasks of acting on behalf of the interests of all the Shareholders and raising the Shareholders' returns. Last year's AGM at which the external auditors attended was convened on 23 June 2017. The Board encourages all the Shareholders to participate in the forthcoming 2018 AGM where the members of the Board and external auditors will be present and communicate with the Shareholders.

公司秘書

於二零一七年十二月三十一日，本公司之聯席公司秘書為陳志強先生及源秉民先生，彼等均已確認於本年度曾參與不少於十五小時之相關專業培訓。

與股東及投資者之關係

溝通政策

董事會認為，積極與股東及投資者之溝通尤為重要，可讓本公司更透明清晰地向公眾作出披露。本集團任何須予披露之重大事項將以及時、準確且完整之方式於本公司及聯交所之網站刊載，以保障股東享有接收資訊及參與之權利。董事會認為股東週年大會乃與股東直接溝通之重要機會。股東週年大會通告連同有關文件將於股東週年大會召開日期前最少二十個營業日寄發予股東。通告載列有關以投票方式表決之程序詳情以及有關建議決議案之其他相關資料。

股東週年大會

董事會及高級管理層深知彼等之重要工作乃以全體股東之利益為前提行事，並為股東爭取更多回報。外聘核數師出席之上一年度股東週年大會已於二零一七年六月二十三日召開。董事會鼓勵所有股東參與二零一八年股東週年大會，屆時董事會成員及外聘核數師將會出席並與股東溝通。

Corporate Governance Report

企業管治報告

Shareholders' Rights

(1) Procedures for Shareholders to convene an extraordinary general meeting ("EGM")

Shareholders may request the Directors to convene an EGM of the company. The Directors are required to call an EGM if the Company has received requests to do so from Shareholders representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings. Such request must state the general nature of the business to be dealt with at the EGM and may include the text of a resolution that may properly be moved and is intended to be moved at the EGM. The request may be sent to the Company in hard copy form or in electronic form and must be authenticated by the Shareholder(s) making it.

The Directors are required to call an EGM within 21 days after the date on which the Directors become subject to the requirement. The EGM called must be held on a date not more than 28 days after the date of the notice convening the meeting.

If the Directors do not call an EGM, the Shareholders who requested the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call the EGM. The EGM must be called for a date not more than 3 months after the date on which the Directors become subject to the requirement to call the EGM.

(2) Procedures for putting forward proposals at Shareholders' meeting

Eligible Shareholders (as defined below) may submit a written request to make proposals or move a resolution at the annual general meeting (the "Request"). "Eligible Shareholder(s)" means:

- (i) Shareholders representing at least 2.5% of the total voting rights of all the Shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate; or
- (ii) at least 50 Shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate.

股東權利

(1) 股東召開股東特別大會(「股東特別大會」)之程序

股東可要求董事召開本公司之股東特別大會。如公司收到佔全體有權在股東大會上表決的股東的總表決權最少5%的公司股東的要求，要求召開股東大會，則董事須召開股東特別大會。有關要求須述明有待在有關股東特別大會上處理的事務的一般性質；及可包含可在該股東特別大會上恰當地動議並擬在該股東特別大會上動議的決議的文本。有關要求可採用印本形式或電子形式並須經提出該要求的股東認證送交本公司。

董事須於他們受到召開股東特別大會的規定所規限的日期後的21日內，召開股東特別大會。股東特別大會須在召開股東特別大會的通知的發出日期後的28日內舉行。

如董事沒有召開股東特別大會，則要求召開股東大會的股東，或佔全體該等股東的總表決權過半數的股東，可自行召開股東特別大會。在董事受到召開股東特別大會的規定所規限的日期後的3個月內，有關股東特別大會須予召開。

(2) 於股東大會提呈建議之程序

合資格股東(定義見下文)可於年度股東大會遞交書面要求以提呈建議或動議決議案(「要求」)。「合資格股東」指：

- (i) 佔全體有權在該要求所關乎的周年股東大會上，就該決議表決的股東的總表決權最少2.5%的股東；或
- (ii) 最少50名有權在該要求所關乎的周年股東大會上就該決議表決的股東。

Corporate Governance Report

企業管治報告

The Request may be sent to the Company (a) in hard copy form or in electronic form; (b) must identify the resolution of which notice is to be given; (c) must be authenticated by the Shareholder(s) making it; and (d) must be received by the Company not later than (i) 6 weeks before the annual general meeting to which the requests relate; or (ii) if later, the time at which notice is given of that meeting.

The Company must then send a copy of the resolution at the Company's own expense to each Shareholder entitled to receive notice of the annual general meeting (a) in the same manner as the notice of the meeting; and (b) at the same time as, or as soon as reasonably practicable after, it gives notice of the meeting.

An Eligible Shareholder may request the Company to circulate, to the Shareholders entitled to receive notice of a general meeting, a statement of not more than 1,000 words with respect to (a) a matter mentioned in a proposed resolution to be dealt with at that meeting; or (b) other business to be dealt with at that meeting (the "Statement").

The expenses of the Company in circulating the Statement need not be paid by the Eligible Shareholders who requested the circulation of the statement if (a) the meeting to which the requests relate is an annual general meeting of the Company; and (b) requests sufficient to require the Company to circulate the statement are received in time to enable the company to send a copy of the statement at the same time as it gives notice of the meeting. Otherwise, (a) the expenses of the Company in circulating the Statement must be paid by the Eligible Shareholders who requested the circulation of the Statement unless the Company resolves otherwise; and (b) unless the Company has previously so resolved, it is not bound to comply with the circulation of the Statement unless there is deposited with or tendered to it, not later than 7 days before the meeting, a sum reasonably sufficient to meet its expenses in doing so.

(3) Shareholders' enquiries to the Board

A Shareholder may send an enquiry to the Board at the registered office of the Company at 24th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong for the attention of the Board in written form, which shall state the nature of the enquiry and the reason for making the enquiry. In addition, Shareholders can contact Tricor Friendly Limited, the share registrar of the Company, for any questions about their shareholdings.

有關要求(a)可採用印本形式或電子形式送交本公司；(b)須指出有待發出通知所關乎的決議；(c)須經所有提出該要求的股東認證；及(d)須不遲於(i)該要求所關乎的周年股東大會舉行前的6個星期之前；或(ii)(如在上述時間之後送抵本公司的話)該周年股東大會的通知發出之時，送抵本公司。

本公司須(a)按發出有關周年股東大會的通知的同樣方式；及(b)在發出該股東大會的通知的同時，或在發出該股東大會的通知後，在合理的切實可行的範圍內儘快，自費將該決議的通知的文本，送交每名有權收到該股東大會通知的股東。

合資格股東可要求本公司向有權收到該股東大會通知的股東傳閱一份字數不多於1,000字的陳述書(「陳述書」)，概述(a)擬在該股東特別大會上動議的決議所提及的事宜及(b)擬在該股東特別大會上處理的其他事項。

要求傳閱陳述書的合資格股東無需就要求傳閱以下陳述書支付本公司招致之傳閱費用：(a)有關要求所關乎的股東大會，是本公司的周年股東大會；及(b)本公司及時收到足以令本公司須傳閱該陳述書的要求，使本公司在發出該股東大會的通知的同時，能夠送交陳述書的文本。在其他情況下，要求傳閱陳述書的股東需支付本公司招致之傳閱費用，否則本公司無須遵守有關傳閱陳述書之規定，除非：(a)本公司通過決議，議決要求傳閱有關陳述書的股東無需支付本公司招致之傳閱費用；及(b)除非在不遲於有關股東大會前7日，本公司收到一筆按理足以支付本公司招致之傳閱費用的款項，或向本公司交出該筆款項(但如本公司先前已通過決議，議決要求傳閱有關陳述書的股東無需支付本公司之傳閱費用，則屬例外)。

(3) 股東向董事會查詢

股東可向董事會作出書面查詢，送交本公司之註冊辦事處，地址為香港中環雲咸街40-44號雲咸商業中心24樓，並以董事會為收件人，並須註明查詢之性質及理由。此外，股東如對其持股量有任何疑問，可聯絡本公司之過戶登記處卓佳準誠有限公司。

Corporate Governance Report

企業管治報告

CONSTITUTIONAL DOCUMENTS

There was no change in the Articles of Association of the Company during the year. A copy of the latest version is available on the website of the Stock Exchange and the Company's website.

DISCLAIMER

The contents of the section headed "Shareholders' Rights" are for reference and disclosure compliance purposes only. The information does not represent and should not be regarded as legal or other professional advice from the Company to the Shareholders. Shareholders should seek their own independent legal or other professional advice as to their rights as Shareholders. The Company disclaims all liabilities and losses incurred by the Shareholders in reliance on any contents of the section headed "Shareholders' Rights".

章程文件

於本年度，本公司組織章程細則並無變動。最新版本之副本可於本公司及聯交所網站查閱。

免責聲明

「股東權利」一節之內容僅供參考及合規披露。該等資料並不代表且不應被視為由本公司向股東發出之法律或其他專業意見。股東須就其作為股東之權利自行尋求獨立法律或其他專業意見。本公司並不就股東因依賴「股東權利」一節所載任何內容而產生之責任及損失負責。

Independent Auditor's Report

獨立核數師報告

Deloitte.

To the Members of
ZH International Holdings Limited
正恒國際控股有限公司
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of ZH International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 86 to 198, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

德勤

致：正恒國際控股有限公司全體股東

(於香港註冊成立之有限公司)

意見

我們已審核載於第86頁至198頁正恒國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此等財務報表包括於二零一七年十二月三十一日之綜合財務狀況報表及截至該日止年度之綜合損益及其他全面收益賬、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實公平地反映 貴集團於二零一七年十二月三十一日之綜合財務狀況及 貴集團截至該日止年度之綜合財務表現和綜合現金流量，並已按照香港公司條例之規定妥為編製。

意見之基礎

我們已根據香港會計師公會頒佈之香港審核準則(「香港審核準則」)進行審核。我們就該等準則承擔之責任在本報告核數師就審核綜合財務報表須承擔之責任一節中進一步闡述。根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行守則中之其他專業道德責任。我們相信，我們所獲得之審核憑證能充足及適當地為我們的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters

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

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，對本期綜合財務報表之審核最為重要之事項。此等事項在我們審核整體綜合財務報表及出具意見時進行處理。我們不會對此等事項提供單獨的意見。

Key audit matters

關鍵審核事項

Valuation of investment properties

投資物業之估值

We identified the valuation of investment properties as a key audit matter due to the significant management judgements and estimations associated with determining the fair value.

由於釐定公平值涉及重大管理層判斷及估計，我們將投資物業之估值列為關鍵審核事項。

As disclosed in notes 6 and 14 to the consolidated financial statements, the Group's investment properties were located in Japan, Hong Kong, Singapore and United States of America and their total carrying amount was approximately HK\$795,464,000 as at 31 December 2017 and an increase in fair value of investment properties of approximately HK\$12,380,000 was recognised in the profit for the year then ended.

誠如綜合財務報表附註6及14所披露，於二零一七年十二月三十一日，貴集團之投資物業位於日本、香港、新加坡及美利堅合眾國，彼等之賬面總值為約795,464,000港元，而投資物業之公平值增加約12,380,000港元已於截至該日止年度之溢利內確認。

How our audit addressed the key audit matters

我們的審核如何處理關鍵審核事項

Our procedures in relation to the valuation of investment properties included:

就投資物業之估值，我們執行之審核程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work and the terms of engagement;
- 評估估值師之勝任程度、能力及客觀性，並對估值師的工作範疇及委聘條款取得了解；
- Obtaining an understanding of the valuation process and significant assumptions from the management of the Group and the Valuer to assess whether the approach adopted on valuing individual properties is appropriate;
- 就估值程序及重大假設向貴集團管理層及估值師取得了解，以評估就對個別物業進行估值所採納之方法是否屬恰當；

Independent Auditor's Report

獨立核數師報告

Key audit matters (continued)

關鍵審核事項(續)

Valuation of investment properties (continued)

投資物業之估值(續)

In estimating the fair value of Group's investment properties, the management of the Group worked with the independent qualified professional valuer (the "Valuer") to establish and determine the appropriate valuation model and techniques and inputs. The Group's investment properties were stated at fair value based on the valuations performed by the Valuer. Details of the valuation techniques and key inputs used in the valuations were disclosed in note 14 to the consolidated financial statements. The valuations had been arrived at using income capitalisation method, which were dependent on certain key inputs and assumptions in respect of prevailing market conditions such as capitalisation rate and monthly market rent.

於評估 貴集團投資物業之公平值時， 貴集團管理層與獨立合資格專業估值師(「估值師」)合作，以建立及釐定適當的估值模型及技術及輸入數據。 貴集團之投資物業根據估值師進行之估值按公平值列賬。估值所用之估值技術及主要輸入數據之詳情披露於綜合財務報表附註14。估值乃採用收益資本化法計算，其取決於現行市場條件之若干主要輸入數據及假設，例如資本化率及每月市值租金。

How our audit addressed the key audit matters (continued)

我們的審核如何處理關鍵審核事項(續)

- Evaluating the appropriateness of the estimations used by the management of the Group and the Valuer, in particular, the valuation model and the capitalisation rate used by the management of the Group and the Valuer; and
- 評估 貴集團管理層及估值師所用估計之適當性，尤其是 貴集團管理層及估值師所採用之估值模型及資本化率；及
- Assessing the reasonableness of other key input used in the valuation model by comparing monthly market rent against entity-specific information and market data of the respective relevant property markets.
- 透過將每月市場租金與實體特定資料及各相關物業市場之市場數據進行比較，評估估值模型所用其他主要輸入數據之合理性。

Independent Auditor's Report

獨立核數師報告

Key audit matters (continued) 關鍵審核事項(續)

Assessment of net realisable value of properties under development for sale and properties held for sale 評估待售發展中物業及持作出售之物業之可變現淨值

We identified the net realisable value of properties under development for sale and properties held for sale as a key audit matter due to the significant estimates associated with determining the net realisable value of the properties under development for sale and properties held for sale.

由於釐定待售發展中物業及持作出售之物業之可變現淨值涉及重大估計，我們將待售發展中物業及持作出售之物業之可變現淨值列為關鍵審核事項。

As disclosed in note 16 to the consolidated financial statements, the carrying amount of properties under development for sale and properties held for sale situated in the People's Republic of China (the "PRC") were approximately HK\$15,955,343,000 as at 31 December 2017.

誠如綜合財務報表附註16所披露，於二零一七年十二月三十一日，位於中華人民共和國(「中國」)之待售發展中物業及持作出售之物業之賬面值為約15,955,343,000港元。

How our audit addressed the key audit matters (continued) 我們的審核如何處理關鍵審核事項(續)

Our procedures in relation to the assessment of net realisable value of the properties under development for sale and properties held for sale included:

就評估待售發展中物業及持作出售之物業之可變現淨值，我們執行之審核程序包括：

- Obtaining an understanding from the management of the Group of the management's process for performing impairment assessment of the properties under development for sale and properties held for sale, which is primarily comparing the future selling prices to the underlying expected costs to the construction of complete properties;
- 就對待售發展中物業及持作出售之物業進行減值評估（主要為將未來售價與建造全部物業之相關預期成本進行比較而得出）之管理層程序向 貴集團管理層取得了解；
- Evaluating, on a sample basis, the reasonableness of the management's estimation of the expected total costs of the properties under development for sale that are under active development by comparing total budgeted costs to the sum of the costs incurred and further costs to complete. The budgeted costs were checked, on a sample basis, to the underlying contracts and the costs incurred were checked, on a sample basis, to the surveyor reports;
- 透過比較總預算成本與已產生成本及為完成而進一步所需的成本之和，以按實例基準評估管理層對正在積極開發之待售發展中物業之預計總成本之估計之合理性。預算成本已根據相關合約按實例基準核查，已產生成本已根據鑒定報告按實例基準核查；

Independent Auditor's Report

獨立核數師報告

Key audit matters (continued) 關鍵審核事項(續)

How our audit addressed the key audit matters (continued) 我們的審核如何處理關鍵審核事項(續)

Assessment of net realisable value of properties under development for sale and properties held for sale (continued) 評估待售發展中物業及持作出售之物業之可變現淨值(續)

As set out in note 4 to the consolidated financial statements, the Group carried out assessment on net realisable value at the end of the reporting period and compared to the costs. The management estimates the total costs by reference to the budgeted costs and costs incurred and further costs to complete whereas the future selling prices were estimated by the management of the Group with reference to the recent selling prices of similar properties in the nearby or relevant locations. The properties under development for sale and properties held for sale are expected by the management of the Group to be realised higher than the costs and hence no write down to the net realisable value of properties under development for sale and properties held for sale is required during the current year.

誠如綜合財務報表附註4所載，貴集團於報告期間結算日對可變現淨值進行評估並與成本比較。管理層經參考預算成本、已產生成本及完成所需的進一步成本而估計總成本。然而，未來售價乃貴集團管理層經參考鄰近或相關地點類似物業之近期售價估計而得出。貴集團管理層預計待售發展中物業及持作出售之物業可按高於成本變現。因此，待售發展中物業及持作出售之物業之可變現淨值毋須於本年度進行撇減。

- Assessing the appropriateness of the estimated future selling prices of the properties under development for sale and properties held for sale, on a sample basis, by comparing them to recent transaction prices of similar properties in the nearby or relevant locations in the PRC; and
- 透過比較中國鄰近或相關地點類似物業之近期售價，按實例基準評估待售發展中物業及持作出售之物業之估計未來售價之合理性；及
- Comparing the future selling price of properties held for sale, on a sample basis, to the actual selling price of properties sold subsequent to the end of the reporting period to evaluate the reasonableness of management's estimation.
- 抽樣比較持作出售之物業之未來售價與於報告期間結算日後售出之物業之實際售價，評估管理層估計之合理性。

Independent Auditor's Report

獨立核數師報告

Other Information

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

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

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

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

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括載於年報之資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表之意見並不涵蓋其他資料，我們亦不對其他資料發表任何形式之鑒證結論。

結合我們對綜合財務報表的審核，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況存有重大抵觸，或者似乎存在重大錯誤陳述之情況。基於我們已執行之工作，如果我們認為其他資料有重大錯誤陳述，我們須報告該事實。在此方面，我們沒有任何報告。

董事及管治層就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則以及香港公司條例之規定編製並且真實公平地列報綜合財務報表，並落實董事認為編製綜合財務報表屬必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，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，或別無其他實際之替代方案。

管治層須負責監督 貴集團之財務報告過程。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核財務報表須承擔之責任

我們之目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並出具包括我們意見之核數師報告，並依據香港公司條例第405條僅向全體股東報告我們之意見，除此之外不作其他目的。我們概不就本報告之內容對任何其他人士負責或承擔責任。合理保證是高水平之保證，但不能保證按照香港審核準則進行之審核，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滙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，則有關錯誤陳述可被視作重大。

在根據香港審核準則進行審核之過程中，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，設計及執行審核程序以應對這些風險，以及取得充足和適當的審核憑證，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。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

- 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.
- 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資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能對貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者對綜合財務報表中的相關披露資料的關注。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核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團中實體或業務活動的財務資料獲取充分、適當的審核憑證，以對綜合財務報表發表意見。我們負責貴集團審核的方向、監督和執行。我們對審核意見承擔全部責任。

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

我們與管治層溝通了(其中包括)計劃的審核範圍、時間安排、重大審核發現等事項，包括我們在審核期間識別出內部控制的任何重大缺陷。

Independent Auditor's Report

獨立核數師報告

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

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

The engagement partner on the audit resulting in the independent auditor's report is Ka-Lai Man.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 March 2018

我們亦向管治層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通所有合理地被認為會影響我們獨立性的關係和其他事項，以及在適用的情況下，相關的防範措施。

從與管治層溝通的事項中，我們決定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。我們會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，若有合理預期在我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人是文嘉麗。

德勤•關黃陳方會計師行
執業會計師
香港

二零一八年三月二十八日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

綜合損益及其他全面收益賬

截至二零一七年十二月三十一日止年度

		NOTES	2017	2016
		附註	二零一七年 HK\$'000 千港元	二零一六年 HK\$'000 千港元
Revenue	收益	5	1,271,982	79,569
Cost of sales and services provided	銷售及所提供服務之成本		(846,349)	(18,217)
Gross profit	毛利		425,633	61,352
Other income	其他收入		4,757	2,273
Other gains and losses	其他收益及虧損	6	(4,682)	(24,776)
Administrative expenses	行政開支		(83,414)	(57,170)
Sales and marketing expenses	銷售及市場推廣開支		(56,353)	(13,897)
Finance costs	融資成本	7	(10,974)	(19,753)
Profit (loss) before taxation	除稅前溢利(虧損)	8	274,967	(51,971)
Income tax expenses	所得稅開支	9	(122,652)	(4,614)
Profit (loss) for the year	年度溢利(虧損)		152,315	(56,585)
Other comprehensive income (expense)	其他全面收益(開支)			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>於隨後可能重新分類至損益之項目：</i>			
Exchange difference arising on translation of foreign operations	因換算海外業務而產生之匯兌差額		64,485	(27,640)
Total comprehensive income (expense) for the year	年內全面收益(開支)總額		216,800	(84,225)
Profit (loss) for the year attributable to:	應佔年內溢利(虧損)：			
Owners of the Company	本公司擁有人		152,456	(56,702)
Non-controlling interests	非控股權益		(141)	117
			152,315	(56,585)
Total comprehensive income (expense) attributable to:	應佔全面收益(開支)總額：			
Owners of the Company	本公司擁有人		216,489	(85,284)
Non-controlling interests	非控股權益		311	1,059
			216,800	(84,225)
Earnings (loss) per share (HK cent)	每股盈利(虧損)(港仙)	12		
Basic	基本		2.47	(0.97)

Consolidated Statement of Financial Position

At 31 December 2017

綜合財務狀況報表

於二零一七年十二月三十一日

		NOTES	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	23,810	20,625
Investment properties	投資物業	14	795,464	582,448
Pledged deposits	已抵押按金	15	63,379	4,148
			<hr/>	<hr/>
			882,653	607,221
Current assets	流動資產			
Inventories	存貨		286	199
Properties held for sale	持作出售之物業	16	1,500,042	–
Properties under development for sale	待售發展中物業	16	14,455,301	1,438,523
Deposits paid for land acquisitions	已付土地收購按金	17	3,766,461	1,030,622
Accounts receivable, deposits and prepayments	應收賬款、按金及預付款項	18	239,410	57,397
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	19	175,242	187,403
Tax recoverable	可收回稅項		173,909	68,067
Pledged deposits	已抵押按金	15	55,795	8,646
Restricted bank balances	受限制銀行結餘	15	194,387	27,561
Bank balances and cash	銀行結餘及現金	15	823,539	230,359
			<hr/>	<hr/>
			21,384,372	3,048,777
Investment properties classified as held for sale	分類為持作出售之投資物業	20	2,833	42,187
			<hr/>	<hr/>
			21,387,205	3,090,964
Current liabilities	流動負債			
Accounts payable, deposits received and accruals	應付賬款、已收按金及應計費用	21	2,225,563	174,582
Deposits received and receipts in advance from property buyers	已收及預收物業買家之按金	22	3,147,923	901,455
Amounts due to related companies	應付關連公司款項	24	2,878,297	77,475
Loans from a related company	來自一間關連公司之貸款	25	3,197,920	1,052,105
Bank and other borrowings – due within one year	銀行及其他借貸 – 於一年內到期	23	4,637,626	157,550
Tax liabilities	稅項負債		146,583	8,765
			<hr/>	<hr/>
			16,233,912	2,371,932
Net current assets	流動資產淨值		<hr/>	<hr/>
			5,153,293	719,032
Total assets less current liabilities	資產總值減流動負債		<hr/>	<hr/>
			6,035,946	1,326,253

Consolidated Statement of Financial Position

At 31 December 2017

綜合財務狀況報表

於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	26	716,706	716,706
Reserves	儲備		662,894	446,405
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		1,379,600	1,163,111
Non-controlling interests	非控股權益		(5,782)	(6,093)
Total equity	權益總額		1,373,818	1,157,018
Non-current liabilities	非流動負債			
Rental deposits received	已收租賃按金		6,711	768
Loans from a related company	來自一間關連公司之貸款	25	–	109,535
Bank and other borrowings – due after one year	銀行及其他借貸 – 於一年後到期	23	4,646,849	47,375
Deferred tax liabilities	遞延稅項負債	27	8,568	11,557
			4,662,128	169,235
Total equity and non-current liabilities	權益及非流動負債總額		6,035,946	1,326,253

The consolidated financial statements on pages 86 to 198 were approved and authorised for issue by the Board of Directors on 28 March 2018 and are signed on its behalf by:

第86至198頁之綜合財務報表已於二零一八年三月二十八日由董事會批准及授權刊發，並由下列董事代表簽署：

Zhang Jingguo
張敬國
DIRECTOR
董事

Zhang Guoqiang
張國強
DIRECTOR
董事

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

綜合權益變動表

截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔權益								
		Share capital	Capital reduction reserve	Exchange reserve	Statutory reserve	Property revaluation reserve	Retained earnings	Total	Non-controlling interests	Total
		股本	資本削減儲備	外匯儲備	法定儲備	物業重估儲備	保留盈餘	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(Note i) (附註i)	(Note ii) (附註ii)				
At 1 January 2016	於二零一六年一月一日	557,626	149,180	(23,576)	-	17,036	398,515	1,098,781	(7,178)	1,091,603
(Loss) profit for the year	年度(虧損)/溢利	-	-	-	-	-	(56,702)	(56,702)	117	(56,585)
Exchange difference arising on translation of foreign operations	因換算海外業務而產生之匯兌差額	-	-	(28,582)	-	-	-	(28,582)	942	(27,640)
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	-	-	(28,582)	-	-	(56,702)	(85,284)	1,059	(84,225)
Issue of shares under share subscription (note 26)	根據股份認購發行股份(附註26)	159,080	-	-	-	-	-	159,080	-	159,080
Acquisition of additional interests in subsidiaries	收購附屬公司額外權益	-	-	-	-	-	(115)	(115)	115	-
Disposal of subsidiaries (note 28)	出售附屬公司(附註28)	-	-	(9,351)	-	-	-	(9,351)	(89)	(9,440)
At 31 December 2016	於二零一六年十二月三十一日	716,706	149,180	(61,509)	-	17,036	341,698	1,163,111	(6,093)	1,157,018
Profit (loss) for the year	年度溢利(虧損)	-	-	-	-	-	152,456	152,456	(141)	152,315
Exchange difference arising on translation of foreign operations	因換算海外業務而產生之匯兌差額	-	-	64,033	-	-	-	64,033	452	64,485
Total comprehensive income for the year	年內全面收益總額	-	-	64,033	-	-	152,456	216,489	311	216,800
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	5,577	-	(5,577)	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	716,706	149,180	2,524	5,577	17,036	488,577	1,379,600	(5,782)	1,373,818

Notes:

附註:

- (i) The statutory reserve of the Group refers to the People's Republic of China (the "PRC") statutory reserve fund. Appropriations to such reserve fund are made out of profit after tax as recorded in the statutory financial statements of the PRC subsidiaries. The amount should not be less than 10% of the profit after tax as recorded in the statutory financial statements unless the aggregate amount exceeds 50% of the registered capital of the PRC subsidiaries. The statutory reserve can be used to make up prior year losses, if any, and can be applied in conversion into the PRC subsidiaries' capital by means of capitalisation issue.
- (ii) Property revaluation reserve represents the gain on revaluation of the property, plant and equipment upon transfer to investment properties.
- (i) 本集團法定儲備指中華人民共和國(「中國」)法定儲備基金。向該儲備基金作出之撥款乃撥自中國附屬公司法定財務報表之除稅後溢利。所撥金額不得低於法定財務報表所錄得之除稅後溢利之10%，除非總額超過中國附屬公司註冊資本之50%。法定儲備可用作彌補中國附屬公司之往年虧損(如有)，並可用作以資本化發行方式兌換為中國附屬公司之股本。
- (ii) 物業重估儲備指物業、廠房及設備轉撥至投資物業之重估收益。

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

綜合現金流量表

截至二零一七年十二月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Operating activities	經營業務		
Profit (loss) before taxation	除稅前溢利(虧損)	274,967	(51,971)
Adjustments for:	經下列各項調整：		
Decrease in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值減少	13,995	23,417
Increase in fair value of investment properties	投資物業之公平值增加	(12,380)	(1,399)
Bad debts written-off in respect of accounts receivable	就應收賬款撇銷壞賬	671	387
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,067	1,002
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(25)	-
Gain on disposal of an associate	出售一間聯營公司之收益	-	(8,367)
Loss on disposal of subsidiaries	出售附屬公司之虧損	-	13,128
Interest income	利息收入	(4,617)	(334)
Finance costs	融資成本	10,974	19,753
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	284,652	(4,384)
(Increase) decrease in financial assets at fair value through profit or loss	按公平值計入損益之金融資產(增加)減少	(454)	1,078
(Increase) decrease in inventories	存貨(增加)減少	(87)	59
Increase in accounts receivable, deposits and prepayments	應收賬款、按金及預付款項增加	(179,853)	(64,074)
Increase in restricted bank deposits	受限制銀行存款增加	(166,826)	(26,241)
Increase in properties under development for sale	待售發展中物業增加	(12,810,716)	(676,680)
Increase in properties held for sale	持作出售之物業增加	(1,500,042)	-
Increase in deposits paid for land acquisitions	已付土地收購按金增加	(2,657,938)	(1,030,622)
Increase in accounts payable, deposits received and accruals	應付賬款、已收按金及應計費用增加	2,029,443	109,535
Increase in deposits received and receipts in advance from property buyers	已收及預收物業買家之按金增加	2,178,330	847,485
Cash used in operating activities	經營業務所用現金	(12,823,491)	(843,844)
Tax paid	已繳稅項	(89,005)	(63,789)
Net cash used in operating activities	經營業務所用現金淨額	(12,912,496)	(907,633)

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

綜合現金流量表

截至二零一七年十二月三十一日止年度

		Notes	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		附註		
Investing activities	投資活動			
Interest received	已收利息		4,617	334
Purchase of investment properties	購入投資物業		(214,849)	(291,178)
Purchase of property, plant and equipment	購入物業、廠房及設備		(3,790)	(207)
Proceeds from disposal of investment properties	出售投資物業所得款項		87,209	24,574
Proceeds from disposal of an associate	出售一間聯營公司所得款項		-	8,367
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		68	-
Release of pledged deposits	解除已抵押按金		3,821	30,669
Placement of pledged deposits	存放已抵押按金		(110,201)	(10,992)
Repayment from former subsidiaries after deemed disposal of subsidiaries	視作出售附屬公司後之前附屬公司還款		-	117,183
Net cash outflow from deemed disposal of subsidiaries	視作出售附屬公司之現金流出淨額	28(a)	-	(19,978)
Net cash used in investing activities	投資活動所用現金淨額		(233,125)	(141,228)
Financing activities	融資活動			
New bank and other borrowings raised	新造銀行及其他借貸		9,773,270	240,589
Repayment of bank and other borrowings	償還銀行及其他借貸		(703,058)	(40,177)
Interest paid	已付利息		(86,621)	(16,973)
Proceeds from issuance of shares under share subscription	根據股份認購發行股份之所得款項	26	-	159,080
Repayment to ultimate holding company	償還最終控股公司款項		-	(26,740)
Advance from related companies	預收關連公司款項		2,840,376	71,351
Repayment to related companies	償還關連公司款項		(52,571)	-
Loans advance from a related company	一間關連公司墊付貸款		11,464,788	997,124
Loans repaid to a related company	償還一間關連公司貸款		(9,516,900)	(299,352)
Net cash from financing activities	融資活動所得現金淨額		13,719,284	1,084,902
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額		573,663	36,041
Cash and cash equivalents at the beginning of the year	於年初之現金及現金等值項目		230,359	195,039
Effect of foreign exchange rate changes	外匯匯率變動影響		19,517	(721)
Cash and cash equivalents at the end of the year	於年末之現金及現金等值項目		823,539	230,359

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

1. GENERAL

ZH International Holdings Limited (the “Company”) is a public limited liability company incorporated in Hong Kong with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

Its immediate and ultimate holding company is Joy Town Inc., a private company incorporated in the British Virgin Islands with limited liability which is controlled by Ms. Huang Yanping (“Ms. Huang”), a non-executive director of the Company and spouse of Mr. Zhang Jingguo (“Mr. Zhang”), Chairman of the Company. The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 40. The Company and its subsidiaries are hereinafter collectively referred to as the Group.

The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is the same currency as the functional currency of the Company.

1. 一般資料

正恒國際控股有限公司(「本公司」)為在香港註冊成立之上市有限公司，其股份在香港聯合交易所有限公司(「聯交所」)主板上市。

其直接及最終控股公司Joy Town Inc.為一間於英屬處女群島註冊成立之有限私營公司，由本公司一名非執行董事Huang Yanping女士(「Huang女士」，為本公司主席張敬國先生(「張先生」)之配偶)控制。本公司為一間投資控股公司。其附屬公司主要業務載於附註40。本公司及其附屬公司以下統稱本集團。

本公司之註冊辦事處地址及主要營業地點於年度報告「公司資料」一節中披露。

綜合財務報表以本公司之功能貨幣港元(「港元」)呈列。

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效之香港財務報告準則之修訂

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

香港會計準則第7號修訂本	主動披露
香港會計準則第12號修訂本	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號修訂本	作為二零一四年至二零一六年週期香港財務報告準則年度改進之一部分

除以下所述者外，於本年度應用香港財務報告準則之修訂對本集團於本年度及過往年度之表現及財務狀況及／或該等財務報表內所載之披露資料並無重大影響。

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

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

Amendments to HKAS 7 Disclosure Initiative

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

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

A reconciliation between the opening and closing balances of these items is provided in note 31. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 31, the application of these amendments has had no impact on the Group's consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第7號修訂本主動披露

本集團已於本年度首次應用該修訂本。該修訂本要求實體作出披露，以便財務報表使用者可評估融資活動所引致之負債變動，包括現金及非現金變動。此外，該修訂本亦要求，當金融資產之現金流量已經或其未來現金流量將會計入融資活動之現金流量時，實體須披露該等金融資產之變動。

具體而言，該修訂本規定須披露以下資料：(i) 融資現金流量所產生變動；(ii) 取得或失去對附屬公司或其他業務之控制權所產生變動；(iii) 外匯匯率變動之影響；(iv) 公平值變動；及(v) 其他變動。

有關該等項日期初及期末結餘之對賬載於附註31。根據該修訂本之過渡條文，本集團並無披露上一年度之比較資料。除附註31之額外披露外，應用該修訂本對本集團綜合財務報表並無產生影響。

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

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

New and revised to HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ²

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

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

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收益及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價 ¹
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理之不確定性 ²
香港財務報告準則第2號修訂本	以股份為基礎付款交易之分類及計量 ¹
香港財務報告準則第4號修訂本	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號金融工具 ¹
香港財務報告準則第9號修訂本	具有負補償的提早還款特性 ²
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司或合營企業之間之資產出售或注入 ³
香港會計準則第28號修訂本	於聯營公司及合營企業之長期權益 ²
香港會計準則第28號修訂本	作為二零一四年至二零一六年週期香港財務報告準則年度改進之一部分 ¹
香港會計準則第40號修訂本	轉讓投資物業 ¹
香港財務報告準則修訂本	二零一五年至二零一七年週期香港財務報告準則之年度改進 ²

¹ 於二零一八年一月一日或之後開始之年度期間生效

² 於二零一九年一月一日或之後開始之年度期間生效

³ 於決定生效當日或之後開始之年度期間生效

⁴ 於二零二一年一月一日或之後開始之年度期間生效

除下文所述之新訂香港財務報告準則及香港財務報告準則之修訂外，本公司董事預期應用所有其他新訂香港財務報告準則及香港財務報告準則之修訂以及詮釋於可見將來將不會對本集團綜合財務報表產生重大影響。

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

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

HKFRS 9 Financial instruments

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

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

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 *Financial instruments: Recognition and measurement*. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具

香港財務報告準則第9號引入分類及計量金融資產、金融負債、一般對沖會計法及金融資產減值要求之新規定。

與本集團有關之香港財務報告準則第9號主要規定所述如下：

- 於香港財務報告準則第9號範圍內所有已確認金融資產其後須按攤銷成本或公平值計量，特別是就以業務模式持有以收取合約現金流量為目的之債務投資，及純粹為支付本金及未償還本金利息而擁有合約現金流量之債務投資，則一般於後續會計期間末按攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產之業務模式中持有之債務工具，以及合約條款令於特定日期產生之現金流純粹為支付本金及尚未償還本金利息之債務工具，一般按透過按公平值計量計入其他全面收益之方式計量。所有其他金融資產均於後續會計期間按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇，以於其他全面收益呈報股本投資(並非持作買賣者)公平值之其後變動，惟獨股息收入一般於損益確認。
- 就金融資產減值而言，與香港會計準則第39號金融工具：確認及計量項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件後方確認信貸虧損。

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

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

HKFRS 9 Financial instruments (continued)

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

Classification and measurement:

- Loan receivables carried at amortised cost as disclosed in note 30: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9; and
- Real Estate Investment Trust (“REIT”) securities designated as at fair value through profit or loss as disclosed in note 19: the contractual terms of these securities give rise to cash flows on specified dates that are not payments of principal and interest on the principal outstanding. Accordingly, these REIT securities will continue to be measured at fair value with subsequent fair value gains or losses to be recognised in profit or loss upon the application of HKFRS 9.
- Except for financial assets which are subject to expected credit loss model upon application of HKFRS 9, all financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

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

分類及計量：

- 附註30所披露按攤銷成本入賬之應收貸款：彼等以收取純粹為支付本金及尚未償還本金利息之合約現金流量作為目的業務模式下持有。因此，於應用香港財務報告準則第9號時，該等金融資產後續將繼續按攤銷成本計量；及
- 附註19所披露指定為按公平值計入損益之房地產投資信託(「房地產投資信託」)證券：該等證券之合約條款於指定日期產生並非支付本金及尚未償還本金利息之現金流量。因此，於應用香港財務報告準則第9號時，該等房地產投資信託證券將繼續按公平值計量，其後公平值收益或虧損於損益確認。
- 除於應用香港財務報告準則第9號時須受預期信貸虧損模式規限之金融資產外，所有金融資產及金融負債將繼續按與目前根據香港會計準則第39號計量之相同基準計量。

Notes to the Consolidated Financial Statements

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

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

HKFRS 9 Financial instruments (continued)

Impairment:

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

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the impact is not expected to be material on the accumulated amount of impairment loss to be recognised by the Group as at 1 January 2018 as compared to the accumulated amount recognised under HKAS 39.

HKFRS 15 Revenue from Contracts with Customers

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

減值：

一般而言，本公司董事預期應用香港財務報告準則第9號之預期信貸虧損模式，將導致就有關本集團按攤銷成本計量之金融資產，以及於本集團應用香港財務報告準則第9號時須作出減值撥備之應收租賃款項及財務擔保合約之尚未產生信貸虧損需提早作出撥備。

根據本公司董事之評估，倘本集團應用預期信貸虧損模式，與根據香港會計準則第39號確認之累計金額相比，預期對本集團於二零一八年一月一日將確認之減值虧損累計金額之影響並不重大。

香港財務報告準則第15號客戶合約收益

香港財務報告準則第15號經已頒佈，其制定一項單一全面模式供實體用作將來自客戶合同所產生之收益入賬。於香港財務報告準則第15號生效後，將取代現時之收益確認指引，包括香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入確認收益之5個步驟：

- 第1步：確定客戶之合同
- 第2步：確定合同內的履約承擔
- 第3步：釐定交易價格
- 第4步：將交易價格分攤至合同內的履約承擔
- 第5步：當實體符合履約承擔時確認收益

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

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

HKFRS 15 Revenue from Contracts with Customers (continued)

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

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

The directors of the Company assessed the potential impacts of HKFRS 15 on the Group’s contracts with customers in respect of sales of properties, in particular, the identification of performance obligations under HKFRS 15, the allocation of total consideration to the respective performance obligations based on relative fair values and whether these contracts contain significant financing components. Furthermore, revenue on sales of properties will be recognised when customers obtain control over the properties under HKFRS 15 as compared to upon transfer of significant risks and rewards of ownership under HKAS 18. These impacts may potentially affect the timing and amounts of revenue recognition.

HKFRS 16 Leases

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第15號客戶合約收益(續)

根據香港財務報告準則第15號，實體應於達成履約承擔時確認收益，即於特定履約承擔相關之商品或服務「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況之處理方法加入更明確指引。此外，香港財務報告準則第15號要求更詳盡之披露。

二零一六年，香港會計師公會頒佈對香港財務報告準則第15號之澄清，內容有關識別履約責任、主體對代理代價及發牌之應用指引。

本公司董事評估香港財務報告準則第15號對本集團有關出售物業之客戶合約之潛在影響，尤其是確認於香港財務報告準則第15號項下之履約責任、基於有關公平值向有關履約責任分配總代價及該等合約是否包含籌資重大組成部分。此外，根據香港財務報告準則第15號，出售物業之收益將於客戶取得對該等物業之控制權時確認，而根據香港會計準則第18號，有關收益將於轉讓擁有權之重大風險及回報時確認。該等影響可能對收益確認之時間及金額造成影響。

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入一個全面模式。香港財務報告準則第16號生效後，將取代香港會計準則第17號租賃及相關詮釋。

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

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For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

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

HKFRS 16 Leases (continued)

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

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

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK\$2,247,000 as disclosed in note 33. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

使用權資產初步按成本計量，其後按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就任何重新計量之租賃負債作出調整。租賃負債初步按租賃付款(非當日支付)之現值計量。隨後，租賃負債就(其中包括)利息及租賃付款以及租賃修訂之影響作出調整。就現金流量之分類而言，本集團目前將預付租賃付款作為分類為投資物業的租賃土地的相關投資現金流量予以呈列，而其他經營租賃付款則作為經營現金流量予以呈列。應用香港財務報告準則第16號後，本集團將與租賃負債相關之租賃付款分配至本金及利息部分，並將作為融資現金流量呈列。

相對承租人會計處理而言，香港財務報告準則第16號大致轉承香港會計準則第17號之出租人會計法規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求更為廣泛之披露。

於二零一七年十二月三十一日，本集團擁有不可撤銷經營租賃承擔2,247,000港元(如附註33所披露)。初步評估顯示該等安排將符合租賃之定義。應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及對應負債。

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

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

HKFRS 16 Leases (continued)

In addition, the Group currently considers refundable rental deposits paid of HK\$110,000 and refundable rental deposits received of HK\$8,018,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the initial measurement of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

此外，本集團目前將已付可退回租賃按金110,000港元及已收可退回租賃按金8,018,000港元視為香港會計準則第17號適用之租賃下之權利及責任。根據香港財務報告準則第16號租賃付款之定義，有關按金並非與相關資產使用權有關之款項，因此，該等按金之賬面值可能會調整為攤銷成本，有關調整被視為額外租賃付款。已付可退回租賃按金之調整會計入初步計量之使用權資產內，而已收可退回租賃按金之調整則初步確認之被視為預付租賃款項。

此外，應用新規定可能導致上文所述之計量、呈列及披露有所變動。

3. 主要會計政策

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

誠如以下載列之會計政策所述，除於各報告期間結算日按公平值計量之投資物業及若干金融工具外，綜合財務報表已按歷史成本法編製。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

3. 主要會計政策(續)

歷史成本一般按換取貨品及服務時所給予代價之公平值計算。

公平值是指在市場參與者於計量日期按有秩序交易出售資產時將收取之價格或轉讓負債時將支付之價格，不論該價格是否直接可觀察或採用另一項估值方法作出估計。於估計資產或負債之公平值時，本集團計及市場參與者於計量日期就該資產或負債進行定價時將會考慮之有關資產或負債特徵。於該等綜合財務報表中用作計量及／或披露用途之公平值均按此基準釐定，惟香港財務報告準則第2號股份付款範疇內之以股份為基礎付款交易、香港會計準則第17號租賃範疇內之租賃交易及與公平值類似但並非公平值之計量(例如，香港會計準則第2號存貨中之可變現淨值或香港會計準則第36號資產減值中之使用價值)除外。

非金融資產之公平值計量計及市場參與者通過使用其資產之最高及最佳用途或將其出售予將使用其最高及最佳用途之另一市場參與者而能夠產生經濟利益之能力。

就按公平值交易之投資物業以及於其後期間計量公平值時使用不可觀察輸入數據之估值方法而言，估值方法會予以校準以使估值方法結果與交易價相等。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

3. 主要會計政策(續)

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及公平值計量之輸入數據對其整體之重要性分類為第一級、第二級或第三級，詳情闡述如下：

- 第一級輸入數據指實體於計量日可取得之相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據指除第一級所包括之報價外，自資產或負債可直接或間接觀察之輸入數據；及
- 第三級輸入數據指資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司以及由本公司及其附屬公司控制之實體之財務報表。本公司在下列情況下取得控制權：

- 有權控制被投資公司；
- 自參與被投資公司營運所得浮動回報之承擔或權利；及
- 能夠運用其權利影響回報。

倘事實及情況顯示以上所列之三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資公司。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Basis of consolidation (continued)

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

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

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

綜合基準(續)

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於年內購入或出售之附屬公司收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益賬內。

損益表及其他全面收益表之各項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

附屬公司之財務報表於必要時作出調整，以使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、權益、收入、開支及現金流量(與本集團成員公司間之交易有關)均於綜合賬目時悉數對銷。

本集團於現有附屬公司擁有權之變動

本集團對現有附屬公司擁有權益之變動如並無導致本集團失去對該等附屬公司之控制權，將作為權益交易入賬。本集團相關權益組成部分及非控股權益之賬面值已作出調整，以反映其於附屬公司之相關權益變動，包括按照本集團與非控股權益之權益比例，將本集團與非控股權益之間的相關儲備重新歸屬。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

3. 主要會計政策(續)

本集團於現有附屬公司擁有權之變動(續)

非控股權益所作調整之金額與已付或已收代價之公平值兩者之間之任何差額，均直接於權益中確認並歸屬於本公司股東。

當本集團失去對一間附屬公司之控制權時，該附屬公司及非控股權益(如有)之資產及負債取消確認。收益或虧損於損益中確認，並按：(i)已收代價公平值及任何保留權益公平值總額與(ii)本公司擁有人應佔附屬公司之資產(包括商譽)及負債之原先賬面值之間之差額計算。所有原先於其他全面收益確認有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則所指定/准許者重新分類至損益或轉撥至另一類別權益)。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據香港會計準則第39號於其後入賬時被列作初步確認之公平值，或(如適用)於聯營公司或合營企業投資之初步確認成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the property) is included in the profit or loss in the period in which the property is derecognised.

Owner-occupied properties are transferred to investment properties when and only when there is a change in use evidenced by end of owner occupation. At the date of transfer, the properties (including prepaid lease payments) are measured at their fair value, with any gain being recognised in other comprehensive income and accumulated in "property revaluation reserve", which will not be reclassified to profit or loss at the time of disposal (it will instead be transferred to retained earnings at the time of disposal).

投資物業

投資物業為持有以賺取租金及／或資本增值之物業。投資物業包括持作尚未確定日後用途之土地，其被視為持有作資本增值用途。

投資物業初步以成本計量，包括任何直接應佔開支。於初步確認後，投資物業以公平值計量。本集團所有以經營租賃持有以賺取租金或作資本增值之物業權益均分類為投資物業入賬，並按公平值模式計量。因投資物業公平值變動所產生之收益或虧損於產生期間計入損益。

投資物業於出售或當該項投資物業永久不再使用且預期於出售後不會產生未來經濟利益時取消確認。取消確認物業產生之任何收益或虧損(按該物業之出售所得款項淨額與賬面值之間之差額計算)於取消確認該物業期間計入損益。

於有跡象顯示業主所佔用物業之使用情況於業主佔有期滿後出現變動時，業主所佔用物業轉撥至投資物業。於轉撥當日，該等物業(包括預付租賃款項)以公平值計量，任何收益均於其他全面收益確認，並於「物業重估儲備」中累計，惟於出售時將不會重新分類為損益(反而在出售時將轉撥至保留盈利)。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Non-current assets held for sale

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

Investment properties classified as held for sale are measured using the fair value model in accordance with HKAS 40 *Investment Property*.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation (except for freehold land) and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than freehold land) over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

持作出售非流動資產

非流動資產將於其大部分賬面值可透過銷售交易而非持續使用予以收回時分類為持作出售。僅於資產在其現況可供即時出售，且很大可能可自資產重新分類為持作出售之日起計一年內完成出售之情況下，將視作達成條件。管理層必須致力達成出售，並應預期自分類日期起一年內可確認完成有關出售。

被分類為持作出售之投資物業乃根據香港會計準則第40號投資物業按公平值模式計量。

物業、廠房及設備

物業、廠房及設備在綜合財務狀況報表按成本減其後累計折舊(永久業權土地除外)及累計減值虧損(如有)入賬。

折舊按撇銷物業、廠房及設備項目(永久業權土地除外)成本以直線法於估計可用年內計及其估計剩餘價值確認。估計可使用年期、剩餘價值及折舊法於各報告期間結算日審閱，任何估計變動之影響按前瞻基準入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Freehold land is not depreciated.

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

Properties under development for sale

Properties under development which are intended to be held for sale are carried at lower of cost and net realisable value and are shown as current assets. Net realisable value is determined by reference to estimated selling price less anticipated costs to completion of the development and costs to be incurred in marketing and selling the completed properties.

Cost includes the costs of land, development expenditure incurred and, where appropriate, borrowing costs capitalised during construction period.

Properties under development are transferred to properties held for sale when the relevant completion certificates are issued by the respective government authorities.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by apportionment of the total land and development costs attributable to the properties held for sale. Net realisable value is determined based on prevailing market conditions.

3. 主要會計政策(續)

物業、廠房及設備(續)

永久業權土地不計提折舊。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。出售或報廢物業、廠房及設備項目產生之任何收益或虧損按該資產之出售所得款項與賬面值間之差額釐定，並於損益確認。

待售發展中物業

發展中待售物業乃按成本及可變現淨值兩者中之較低者入賬並列作流動資產。可變現淨值透過參考估計售價減預計發展完成之成本及將於營銷及銷售落成物業時產生之成本釐定。

成本包括土地成本，產生之發展開支，並在適當情況下包括建造期間內作資本化之借款費用。

待相關政府部門出具相應的完工證明時，發展中待售物業結轉至待售物業。

持作出售之物業

持作出售之物業按成本及可變現淨值兩者之較低者列賬。成本乃按持作出售之物業應佔之土地及發展成本總額釐定。可變現淨值乃根據現行市況釐定。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Impairment on property, plant and equipment

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

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

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

物業、廠房及設備之減值

於報告期間結算日，本集團審閱其物業、廠房及設備之賬面值，以釐定該等資產是否出現任何減值虧損跡象。倘存在任何有關跡象，則將估計有關資產之可收回金額，以釐定減值虧損程度(如有)。

倘無法個別估計資產之可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理且一致之分配基準，則公司資產亦獲分配至個別現金產生單位，或分配至可識別合理且一致分配基準之最小現金產生單位組別。

可收回金額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，估計未來現金流量使用可反映現時市場對貨幣時間價值之評估及該資產(或現金產生單位)特有之風險(未來現金流量之估計並無就此作調整)之稅前貼現率，貼現至其現值。

倘資產之可收回金額估計少於其賬面值，則該資產之賬面值將減至其可收回金額。減值虧損即時於損益確認。

倘減值虧損於其後撥回，則該資產之賬面值將增至其經修訂估計可收回金額，但因此增加之賬面值不會超逾資產於過往年度倘並無確認減值虧損而原應釐定之賬面值。減值虧損撥回即時於損益確認。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Financial instruments

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

Financial assets

The Group’s financial assets are classified into Financial assets at FVTPL and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

金融工具

金融資產及金融負債於集團實體成為工具合約條文之訂約方時確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益(「按公平值計入損益」)之金融資產及金融負債除外)直接應佔之交易成本於初步確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值扣除(如適用)。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本隨即於損益確認。

金融資產

本集團之金融資產分為按公平值計入損益之金融資產及貸款及應收款項。分類取決於該等金融資產之性質及用途並於初步確認時釐定。所有定期購買或銷售金融資產按交易日基準確認及取消確認。定期購買或銷售指須於市場規例或慣例設定之時限內交付資產之金融資產購買或銷售。

實際利息法

實際利息法為計算債務工具之攤銷成本及分配相關期間利息收入之方法。實際利率為於初步確認時按金融資產之預計年期或較短期間(如適用)準確貼現估計未來現金收入(包括構成實際利率不可或缺部分之一切已付或已收費用、交易成本及其他溢價或折讓)至賬面淨值之利率。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method (continued)

Interest income is recognised on an effective interest basis, except for short-term receivables where the recognition of interest would be immaterial.

Financial assets at FVTPL

Financial assets at FVTPL of the Group are financial assets held for trading and designated as at FVTPL. A financial asset is classified as held for trading if:

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

實際利息法(續)

利息收入按實際利率基準確認，惟短期應收款項除外，其確認利息並不重大。

按公平值計入損益之金融資產

本集團按公平值計入損益之金融資產為持作買賣之金融資產及指定為按公平值計入損益。金融資產於下列情況下獲分類為持作買賣：

- 購入之主要目的為於不久將來出售；或
- 於初步確認時，其為本集團及本公司共同管理已識別金融工具組合之一部分，並有短期獲利之最近實際模式；或
- 其為並非指定且不能有效作為對沖工具之衍生工具。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

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

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in other gains and losses in the profit or loss. Fair value is determined in the manner described in note 30(c).

金融工具(續)

金融資產(續)

按公平值計入損益之金融資產(續)

金融資產(可由收購者支付作為業務合併一部分的持作買賣金融資產或或然代價除外)可於初步確認時被指定為按公平值計入損益，倘：

- 有關指定消除或大幅減少出現不一致之計量或確認歧異；或
- 該金融資產構成一組金融資產或金融負債或兩者其中部分，並根據本集團制定的風險管理或投資策略管理按公平值基準進行管理及評估表現，且有關分組的資料乃按該基準向內部提供；或
- 其構成包含一項或多項嵌入式衍生工具的合約的一部分，而香港會計準則第39號允許將整個組合合約指定為按公平值計入損益。

按公平值計入損益之金融資產以公平值計量，而因重新計量產生之任何收益或虧損於損益確認。於損益確認之收益或虧損淨額並不包括金融資產所賺取之任何股息或利息，並計入損益內的其他收益及虧損。公平值乃按附註30(c)所述方式釐定。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including accounts receivable, deposits, pledged deposits, restricted bank balances, and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

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

Impairment of financial assets

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

For loans and receivables, the objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為並無於活躍市場報價且具固定或可釐定付款之非衍生財務資產。於初步確認後，貸款及應收款項(包括應收賬款、按金、已抵押按金、受限制銀行結餘以及銀行結餘及現金)均採用實際利息法按攤銷成本減任何已識別減值虧損入賬(見下文有關金融資產減值虧損之會計政策)。

利息收入採用實際利率確認，惟利息確認並不重大之短期應收款項除外。

金融資產之減值

金融資產(按公平值計入損益者除外)於報告期間結算日評定有否減值跡象。倘有客觀證據顯示，金融資產之估計未來現金流量因於初步確認金融資產後發生之一宗或以上事件而受到影響，則金融資產被視為減值。

就貸款及應收款項而言，客觀減值證據可包括：

- 發行人或交易對手出現重大財政困難；或
- 違約，例如未能繳付或延遲償還利息及本金；或
- 借款人有可能面臨破產或財務重組。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an accounts receivable is considered uncollectible, it is written-off against the allowance account.

Subsequent recoveries of amounts previously written-off are credited to profit or loss. For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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.

金融工具(續)

金融資產(續)

金融資產之減值(續)

應收款項之客觀減值證據可能包括本集團過往收款經驗、組合內延遲還款至超逾信貸期之增加次數，以及與應收款項逾期有關之全國或地方之經濟狀況明顯改變。

就按攤銷成本列賬之金融資產而言，所確認之減值虧損金額為該資產賬面值與按金融資產初始實際利率貼現之估計未來現金流量現值間之差額計量。

除應收賬款外，所有金融資產之減值虧損會直接於金融資產賬面值中扣減，而其賬面值會透過使用撥備賬作出扣減。撥備賬之賬面值變動於損益確認。倘應收賬款被視為無法收回，則於撥備賬撇銷。

其後收回過往已撇銷之款項則計入損益。就按攤銷成本計量之金融資產而言，倘減值虧損金額於往後期間有所減少，而有關減少客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益撥回，惟該資產於減值被撥回當日之賬面值不得超過尚未確認減值而原應有之攤銷成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Financial instruments (continued)

Financial liabilities and equity instruments

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

Financial liabilities

The Group's financial liabilities (including accounts payables, amounts due to related companies, loans from a related company and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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

Equity instruments

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

金融工具(續)

金融負債及股本工具

集團實體發行之負債及股本工具乃根據所訂立之合約安排內容以及金融負債及股本工具之定義分類為金融負債或股本。

金融負債

本集團金融負債(包括應付賬款、應付關連公司款項、來自一間關連公司之貸款以及銀行及其他借貸)其後採用實際利息法按攤銷成本計量。

實際利息法

實際利息法為計算金融負債之攤銷成本及分配相關期間利息開支之方法。實際利率於初步確認時按金融負債之預計年期或(如適用)較短期間準確貼現估計未來現金付款(包括構成實際利率不可或缺部分之一切已付或已收費用、交易成本及其他溢價或折讓)之利率。利息開支按實際利率基準確認。

股本工具

股本工具為證明於實體經扣除其所有負債後之資產中所剩餘權益之任何合約。本公司發行之股本工具於已收所得款項(扣除直接發行成本)確認。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Financial instruments (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

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

金融工具(續)

財務擔保合約

財務擔保合約為發行人根據債務工具條款，因特定債務人於到期日未能償還款項而須支付特定款項以補償持有人所招致虧損之合約。

本集團發行之財務擔保合約初步按其公平值計量及(倘未指定為按公平值計入損益)其後按下列之較高者計量：

- (i) 根據香港會計準則第37號撥備、或然負債及或然資產釐定之合約責任金額；及
- (ii) 已初步確認金額減(如適用)於擔保期內確認之累計攤銷。

取消確認

僅於自資產獲得現金流量之合約權利屆滿時，本集團將會取消確認金融資產。

於取消確認金融資產時，該資產賬面值與已收及應收代價總和之差額於損益確認。

本集團於及僅於本集團之責任獲解除、被註銷或已屆滿時，方會取消確認金融負債。已取消確認之金融負債賬面值與已付及應付代價之差額於損益確認。

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in-first-out basis.

Borrowing costs

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

租賃

當租賃條款將所有權之絕大部分風險及回報轉讓予承租人時，租賃即分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團作為出租人

經營租賃之租金收入於有關租期內以直線法於損益確認。

本集團作為承租人

經營租賃付款按租期以直線法確認為開支。

存貨

存貨以成本與可變現淨值兩者之較低者列賬。存貨成本按先進先出之基準釐定。

借貸成本

與收購、建造或生產需要長時間方能達致擬定用途或銷售之合資格資產直接有關之借貸成本，均加入該等資產成本，直至該等資產可大致上作擬定用途或銷售為止。

將特定借貸用以支付合資格資產前就該等借貸所作暫時投資賺取之投資收入，從合資格撥充資本之借貸成本中扣除。

所有其他借貸成本於其產生期間於損益確認。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those 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.

稅項

所得稅開支指本期應付稅項與遞延稅項之總和。

本期應付稅項按年內應課稅溢利計算。由於收入或開支為其他年度應課稅或應扣減及毋須課稅或不作扣稅之項目，故應課稅溢利與綜合損益及其他全面收益賬所報除稅前溢利(虧損)不同。本集團之本期稅項負債按截至報告期間結算日已頒佈或實際頒佈之稅率計算。

遞延稅項按綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基之暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產則一般限於有可能取得應課稅溢利以抵銷可動用之可扣減暫時差額時就所有可扣減暫時差額確認。如暫時差額由商譽或由首次確認不影響應課稅溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，則不會確認有關資產及負債。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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 taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

稅項(續)

遞延稅項負債乃就與於附屬公司之投資權益相關之應課稅暫時差額確認，惟本集團能夠控制暫時差額之撥回及暫時差額不大可能於可見將來撥回則除外。

遞延稅項資產之賬面值會於各報告期間結算日檢討，並作出相應扣減，直至並無足夠應課稅溢利可供收回全部或部分資產為止。

遞延稅項資產及負債按償付負債或變現資產期內預期適用之稅率(根據截至報告期間結算日已頒佈或實際已頒佈之稅率(及稅法))計量。

遞延稅項負債及資產之計量反映按照本集團所預期之方式於報告期間結算日收回或清償其資產及負債賬面值之稅務後果。

就計量採用公平值模式計量之投資物業之遞延稅項負債或遞延稅項資產而言，有關物業之賬面值乃假設透過銷售全數收回，除非該假設被推翻則除外。倘投資物業可予折舊及於業務模式(其業務目標為隨時間而非透過銷售消耗投資物業所包含之絕大部分經濟利益)內持有時，則有關假設會被推翻。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Taxation (continued)

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

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

稅項(續)

本期及遞延稅項於損益確認，惟倘其與其他全面收入或直接於權益確認之項目有關則除外，於該情況下，本期及遞延稅項亦分別於其他全面收入或直接於權益確認。倘本期稅項或遞延稅項因對業務合併進行初步會計處理而產生，則稅務影響計入業務合併之會計處理。

外幣

編製個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易按交易當日之現行匯率確認。於報告期間結算日，以外幣列值之貨幣項目以當日現行匯率重新換算。以外幣計值且按公平值列賬之非貨幣項目，會按釐定公平值當日之現行匯率重新換算。以外幣過往成本計量之非貨幣項目不予重新換算。

結算及重新換算貨幣項目所產生之匯兌差額於其產生期間於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

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 Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. 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 and accumulated in equity under the heading of "exchange reserve" (attributed to non-controlling interests as appropriate).

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

Retirement benefit costs

Payments to Mandatory Provident Fund Scheme and other retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense.

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

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均按各報告期間結算日之現行匯率換算為本集團呈列貨幣(即港元)。收入及開支按期內平均匯率換算，除非期內匯率出現重大波動，於此情況下，則會採用交易當日之匯率。所產生匯兌差額(如有)於其他全面收入確認，並於「外匯儲備」項下之權益累計(歸屬於非控股權益(倘適用))。

於出售海外業務(即出售本集團於海外業務之全部權益或出售涉及失去對一間附屬公司(包括海外業務)之控制權)時，就本公司擁有人應佔之業務於權益累計之所有匯兌差額重新分類至損益。

退休福利成本

強制性公積金計劃及其他退休福利計劃之付款於僱員提供使彼等有權享有供款之服務時作為開支支銷。

短期僱員福利

短期僱員福利乃按僱員提供服務時預期將予支付之未貼現福利金額確認。所有短期僱員福利均確認為開支。

僱員之應計福利(例如工資及薪金及年假)乃於扣減任何已付金額後確認負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business.

Sale of properties

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

Revenue from the sale of properties in the ordinary course of business is recognised when properties are delivered, and when all the following criteria are met:

- the significant risks and rewards of ownership of the properties are transferred to buyers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Payments received from purchasers prior to this stage are recorded as deposits received and receipts in advance from property buyers under current liabilities.

3. 主要會計政策(續)

收益確認

收益按已收或應收代價之公平值計量，指於日常業務過程中出售貨品及提供服務之應收款額。

物業銷售

倘收益款項能可靠計量、未來經濟利益可能流入本集團，且符合下列所述本集團各業務的特定標準時，方會確認收益。

於日常業務過程中銷售物業之收益於交付物業並符合下列全部條件時確認：

- 物業擁有權之重大風險及回報已轉讓予買方；
- 管理人員繼續參與之程度並未達致一般與擁有權相關者，亦無對物業保留有效控制權；
- 收益金額能可靠計量；
- 與交易有關之經濟利益將可能流入本集團；及
- 就交易所產生或將產生之成本能可靠計量。

於此階段前自買方收取之款項乃記錄為流動負債下已收及預收物業買家之按金。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Others

Revenue from hotel operations is recognised when the relevant services are provided.

Property management fee income is recognised in profit or loss when the services are rendered.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

3. 主要會計政策(續)

其他

酒店業務收益於提供相關服務時確認。

物業管理費用收入於提供相關服務時於損益確認。

投資之股息收入於收取付款之股東權利確立時確認(假設經濟利益可能流入本集團以及當收入金額能可靠計量)。

在經濟利益可能流入本集團及收入金額能夠可靠地計量之情況下，金融資產之利息收入會獲確認。利息收入乃參照未償還本金按適用之實際利率及時間比例計算(適用之實際利率即準確貼現金融資產預計年期內估計未來現金收入至資產於初始確認時之賬面淨值之利率)。

本集團確認經營租賃收益之會計政策於上文租賃會計政策中論述。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. 關鍵會計判斷及估計不明朗因素之主要來源

於應用附註3所述本集團會計政策時，本公司董事須對不能從其他資料來源得知之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及其他被認為有關之因素作出。實際結果可能有別於此等估計。

有關估計及相關假設會持續檢討。如修訂會計估計只影響修訂估計期間，則該等估計在該期間確認，如有關修訂影響現時及未來期間，則在修訂期間及未來期間確認。

應用會計政策之重大判斷

本公司董事於應用本集團會計政策之過程中，除該等涉及估計(見下文)之判斷外，亦作出以下對綜合財務報表之已確認數額造成最重大影響之重大判斷。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Determination of functional currency of the Company

Subsidiaries of the Company operates in Hong Kong, the PRC, the United States of America (the “USA”), Singapore and Japan. Their revenue and expenses are denominated in the respective local currency of the group entities they operate which includes HK\$, Renminbi (“RMB”), United States dollars (“USD”), Singapore dollars (“SGD”) and Japanese Yen (“JPY”) which are the functional currencies of the group entities. In determining the functional currency of the Company, the management has carefully considered the currencies to which the Company and its subsidiaries have exposure. The management considered that the indicators are mixed and the functional currency is not obvious as the Group continues to explore investment opportunities in various countries. The management uses its judgement to determine that HK\$ is the most faithfully represents the economic environment of the Company operates because the performance of the group is measured in HK\$ and the Group continues to pursue investment strategies for investments overseas actively and the returns are considered with reference to the volatility against HK\$.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

應用會計政策之重大判斷(續)

釐定本公司之功能貨幣

本公司附屬公司在香港、中國、美利堅合眾國(「美國」)、新加坡及日本經營業務。其收益及開支以集團實體經營所在地各自之當地貨幣計值，各集團實體之功能貨幣分別為港元、人民幣(「人民幣」)、美元(「美元」)、新加坡元(「新加坡元」)及日圓(「日圓」)。於釐定本公司之功能貨幣時，管理層已仔細地考慮本公司及其附屬公司所涉及之貨幣。由於本集團不斷於多個國家探索投資機會，故管理層認為指標混合及功能貨幣不明顯。管理層利用其判斷釐定港元可最忠誠地代表本公司業務所在之經濟環境，原因是本集團之表現以港元衡量，而本集團繼續堅持積極推進海外投資之投資策略並參考針對港元之波動性考慮回報情況。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Deferred tax on investment properties

For the purposes of measuring deferred taxes arising from investment properties that are using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties – senior housing communities located in USA are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time rather than through sale whereas those situated in Japan, Hong Kong and Singapore and residential homes located in the USA are not held under such a business model. Therefore, the presumption that the carrying amounts of investment properties are recovered entirely through sale is rebutted for properties of senior housing communities but is not rebutted for properties located in Japan, Hong Kong and Singapore and residential homes located in the USA. As a result, the Group has not recognised any deferred taxes on changes in fair value of these investment properties located in Hong Kong and Singapore as the Group is not subject to any income taxes on disposal of these investment properties. No deferred tax was recognised for properties located in Japan during the year as there are no fair value gain in the current year.

Key sources of estimation uncertainty

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

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

應用會計政策之重大判斷(續)

於投資物業之遞延稅項

就以公平值模型計量之投資物業產生之遞延稅項而言，本公司董事已審閱本集團之投資物業組合，總結為本集團位於美國之投資物業－長者住房院舍以商業模式(其目標是隨時間而非透過銷售消耗投資物業所包含之絕大部分經濟利益)持有，而該等位於日本、香港及新加坡之投資物業及位於美國之住宅單位則並非以該商業模式持有。因此，就長者住房院舍之物業而言，透過出售全部回收投資物業賬面值之假定被推翻，惟就位於日本、香港及新加坡之物業及位於美國之住宅單位而言，假定則不被推翻。由於本集團出售位於香港及新加坡之投資物業時毋須繳納任何所得稅，故本集團並無就該等投資物業之公平值變動確認任何遞延稅項。由於本年度並無任何公平值收益，故年內並無就位於日本之物業確認任何遞延稅項。

估計不明朗因素之主要來源

以下為有關未來之主要假設及於報告期間結算日估計不明朗因素(會導致下個財政年度內之資產及負債賬面值出現大幅調整之重大風險)之其他主要來源。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Fair value measurements

Information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of investment properties are disclosed in note 14.

The directors of the Company have exercised their judgment and satisfied that the assumptions used in the valuation of investment properties amounted to approximately HK\$795,464,000 (2016: HK\$582,448,000) are reflected of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustment to the fair value changes resulted in the consolidated statement of profit or loss.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

公平值計量

釐定投資物業公平值時所用估值技術、輸入數據及主要假設之資料於附註14披露。

本公司董事已作出判斷並信納投資物業估值約795,464,000港元(二零一六年：582,448,000港元)所用之假設將反映現行市況。該等假設變動將導致本集團投資物業之公平值變動及於綜合損益賬對該公平值變動作出對應調整。

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截至二零一七年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Net realisable value assessment of properties under development for sale and properties held for sale

The Group carried out assessment on net realisable value of properties under development and properties held for sale at each end of each reporting period and compared the costs and its net realisable value. The net realisable value is the estimated future selling price less estimated cost of completion or the estimated costs necessary to make the sale (if any). The estimated future selling prices are estimated by management with reference to the Group's pre-sale selling prices and the recent selling prices of similar properties in the nearby or relevant locations. The management also estimated the future selling expenses and the expected costs to completion by reference to the actual selling expenses of the Groups' completed projects, adjusted by certain current market data, the legal and regulating framework and general market condition. The Group's properties under development for sale and properties held for sale are all situated in the PRC, details of which are set out in the consolidated statement of financial position and note 16. At 31 December 2017, the carrying amount of properties under development for sale and properties held for sale amounted to approximately HK\$14,455,301,000 (2016: HK\$1,438,523,000) and HK\$1,500,042,000 (2016: nil) respectively are expected to be recovered through future sales and stated at the lower of cost and net realisable value. All of which are expected to be recovered higher than the cost and hence no write down to net realisable value is required at the year ended 31 December 2017. When there is any decrease in net realisable value of the properties and it is lower than the cost of the properties, loss will be recognised on the properties under development for sale and properties held for sale in the consolidated statement of profit or loss.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

待售發展中物業及持作出售之物業之可變現淨值評估

本集團於各報告期間結算日對發展中物業及持作出售之物業之可變現淨值進行評估並對比成本與其可變現淨值。可變現淨值乃按估計未來售價減估計完成成本或出售所需之估計成本(如有)計算。估計未來售價乃由管理層經參考本集團之預售價及於附近或相關地點之類似物業之近期售價後估計得出。管理層亦已參考本集團竣工項目所需的實際銷售開支對未來銷售開支及預期完工成本進行估計，有關實際銷售開支已根據若干現有市場數據、法律及監管體制以及整體市況作出調整。本集團之待售發展中物業及持作出售之物業均位於中國，其詳情載於綜合財務狀況報表及附註16。於二零一七年十二月三十一日，待售發展中物業及持作出售之物業之賬面值分別約14,455,301,000港元(二零一六年：1,438,523,000港元)及1,500,042,000港元(二零一六年：無)預期可透過未來銷售予以收回，並按成本及可變現淨值兩者之較低者列賬。截至二零一七年十二月三十一日止年度，所有待售發展中物業及持作出售之物業預期將以高於成本之價格收回，故毋須撇減至可變現淨值。倘物業之可變現淨值出現任何減少並低於物業之成本，則將就待售發展中物業及持作出售之物業於綜合損益賬確認虧損。

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綜合財務報表附註

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Contingent liabilities

As at 31 December 2017, the Group had contingent liabilities relating to guarantees amounting to approximately HK\$1,184,570,000 (2016: approximately HK\$456,022,000) in respect of mortgage facilities provided by certain banks in connection with the mortgage loans entered into by property buyers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these property buyers, the Group would be responsible for repaying the outstanding mortgage principals together with accrued interests thereon and any penalties owed by the defaulted buyers to the banks. The Group would be entitled to take over legal title to and possession of the related properties. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the buyers of the property; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage. In the opinion of the directors of the Company, no provision for the guarantee contracts was recognised in the consolidated financial statements for the year ended 31 December 2017 as the default risk is low. Should the actual outcome be different from expected, provision for losses will be recognised in the consolidated financial statements.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

或然負債

於二零一七年十二月三十一日，本集團就有關本集團物業之物業買家訂立之按揭貸款而由若干銀行提供之按揭融資之擔保擁有或然負債約1,184,570,000港元(二零一六年：約456,022,000港元)。根據擔保條款，倘該等物業買家拖欠按揭款項，本集團須負責支付失責買家欠付銀行的未償還按揭本金連同累計利息及任何罰款。本集團將有權接管相關物業的法定業權及擁有權。該等擔保將於以下較早者發生時解除：(i)物業買家償還按揭貸款；及(ii)就按揭物業發出物業所有權證並完成按揭的取消登記。本公司董事認為，由於違約風險不大，故並無就擔保合約於截至二零一七年十二月三十一日止年度之綜合財務報表作出撥備。倘實際結果與預期不同，則將於綜合財務報表確認虧損撥備。

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION

5. 收益及分部資料

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue is analysed as follows:	收益分析如下：		
Sales of properties	出售物業	1,190,797	-
Rental income	租金收入	34,342	53,826
Income from hotel operations	酒店業務收入	5,648	6,969
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之金融資產之股息收入	16,850	8,704
Property management fee income	物業管理費收入	24,345	9,736
Others	其他	-	334
		1,271,982	79,569

Information reported to the board of directors of the Company (the “Board”), being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance is based on different business activities of the Group. This is also the basis upon which the Group is organised and managed.

向本公司董事會(「董事會」)，即主要營運決策者(「主要營運決策者」)報告作資源分配及分部表現評估之資料是以本集團不同業務活動為基礎。此亦是本集團組織及管理之基準。

Accordingly, the Group’s reportable segments under HKFRS 8 are as follows:

因此，本集團根據香港財務報告準則第8號之可報告分部如下：

- | | |
|--|--|
| a) Property development in the People’s Republic of China (the “PRC”) | a) 於中華人民共和國(「中國」)之物業發展 |
| b) Property investment and management in the United States of America (the “USA” or “U.S.”) in American Housing REIT, Inc. (“AHR”) and property management in the USA provided to Global Medical REIT, Inc. (“GMR”) (Note), both performed through a subsidiary of the Group | b) 美洲房地產投資信託(「AHR」)於美利堅合眾國(「美國」)之物業投資及管理以及向國際醫療房地產投資信託(「GMR」)(附註)提供之美國物業管理，均透過本集團之一間附屬公司進行 |
| c) Property investment other than AHR and GMR | c) AHR及GMR以外之物業投資 |
| d) Securities trading and investment | d) 證券買賣及投資 |
| e) Hotel operations | e) 酒店業務 |

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For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

The Group has property investment and/or management businesses in Hong Kong, the USA, Singapore and Japan. Other than AHR and GMR which are operated in the USA, the property investment businesses in other regions are evaluated together and assessed as one operating segment by the CODM.

Note: GMR was deemed disposed of as a subsidiary during the year ended 31 December 2016 (note 28).

The following is an analysis of the Group's revenue, results and assets by reportable and operating segments:

Segment revenue and results

Property development in the PRC	於中國之物業發展
Property investment and/or management in the USA through AHR and GMR	透過AHR及GMR於美國進行之物業投資及/或管理
Property investment other than AHR and GMR	AHR及GMR以外之物業投資
Securities trading and investment	證券買賣及投資
Hotel operations	酒店業務
Others	其他
Unallocated corporate income	未分配公司收入
Other gains and losses	其他收益及虧損
Unallocated corporate expenses	未分配公司開支
Unallocated finance costs	未分配融資成本
Profit (loss) before taxation	除稅前溢利(虧損)

5. 收益及分部資料(續)

本集團於香港、美國、新加坡及日本擁有物業投資及/或管理業務。除於美國經營的AHR及GMR外，其他地區之物業投資業務乃由主要營運決策者一併估值，並作為一個經營分部予以評估。

附註：GMR於截至二零一六年十二月三十一日止年度被視為一間附屬公司出售(附註28)。

本集團按可報告及經營分部之收益、業績及資產分析如下：

分部收益及業績

Segment revenue		Segment results	
分部收益		分部業績	
2017	2016	2017	2016
二零一七年	二零一六年	二零一七年	二零一六年
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
1,190,797	–	271,280	(17,996)
43,566	47,433	(131)	(31,986)
15,121	16,129	13,166	8,045
16,850	8,704	3,459	(14,790)
5,648	6,969	(1,945)	(928)
–	334	–	218
1,271,982	79,569	285,829	(57,437)
		4,668	858
		(3,089)	19,397
		(12,441)	(14,647)
		–	(142)
		274,967	(51,971)

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截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued) 5. 收益及分部資料(續)

Segment assets

分部資產

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Property development in the PRC	於中國之物業發展	21,099,394	2,637,334
Property investment and/or management in the USA through AHR and GMR	透過AHR及GMR於美國進行之物業投資及/或管理	341,902	165,900
Property investment other than AHR and GMR	AHR及GMR以外之物業投資	560,311	537,053
Securities trading and investment	證券買賣及投資	179,388	191,518
Hotel operations	酒店業務	8,124	7,740
		<hr/> 22,189,119	<hr/> 3,539,545
Unallocated assets	未分配資產	80,739	158,640
		<hr/> 22,269,858	<hr/> 3,698,185

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截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued) 5. 收益及分部資料(續)

Other segment information

For the year ended 31 December 2017

其他分部資料

截至二零一七年十二月三十一日止年度

	Property development in the PRC	Property investment and/or management in the USA through AHR and GMR 透過AHR及 GMR於美國 進行之物業 投資及/ 或管理	Property investment other than AHR and GMR AHR及 GMR以外之 物業投資	Securities trading and investment 證券買賣 及投資	Hotel operations 酒店業務	Segment total 分部總額	Unallocated 未分配	Total 總計
	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元
Amounts included in the measure of segment results or segment assets: 計入分部業績或分部資產計量之金額：								
Additions to investment properties and property, plant and equipment 投資物業及物業、廠房及設備之添置	3,339	214,927	18	-	355	218,639	-	218,639
Depreciation of property, plant and equipment 物業、廠房及設備折舊	182	104	122	-	160	568	499	1,067
Bad debts written-off in respect of accounts receivable 就應收賬款撇銷壞賬	-	149	522	-	-	671	-	671
Increase in fair value of investment properties 投資物業之公平值增加	-	3,205	9,175	-	-	12,380	-	12,380
Decrease in fair value of financial assets at fair value through profit or loss 按公平值計入損益之金融資產公平值減少	-	-	-	(13,955)	-	(13,955)	-	(13,955)
Finance costs 融資成本	-	5,988	4,986	-	-	10,974	-	10,974

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued) 5. 收益及分部資料(續)

Other segment information (continued)

For the year ended 31 December 2016

其他分部資料(續)

截至二零一六年十二月三十一日止年度

	Property development in the PRC	Property investment and/or management in the USA through AHR and GMR 透過AHR及GMR於美國進行之物業投資及/或管理	Property investment other than AHR and GMR AHR及GMR以外之物業投資	Securities trading and investment 證券買賣及投資	Hotel operations	Segment total	Unallocated	Total
	中國物業發展 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	酒店業務 HK\$'000 千港元	分部總額 HK\$'000 千港元	未分配 HK\$'000 千港元	總計 HK\$'000 千港元
Amounts included in the measure of segment results or segment assets:	計入分部業績或分部資產計量之金額:							
Additions to investment properties and property, plant and equipment	13	294,530	32	-	28	294,603	32	294,635
Depreciation of property, plant and equipment	55	31	552	-	201	839	163	1,002
Gain on disposal of an associate	-	-	-	-	-	-	8,367	8,367
Bad debts written-off in respect of accounts receivable	-	387	-	-	-	387	-	387
(Loss) gain on disposal of subsidiaries	-	(22,333)	-	-	-	(22,333)	9,205	(13,128)
Increase (decrease) in fair value of investment properties	-	1,720	(321)	-	-	1,399	-	1,399
Decrease in fair value of financial assets at fair value through profit or loss	-	-	-	(23,417)	-	(23,417)	-	(23,417)
Finance costs	-	14,975	4,636	-	-	19,611	142	19,753

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

Other segment information (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the profit from (loss incurred by) each segment without allocation of certain items, mainly comprising certain corporate income, certain other gains and losses, certain corporate administrative expenses, Directors' and chief executives' salaries and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than unallocated assets (comprising certain property, plant and equipment, certain other receivables, deposits and prepayments, tax recoverable and certain bank balances and cash).

Information about segment liabilities is not regularly reviewed by the CODM. Accordingly, no such information is presented.

5. 收益及分部資料(續)

其他分部資料(續)

經營分部之會計政策與附註3所述之本集團會計政策一致。分部業績指各分部賺取之利潤(產生之虧損)，並無分配若干項目，主要包括若干公司收入、若干其他收益及虧損、若干公司行政開支、董事及主要行政人員之薪金以及若干融資成本。此乃向主要營運決策者呈報以作資源分配及表現評估之計量基準。

就監察分部表現及於分部間分配資源而言，所有資產獲分配至經營分部，惟未分配資產(包括若干物業、廠房及設備、若干其他應收款項、按金及預付款項、可收回稅項以及若干銀行結餘及現金)除外。

主要營運決策者並無定期審閱分部負債之資料。因此，並無呈列該項資料。

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued) 5. 收益及分部資料(續)

Geographical information

The Group's operations are located in five (2016: five) major geographical areas. Information about the Group's revenue from external customers is presented based on the geographical market of the customers, location of properties and investments irrespective of the origin of the goods and services. Information about the Group's non-current assets, excluding financial instruments, is presented based on the geographical location of the assets.

地區資料

本集團業務設於五個(二零一六年：五個)主要地區。本集團來自外部客戶收益之資料乃基於客戶地區市場、物業及投資之所在地呈列，而不計及貨品及服務之原產地。本集團非流動資產(金融工具除外)之資料乃基於資產所在地呈列。

	Revenue from external customers		Non-current assets		
	來自外部客戶收益		非流動資產		
	2017	2016	2017	2016	
	二零一七年	二零一六年	二零一七年	二零一六年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
Hong Kong		2,856	2,850	115,062	99,235
The PRC	中國	1,190,797	267	3,365	83
The USA	美國	60,636	56,437	284,166	113,321
Singapore	新加坡	8,282	9,312	359,972	336,104
Japan	日本	9,411	10,703	56,709	54,330
		1,271,982	79,569	819,274	603,073

Information about major customers

During the year ended 31 December 2017, no single customer has contributed 10% or more of the Group's total revenue.

During the year ended 31 December 2016, included in revenue is an amount of HK\$17,823,000 from one customer in the Group's securities trading and investment segment and property investment and/or management in the USA through AHR and GMR segment contributed 10% or more of the Group's total revenue.

有關主要客戶之資料

截至二零一七年十二月三十一日止年度，概無單一客戶貢獻本集團總收益10%或以上。

截至二零一六年十二月三十一日止年度，收益包括來自本集團之安全交易及投資分部以及透過AHR及GMR於美國之物業投資及/或管理分部一名客戶之款項17,823,000港元，貢獻本集團總收益10%或以上。

Notes to the Consolidated Financial Statements

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

6. OTHER GAINS AND LOSSES

6. 其他收益及虧損

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Increase in fair value of investment properties (note 14)	投資物業之公平值增加 (附註14)	12,380	1,399
Decrease in financial assets at fair value through profit or loss	按公平值計入損益之 金融資產減少	(13,995)	(23,417)
Exchange (loss) gain, net	匯兌(虧損)收益淨額	(2,875)	2,390
Bad debts written-off in respect of accounts receivable	就應收賬款撇銷壞賬	(671)	(387)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	25	-
Gain on disposal of an associate	出售一間聯營公司之收益	-	8,367
Loss on disposal of subsidiaries (note 28)	出售附屬公司之虧損(附註28)	-	(13,128)
Others	其他	454	-
		(4,682)	(24,776)

7. FINANCE COSTS

7. 融資成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interests on:	下列各項之利息：		
Bank and other borrowings	銀行及其他借貸	102,379	19,753
Loans from a related company	來自一間關連公司之貸款	8,082	11,381
		110,461	31,134
Less: capitalised in properties under development for sale	減：於待售發展中物業 資本化	(99,487)	(11,381)
		10,974	19,753

Borrowing costs capitalised during the current year arose on the specific borrowings with rates ranged from 4% to 7.43% (2016: 4%) per annum.

於本年度資本化之借貸成本乃源自年利率介乎4厘至7.43厘(二零一六年：4厘)之指定借貸。

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

8. PROFIT (LOSS) BEFORE TAXATION

8. 除稅前溢利(虧損)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit (loss) before taxation has been arrived at after charging:	除稅前溢利(虧損)已扣除下列各項：		
Total staff costs:	員工成本總額：		
Directors' emoluments (<i>note 10(a)</i>)	董事薪酬(<i>附註10(a)</i>)	1,807	1,781
Other staff:	其他員工：		
Salaries and other benefits	薪金及其他福利	36,089	19,201
Retirement benefit scheme contributions	退休福利計劃供款	1,086	1,118
Total employee benefit expenses	僱員福利開支總額	38,982	22,100
Less: capitalised in properties under development for sale	減：於待售發展中物業資本化	(3,051)	(487)
		35,931	21,613
Auditor's remuneration	核數師薪酬		
– audit services	– 核數服務	1,650	1,810
– non-audit services	– 非核數服務	–	40
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,067	1,002
Operating lease payments	經營租賃付款	1,850	1,371
Profit (loss) before taxation has been arrived at after crediting:	除稅前溢利(虧損)已計入下列各項：		
Interest income	利息收入	4,617	334
Gross rental income from investment properties	投資物業租金收入總額	34,342	53,826
Less: direct operating expenses incurred for:	減：所產生之直接經營開支：		
– investment properties generated rental income	– 為產生租金收入之投資物業	(7,516)	(12,317)
– investment properties that did not generate rental income	– 為並無產生租金收入之投資物業	(391)	(326)
		(7,907)	(12,643)
		26,435	41,183

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9. INCOME TAX EXPENSES

9. 所得稅開支

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Income tax expenses comprises:	所得稅開支包括：		
Current tax	本期稅項		
– Hong Kong	– 香港	–	–
– The PRC	– 中國	71,948	–
– Overseas	– 海外	617	5,437
		<hr/>	<hr/>
		72,565	5,437
		<hr/>	<hr/>
Under (over) provision in prior years	過往年度撥備不足(超額撥備)		
– Hong Kong	– 香港	–	–
– Overseas	– 海外	91	(498)
		<hr/>	<hr/>
		91	(498)
		<hr/>	<hr/>
PRC land appreciation tax	中國土地增值稅	51,275	–
Deferred taxation (note 27)	遞延稅項(附註27)	(1,279)	(325)
		<hr/>	<hr/>
		122,652	4,614
		<hr/>	<hr/>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the year.

本年度之香港利得稅乃按估計應課稅溢利之16.5%計算。

PRC Enterprise Income Tax is calculated at the applicable income tax rate of 25% on the assessable profits for the year.

中國企業所得稅按本年度應課稅溢利之25%適用所得稅率計算。

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group had no assessable profits generated in Hong Kong for both years.

由於本集團於兩個年度內均無於香港產生應課稅溢利，因此並無於綜合財務報表就香港利得稅作出撥備。

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綜合財務報表附註

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9. INCOME TAX EXPENSES (continued)

The subsidiaries in the USA are generally subject to Federal Income Tax Rate of a maximum of 35% and State Income Tax ranging from 3% to 8.25% (2016: 4% to 9.99%) on the taxable income. Certain of these subsidiaries retained with undistributed income are also entitled to an additional personal holding company tax at 20% on the taxable income. Certain subsidiaries are limited liability companies which are by default disregarded entities (i.e. viewed as divisions of the holding company) and would be taxed part of their holding company for federal tax purposes.

On 22 December 2017, president of USA signed into law the tax legislation commonly known as the Tax Cuts and Jobs Act (the "Act"). The effects of new legislation are recognised upon enactment, which (for federal legislation) is the date the president signs a bill into law. Accordingly, recognition of the tax effects of the Act is required in the interim and annual periods that include 22 December 2017. The Act reduces the Federal Income Tax to 21%, effective 1 January 2018, for all corporations.

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

9. 所得稅開支(續)

於美國之附屬公司通常需就應課稅收入按最高35%之聯邦所得稅稅率及介乎3%至8.25%(二零一六年:4%至9.99%)之州所得稅支付稅項。預留未分派收入之若干該等附屬公司亦需就應課稅收入之20%支付個人控股公司附加稅。若干附屬公司屬有限公司,本身不被視為實體(即視為控股公司之分部),將就聯邦稅而言當作控股公司一部分計算稅項。

於二零一七年十二月二十二日,美國總統簽署了稅收立法法律《減稅與就業法案》(「該法案」)。新立法的影響於頒佈(就聯邦立法而言,為總統簽署法案成為法律的當日)後確認。因此,需要在中期和年度期間(包括二零一七年十二月二十二日)確認該法案的稅務影響。該法案將所有企業的聯邦所得稅稅率降至21%,生效日期為二零一八年一月一日。

中國土地增值稅乃按土地價格增值額30%至60%的累進稅率徵收,增值額為銷售物業所得款項減除土地使用權費用及所有物業發展開支等應扣除開支的餘額。

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截至二零一七年十二月三十一日止年度

9. INCOME TAX EXPENSES (continued)

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

9. 所得稅開支(續)

年內所得稅開支與綜合損益及其他全面收益賬所示除稅前溢利(虧損)對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit (loss) before taxation	除稅前溢利(虧損)	274,967	(51,971)
Tax at the domestic income tax rate of 25% (2016: 16.5%)(note)	按本地所得稅稅率25% (二零一六年：16.5%)計算之稅項(附註)	68,742	(8,575)
Effect of different tax rates on operations in other jurisdictions	在其他司法權區營運稅率不同之影響	300	3,183
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	8,543	10,368
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(8,803)	(16,204)
PRC land appreciation tax	中國土地增值稅	51,275	-
Tax effect of PRC land appreciation tax	中國土地增值稅之稅務影響	(12,819)	-
Tax effect of deductible temporary differences not recognised	尚未確認可扣減暫時差額之稅務影響	(1,045)	(81)
Effect of tax exemption and tax rebate granted to subsidiaries in Singapore	新加坡附屬公司獲授稅務豁免及退稅之影響	-	(153)
Tax effect of tax losses not recognised	未確認之稅項虧損之稅務影響	20,754	16,675
Utilisation of tax losses previously not recognised	動用過往未確認之稅項虧損	(4,386)	(101)
Under (over) provision in prior years	過往年度撥備不足(超額撥備)	91	(498)
Income tax expenses for the year	年內所得稅開支	122,652	4,614

Note: The domestic tax rate was changed to 25% during the year ended 31 December 2017 as majority of the assessable profits of the Group were derived from subsidiaries situated in the PRC which applied 25% as Enterprise Income Tax rate.

附註：本地稅率因本集團大部分可評估溢利來自位於中國採用25%企業所得稅稅率之附屬公司而於截至二零一七年十二月三十一日止年度變更為25%。

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截至二零一七年十二月三十一日止年度

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

10. 董事及主要行政人員薪酬以及五名最高薪人士

(a) 董事薪酬

本年度董事及主要行政人員薪酬根據適用上市規則及香港公司條例披露如下：

Name of directors	董事姓名	Note 附註	2017 二零一七年			Total 總計 HK\$'000 千港元
			Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement benefit scheme contributions 退休福利計劃之供款 HK\$'000 千港元	
<i>Executive directors</i> 執行董事						
Mr. Zhang Jingguo	張敬國先生		-	-	-	-
Mr. Zhang Guoqiang	張國強先生		-	874	88	962
Mr. Eric Jackson Chang	張世澤先生	(a)	-	120	5	125
<i>Non-executive director</i> 非執行董事						
Ms. Huang Yanping	Huang Yanping女士		-	-	-	-
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Liu Da	劉達先生		240	-	-	240
Dr. Liu Qiao	劉俏博士		240	-	-	240
Mr. Ma Yuntao	馬運弢先生		240	-	-	240
			720	994	93	1,807

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

10. 董事及主要行政人員薪酬以及五名最高薪人士(續)

(a) Directors' emoluments (continued)

(a) 董事薪酬(續)

Name of directors	董事姓名	Note 附註	2016 二零一六年			Total 總計 HK\$'000 千港元
			Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement benefit scheme contributions 退休福利計劃之供款 HK\$'000 千港元	
<i>Executive directors</i> 執行董事						
Mr. Zhang Jingguo	張敬國先生		-	-	-	-
Mr. Zhang Guoqiang	張國強先生		-	452	91	543
Mr. Eric Jackson Chang	張世澤先生	(a)	-	500	18	518
<i>Non-executive director</i> 非執行董事						
Ms. Huang Yanping	Huang Yanping女士		-	-	-	-
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Liu Da	劉達先生		240	-	-	240
Dr. Liu Qiao	劉俏博士		240	-	-	240
Mr. Ma Yuntao	馬運弢先生		240	-	-	240
			720	952	109	1,781

Note: (a) Resigned on 1 April 2017

附註：(a) 於二零一七年四月一日辭任

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截至二零一七年十二月三十一日止年度

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' emoluments (continued)

Mr. Zhang Jingguo is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

The executive Directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive director's emolument shown above was mainly for her services as the director of the Company or its subsidiaries.

The independent non-executive directors' emoluments shown above were for their services as the directors of the Company.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, none of them are directors of the Company for both years. The emoluments of five (2016: the five) individuals were as follows:

Salaries and other benefits	薪金及其他福利
Contributions to retirement benefit scheme	退休福利計劃之供款

10. 董事及主要行政人員薪酬以及五名最高薪人士(續)

(a) 董事薪酬(續)

張敬國先生亦為本公司行政總裁，上述所披露彼之薪酬包括彼作為主要行政人員所提供之服務。

上文所示執行董事之薪酬為彼等就管理本公司及本集團事務所提供之服務。

上文所示非執行董事之薪酬主要為其作為本公司或其附屬公司董事所提供之服務。

上文所示獨立非執行董事之薪酬為彼等作為本公司董事所提供之服務。

本年度概無董事或主要行政人員據此豁免或同意豁免任何薪酬的安排。

(b) 員工薪酬

本集團五名最高薪人士薪酬中，並無董事於兩個年度為本公司董事。五名(二零一六年：五名)人士之薪酬如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other benefits	7,759	7,911
Contributions to retirement benefit scheme	-	18
	7,759	7,929

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(b) *Employees' emoluments (continued)*

Their emoluments were within the following brands:

HK\$1,000,001 to HK\$1,500,000
HK\$1,500,001 to HK\$2,000,000

10. 董事及主要行政人員薪酬以及五名最高薪人士(續)

(b) *員工薪酬(續)*

彼等之酬金介乎下列組別：

Number of employees	
員工人數	
2017	2016
二零一七年	二零一六年
HK\$'000	HK\$'000
千港元	千港元
3	2
2	3
<hr/>	<hr/>
5	5

There was no emolument paid to the directors of the Company and the five highest paid individuals as an inducement to accept office as director or as compensation for loss of office for both years.

兩個年度概無向本公司董事及五名最高薪人士支付酬金，作為吸引出任董事職務或離職賠償。

11. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend in respect of the year.

11. 股息

本公司事不建議就年度派付股息。

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12. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to the owners of the Company is based on the following information:

12. 每股盈利(虧損)

本公司擁有人應佔每股基本盈利(虧損)乃按以下資料計算：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit (loss)	溢利(虧損)		
Profit (loss) for the purpose of basic earnings (loss) per share	計算每股基本盈利(虧損)之溢利(虧損)	152,456	(56,702)
		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	計算每股基本盈利(虧損)之普通股加權平均數	6,176,820	5,850,836

No diluted earnings (loss) per share for both 2017 and 2016 were presented as there were no potential ordinary shares in issue for both years.

由於二零一七年及二零一六年兩個年度並無潛在已發行普通股，故該兩個年度概無呈列每股攤薄盈利(虧損)。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Land and building	Hotel	Leasehold improvement	Furniture, fixtures, computer equipment and motor vehicles	Total
		土地及樓宇 HK\$'000 千港元	酒店 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	傢俬、裝置、 電腦設備及汽車 HK\$'000 千港元	總計 HK\$'000 千港元
COST	成本					
At 1 April 2016	於二零一六年四月一日	13,878	8,185	2,149	4,427	28,639
Additions	添置	-	-	-	207	207
Exchange realignment	匯兌調整	-	236	(15)	(33)	188
At 31 December 2016	於二零一六年 十二月三十一日	13,878	8,421	2,134	4,601	29,034
Additions	添置	-	-	244	3,546	3,790
Disposal	出售	-	-	-	(546)	(546)
Exchange realignment	匯兌調整	-	389	94	348	831
At 31 December 2017	於二零一七年 十二月三十一日	13,878	8,810	2,472	7,949	33,109
DEPRECIATION	折舊					
At 1 April 2016	於二零一六年四月一日	1,903	1,032	1,617	2,890	7,442
Charge for the year	年內開支	311	107	165	419	1,002
Exchange realignment	匯兌調整	-	23	(19)	(39)	(35)
At 31 December 2016	於二零一六年 十二月三十一日	2,214	1,162	1,763	3,270	8,409
Charge for the year	年內開支	311	104	133	519	1,067
Disposal	出售	-	-	-	(503)	(503)
Exchange realignment	匯兌調整	-	53	86	187	326
At 31 December 2017	二零一七年十二月三十一日	2,525	1,319	1,982	3,473	9,299
CARRYING VALUES	賬面值					
At 31 December 2017	二零一七年十二月三十一日	11,353	7,491	490	4,476	23,810
At 31 December 2016	二零一六年十二月三十一日	11,664	7,259	371	1,331	20,625

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13. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying values of land and building and hotel held by the Group are analysed as follows:

Leasehold land and building in Hong Kong
Freehold land and building in Japan

13. 物業、廠房及設備(續)

本集團所持土地、樓宇及酒店之賬面值分析如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
於香港之租賃土地及樓宇	11,353	11,664
於日本之永久業權土地及樓宇	7,491	7,259
	18,844	18,923

At 31 December 2017, certain of the Group's leasehold land and buildings with an aggregate carrying value of approximately HK\$11,353,000 (2016: HK\$11,664,000) has been pledged to secure the Group's borrowings (notes 23 and 32).

於二零一七年十二月三十一日，本集團賬面值合共約11,353,000港元(二零一六年：11,664,000港元)之若干租賃土地及樓宇已抵押以取得本集團之借貸(附註23及32)。

The above items of property, plant and equipment, except for freehold land, are depreciated at the following rates per annum:

上述物業、廠房及設備項目(永久業權土地除外)按以下年率折舊：

Land and buildings and hotels	Over the shorter of the term of lease, or 2% on straight line method
Leasehold improvement	Over the term of the lease or 6.67% – 20% on straight line method, whichever is the shorter
Furniture, fixtures, computer equipment and motor vehicles	20% – 25% on straight line method

土地及樓宇以及酒店	按租期或按直線法之2%(以較短者為準)
租賃物業裝修	按租期或按直線法之6.67%–20%(以較短者為準)
傢俬、裝置、電腦設備及汽車	20%–25%，按直線法

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14. INVESTMENT PROPERTIES

14. 投資物業

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
FAIR VALUE	公平值		
At the beginning of the year	於年初	582,448	1,085,984
Additions	添置	214,849	294,428
Disposals	出售	(45,022)	(752,238)
Transfer to investment properties classified as held for sale (note 20)	轉撥至分類為持作出售之投資物業(附註20)	(2,833)	(42,187)
Increase in fair value	公平值增加	12,380	1,050
Exchange realignments	匯兌調整	33,642	(4,589)
		795,464	582,448
At the end of the year	於年末		

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

本集團所有以經營租賃持有以賺取租金或作資本升值之物業權益皆按公平值模式計量，並分類為投資物業入賬。

The investment properties with an aggregate fair value of HK\$678,552,000 (2016: HK\$461,439,000) are under charge to secure the Group's borrowings (notes 23 and 32).

公平值合共678,552,000港元(二零一六年：461,439,000港元)之投資物業已抵押以取得本集團借貸(附註23及32)。

The fair values of the investment properties situated in Japan, Hong Kong, Singapore and the USA as at 31 December 2017 and 31 December 2016 are based on the valuations carried out by APAC Asset Valuation and Consulting Limited ("APAC"). APAC is the member of the Hong Kong Institute of Surveyors and Valuers and independent qualified professional valuer not connected with the Group.

位於日本、香港、新加坡及美國之投資物業於二零一七年十二月三十一日及二零一六年十二月三十一日之公平值乃基於亞太資產評估及顧問有限公司(「亞太」)所進行估值釐定。其為Hong Kong Institute of Surveyors and Valuers會員且與本集團並無關連之獨立合資格專業估值師。

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14. INVESTMENT PROPERTIES (continued)

In estimating the fair value of the investment properties, the highest and best use of the investment properties is the current use.

The fair values of the investment properties are derived from the capitalisation of net income method with due allowance for the reversionary income.

All of the fair value measurements of the Group's investment properties were categorised into Level 3 of the fair value hierarchy. There were no transfers in or out of Level 3 during the year.

At the end of the reporting period, management of the Group works with valuers to establish and determine the appropriate valuation techniques and inputs for Level 3 fair value measurements. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors of the Company.

14. 投資物業(續)

估計投資物業公平值時，投資物業最常用及最佳用途為現時用途。

投資物業公平值自收入淨額資本化法得出，並為復歸收入作出適當撥備。

本集團投資物業所有公平值計量歸入第三級公平值層級。本年度並無發生轉入或轉出第三級公平值層級之情況。

於報告期間結算日，本集團管理層與估值師合作，就第三級公平值計量建立和決定適當之估值技術及輸入數據。倘資產之公平值有重大改動，其波動原因將向本公司董事報告。

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14. INVESTMENT PROPERTIES (continued)

The major inputs used in the fair value measurement of the Group's significant investment properties as at 31 December 2017 and 31 December 2016 are set out below:

Investment properties held by the Group in the consolidated statement of financial position
綜合財務狀況表中本集團所持投資物業

Investment properties – offices located in Hong Kong with a carrying value of HK\$101,000,000 (2016: HK\$85,000,000)

投資物業—位於香港賬面值101,000,000港元(二零一六年：85,000,000港元)之辦公室

Fair value hierarchy
公平值層級

Level 3

第三級

Valuation technique(s) and key input(s)
估值技術及主要輸入數據

Income Capitalisation Approach
The key inputs are:
(1) Capitalisation rate; and
(2) Monthly market rent.

收入資本化法
主要輸入數據為：
(1) 資本化率；及
(2) 每月市場租金。

Significant unobservable input(s)
重大不可觀察輸入數據

Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and market condition, of 2.6% (2016: 3.1%) per annum.
Monthly market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average of HK\$52 and HK\$59 (2016: HK\$38 and HK\$43) per square foot on gross floor area basis.

計及租金收入資本化潛力、物業性質以及市況後，資本化率為每年2.6%(二零一六年：3.1%)。
計及可資比較物業與該物業之時間、位置及個別因素(如朝向與大小)後，每月市場租金按建築面積為基準，平均為每平方呎52港元至59港元(二零一六年：38港元至43港元)。

Relationship of unobservable inputs to fair value
不可觀察輸入數據相對公平值的關係

The higher the capitalisation rate, the lower the fair value.
The higher the monthly market rent, the higher the fair value.

資本化率越高，公平值越低。
每月市場租金越高，公平值越高。

Sensitivity
敏感度

A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
A slight increase in the monthly market rent used would result in a significant increase in fair value, and vice versa.

所用資本化率微升會導致公平值大幅減少，反之亦然。
所用每月市場租金輕微增加會導致公平值大幅增加，反之亦然。

14. 投資物業(續)

本集團重大投資物業於二零一七年十二月三十一日及二零一六年十二月三十一日之公平值計量所用主要輸入數據載列如下：

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14. INVESTMENT PROPERTIES (continued)

14. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表中本集團所持投資物業	Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據相對公平值的關係	Sensitivity 敏感度
Investment properties – residential homes located in USA with a carrying value of HK\$34,505,000 (2016: HK\$80,973,000)	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Monthly market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, from 12.5% to 14.5% (2016: 12.5% to 14.5%) per annum. Monthly market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average of US\$0.56 to US\$0.87 (2016: US\$0.56 to US\$0.93) per square foot on gross floor area basis.	The higher the capitalisation rate, the lower the fair value. The higher the monthly market rent, the higher the fair value.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa. A slight increase in the monthly market rent used would result in a significant increase in fair value, and vice versa.
投資物業—位於美國賬面值34,505,000港元(二零一六年: 80,973,000港元)之住宅單位	第三級	收入資本化法 主要輸入數據為: (1) 資本化率; 及 (2) 每月市場租金。	計及租金收入資本化潛力、物業性質以及當前市況後, 資本化率介乎每年12.5%至14.5%(二零一六年: 12.5%至14.5%)。 計及可資比較物業與該物業之時間、位置及個別因素(如朝向與大小)後, 每月市場租金按建築面積為基準, 平均為每平方呎0.56美元至0.87美元(二零一六年: 0.56美元至0.93美元)。	資本化率越高, 公平值越低。 每月市場租金越高, 公平值越高。	所用資本化率微升會導致公平值大幅減少, 反之亦然。 所用每月市場租金輕微增加會導致公平值大幅增加, 反之亦然。

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14. INVESTMENT PROPERTIES (continued)

14. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表中本集團所持投資物業	Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據相對公平值的關係	Sensitivity 敏感度
Investment properties – senior housing communities located in USA with a carrying value of HK\$217,734,000 (2016: nil)	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Monthly market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 8.5% (2016: nil) per annum. Monthly market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average of US\$20 to US\$29.6 (2016: nil) per square foot on gross floor area basis.	The higher the capitalisation rate, the lower the fair value. The higher the monthly market rent, the higher the fair value.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa. A slight increase in the monthly market rent used would result in a significant increase in fair value, and vice versa.
投資物業—位於美國賬面值217,734,000港元(二零一六年：無)之長者住房院舍	第三級	收入資本化法 主要輸入數據為： (1) 資本化率；及 (2) 每月市場租金。	計及租金收入資本化潛力、物業性質以及當前市況後，資本化率為每年8.5%(二零一六年：無)。 計及可資比較物業與該物業之時間、位置及個別因素(如朝向與大小)後，每月市場租金按建築面積為基準，平均為每平方呎20美元至29.6美元(二零一六年：無)。	資本化率越高，公平值越低。 每月市場租金越高，公平值越高。	所用資本化率微升會導致公平值大幅減少，反之亦然。 所用每月市場租金輕微增加會導致公平值大幅增加，反之亦然。

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14. INVESTMENT PROPERTIES (continued)

14. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表中本集團所持投資物業	Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據相對公平值的關係	Sensitivity 敏感度
Investment properties – commercial and residential units located in Singapore with a carrying value of HK\$359,818,000 (2016: HK\$335,929,000)	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Monthly market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of range from 3.2% to 3.6% (2016: 3.1% to 3.5%) per annum. Monthly market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average of SGD3.7 to SGD9 (2016: SGD3.5 to SGD9) per square foot on gross floor area basis.	The higher the capitalisation rate, the lower the fair value. The higher the monthly market rent, the higher the fair value.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa. A slight increase in the monthly market rent used would result in a significant increase in fair value, and vice versa.
投資物業—位於新加坡賬面值359,818,000港元(二零一六年: 335,929,000港元)之商用及住宅單位	第三級	收入資本化法 主要輸入數據為: (1) 資本化率; 及 (2) 每月市場租金。	計及租金收入資本化潛力、物業性質以及當前市況後, 資本化率介乎每年3.2%至3.6%(二零一六年: 3.1%至3.5%)。每月市場租金, 計及可資比較物業與該物業之時間、位置及個別因素(如朝向與大小)後, 每月市場租金按建築面積為基準, 平均為每平方呎3.7新加坡元至9新加坡元(二零一六年: 3.5新加坡元至9新加坡元)。	資本化率越高, 公平值越低。 每月市場租金越高, 公平值越高。	所用資本化率微升會導致公平值大幅減少, 反之亦然。 所用每月市場租金輕微增加會導致公平值大幅增加, 反之亦然。

There has been no change from the valuation technique used in the prior year.

所用估值技術與上一年度相同。

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15. PLEDGED DEPOSITS/RESTRICTED BANK BALANCES AND BANK BALANCES AND CASH

Restricted bank balances are required, in accordance with relevant documents issued by the PRC State-Owned Land and Resource Bureau, that certain amount of presale proceeds of properties be placed as guarantee deposits in designated bank accounts for the constructions of the respective properties. The deposits can only be used for payments for construction costs of the relevant properties when approval from PRC State-Owned Land and Resource Bureau is obtained. Such guarantee deposits will only be released after the completion certificates have been obtained or upon the issuance of the property ownership certificates, whichever is earlier.

Pledged deposits represent bank deposits of HK\$35,104,000 (2016: HK\$12,794,000) and deposits held with financial institutions of HK\$84,070,000 (2016: HK\$ Nil) pledged to banks and financial institutions to secure the facilities granted to the Group and also the mortgage loan facilities granted by certain banks to certain property buyers of the Group's properties. The pledged deposits will be released upon the settlement of relevant borrowings and the expiry of the mortgage guarantees provided to the property buyers. Bank deposits and deposits held with financial institutions amounting to HK\$63,379,000 (2016: HK\$4,148,000) have been pledged to secure the Group's non-current bank borrowings and are therefore classified as non-current assets.

Restricted bank balances and bank balances carry interest at market rates which range from 0.01% to 0.35% (2016: 0.01% to 0.35%) per annum. Pledged deposits carry interest at fixed rates which range from 0.03% to 0.35% (2016: 0.03% to 0.35%) per annum.

15. 已抵押按金／受限制銀行結餘以及銀行結餘及現金

受限制銀行結餘指根據中國國土資源局發佈之有關文件規定，將物業預售所得款項之若干金額存入指定銀行戶口作為有關物業建築工程之保證金之款項。經中國國土資源局批准後，有關保證金方可用於支付相關物業之建築成本。有關保證金於獲取完工證明後或發出物業所有權證時（以較早者為準），方可解除。

已抵押按金指已抵押予銀行及金融機構之銀行存款35,104,000港元（二零一六年：12,794,000港元）及金融機構所持存款84,070,000港元（二零一六年：零港元），以取得授予本集團之融資及若干銀行授予本集團物業之若干物業買家之按揭貸款融資。已抵押按金將於相關借貸償還後及提供予物業買家之按揭擔保到期後解除。銀行存款及金融機構所持存款63,379,000港元（二零一六年：4,148,000港元）已抵押，以獲得本集團非即期銀行貸款，因此分類為非流動資產。

受限制銀行結餘及銀行結餘市場年利率介乎0.01至0.35厘（二零一六年：0.01至0.35厘）。已抵押按金固定年利率介乎0.03至0.35厘（二零一六年：0.03至0.35厘）。

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16. PROPERTIES UNDER DEVELOPMENT FOR SALE/ PROPERTIES HELD FOR SALE

Properties under development for sale are all situated in the PRC and HK\$14,455,301,000 (2016: HK\$1,147,114,000) are expected to be realised after twelve months from the end of the reporting period.

Properties held for sale are all situated in the PRC. All the properties held for sale are stated at the lower of cost or net realisable value.

The Group carried out assessment on net realisable value at the end of the reporting period and compared to the cost and no write down to the net realisable value of properties under development for sale and properties held for sale for both years.

17. DEPOSITS PAID FOR LAND ACQUISITIONS

The amount represented deposits paid for land acquisitions arising from the acquisition of land use rights in the PRC. These deposits will be converted into properties under development for sales upon completion of the land acquisition process and fully refundable if the acquisition is not successful. Deposits paid amounting to approximately HK\$2,030,291,000 (2016: HK\$997,124,000) were completed their handover processes and approximately HK\$1,504,853,000 (2016: nil) were refunded subsequent to the end of reporting period.

16. 待售發展中物業／持作出售之物業

待售發展中物業全部位於中國及14,455,301,000港元(二零一六年：1,147,114,000港元)預期將於報告期間結算日起十二個月後變現。

持作出售之物業全部位於中國。持作出售之物業全部按成本或可變現淨值的較低者入賬。

經於報告期間結算日對可變現淨值進行評估並對成本進行比較，本集團並無撇減兩個年度待售發展中物業及持作出售之物業之可變現淨值。

17. 已付土地收購按金

有關金額指於中國收購土地使用權而產生之已付土地收購按金。該等按金將於土地收購程序完成後轉換為待售發展中物業，倘收購並未成功，則悉數退回。於報告期間結算日後，已付按金約2,030,291,000港元(二零一六年：997,124,000港元)已完成移交程序，而約1,504,853,000港元(二零一六年：無)則被退回。

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18. ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS 18. 應收賬款、按金及預付款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Accounts receivable:	應收賬款：		
– Sales of properties	– 物業出售	69,273	–
– Others	– 其他	13,214	10,124
Prepaid business, value-added and other taxes	預繳營業稅、增值稅及其他稅項	124,869	37,449
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	32,054	6,872
		<u>239,410</u>	<u>54,445</u>
Amounts due from investees	應收投資對象款項	6,346	9,298
Impairment on amounts due from an investee	應收一名投資對象款項減值	(6,346)	(6,346)
		<u>–</u>	<u>2,952</u>
		<u>239,410</u>	<u>57,397</u>

Accounts receivable represent receivables from sales of properties, property management fee receivables, dividend receivables, rental receivables and hotel room revenue receivables.

應收賬款指物業銷售、物業管理費、股息、租賃及酒店房間收入應收款項。

Receivable arising from sales of properties are due for settlement in accordance with the terms of the related sale and purchases agreements.

物業銷售應收款項乃根據相關買賣協議之條款到期結算。

The settlement terms of rental receivables and property management fee receivables are upon presentation of demand notes.

應收租金及應收物業管理費之結算條款為出示繳款通知書時結算。

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18. ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS (continued)

Hotel room revenue is normally settled by cash or credit card.

All accounts receivables were aged less than 3 months.

Accounts receivable that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default. Accounts receivable of HK\$69,273,000 (2016: Nil) past due but not impaired were overdue less than 1 month at the end of year.

As at 31 December 2017, amounts due from investees were fully impaired.

18. 應收賬款、按金及預付款項／已付按金(續)

酒店房間收入一般以現金或信用卡結算。

全部應收賬款賬齡均少於三個月。

未逾期亦未減值之應收賬款涉及大部分近期並無拖欠記錄之客戶。已逾期但未減值之應收賬款69,273,000港元(二零一六年：無)於年末逾期不足1個月。

於二零一七年十二月三十一日，應收投資對象款項已全部減值。

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

19. 按公平值計入損益之金融資產

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Equity securities listed in Hong Kong	於香港上市之股本證券	64	50
Equity securities listed outside Hong Kong	於香港境外上市之股本證券	8,267	7,167
		8,331	7,217
REIT securities listed outside Hong Kong	於香港境外上市之房地產投資信託證券	166,911	180,186
		175,242	187,403

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20. INVESTMENT PROPERTIES CLASSIFIED AS HELD FOR SALE 20. 分類為持作出售之投資物業

In 2017, the Group has entered into agreements with independent third parties for the disposals of certain investment properties located in the USA for an aggregate cash consideration of approximately HK\$2,833,000 (2016: HK\$42,187,000). The directors of the Company assessed and concluded that the held-for-sale criteria set out in HKFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* for these disposals are met. Therefore, these contracted investment properties are classified as investment properties classified as held for sale as at 31 December 2017. The fair value of investment properties classified as held for sale is determined with reference to their contracted selling price. The disposals of both years have been completed and consideration was received in full subsequent to the end of the reporting period.

於二零一七年，本集團已與獨立第三方訂立協議，以總現金代價約2,833,000港元(二零一六年：42,187,000港元)出售若干位於美國之投資物業。本公司董事評估及總結該等出售已符合香港財務報告準則第5號「持作出售非流動資產及已終止經營業務」所載之持作出售標準。因此，於二零一七年十二月三十一日，該等已訂約投資物業被分類為分類為持作出售之投資物業。分類為持作出售之投資物業之公平值乃參考其合約銷售價而釐定。兩個年度之出售已完成，並已於報告期間結算日後全數收取代價。

21. ACCOUNTS PAYABLE, DEPOSITS RECEIVED AND ACCRUALS 21. 應付賬款、已收按金及應計費用

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Accounts payable	應付賬款	252	206
Accrued construction costs (<i>note</i>)	應計建築成本(附註)	2,120,891	155,099
Rental deposits	租賃按金	1,307	2,582
Retention deposits and payable	保留金及應付款項	13,276	3,181
Real estate and other taxes payable	應付房產稅及其他稅項	22,205	1,820
Other payables and accruals	其他應付款項及應計費用	67,632	11,694
		2,225,563	174,582

The average credit period of accounts payable ranges from 30 to 90 days (2016: 30 to 90 days). All accounts payable were aged within one year, based on invoice date.

應付賬款之平均信貸期介乎30日至90日(二零一六年：30日至90日)。根據發票日期，全部應付賬款賬齡為一年內。

Note: Included in accrued construction costs is amounts due to a related company of HK\$291,073,000 (2016: Nil) for its construction work.

附註：應計建築成本內的291,073,000港元(二零一六年：無)為就其建築工程而應付一間關連公司之款項。

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22. DEPOSITS RECEIVED AND RECEIPTS IN ADVANCE FROM PROPERTY BUYERS 22. 已收及預收物業買家之按金

Deposits received and receipts in advance from property buyers amounting to HK\$2,891,567,000 (2016: HK\$445,570,000) are expected to be released to profit or loss more than twelve months after the end of the reporting period.

預期已收及預收物業買家之按金為2,891,567,000港元(二零一六年：445,570,000港元)將於報告期間結算日後十二個月以後才轉撥至損益賬。

23. BANK AND OTHER BORROWINGS 23. 銀行及其他借貸

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank borrowings – secured	銀行貸款 – 有抵押	1,322,931	166,939
Borrowings from financial institutions – secured	來自金融機構之借款 – 有抵押	4,375,881	38,069
Borrowings from a financial institution – unsecured	來自一間金融機構之借款 – 無抵押	3,603,000	–
		<u>9,301,812</u>	<u>205,008</u>
Less: upfront fee	減：預付費	(17,337)	(83)
		<u>9,284,475</u>	<u>204,925</u>
Analysis for reporting purpose as	就呈報目的分析為		
Current liabilities	流動負債	4,637,626	157,550
Non-current liabilities	非流動負債	4,646,849	47,375
		<u>9,284,475</u>	<u>204,925</u>

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23. BANK AND OTHER BORROWINGS (continued)

23. 銀行及其他借貸(續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
The borrowings repayable based on scheduled repayment dates set out in the loan agreements are as follows:	按貸款協議所載預定還款日期償還之貸款如下：		
Within one year	一年以內	4,633,399	149,759
More than one year but not exceeding two years	一年以上但不超過兩年	4,498,049	8,229
More than two years but not exceeding five years	兩年以上但不超過五年	127,603	18,770
More than five years	五年以上	25,424	28,167
		9,284,475	204,925

The carrying amounts of the bank borrowings include an amount of HK\$4,227,000 (2016: HK\$7,791,000) which is not repayable within one year based on scheduled repayment dates but has been shown under current liabilities as the counterparties have discretionary rights to demand immediate repayment.

銀行貸款賬面值包括4,227,000港元(二零一六年：7,791,000港元)，根據還款時間表毋須於一年內償還，惟由於對方有酌情權要求即時還款，故列作流動負債。

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23. BANK AND OTHER BORROWINGS (continued)

The range of effective interest rates of the bank and other borrowings is 2.04% to 7.43% (2016: 1.85% to 3.40%) per annum. The bank and other borrowings denominated in various currencies and carrying interest at prevailing market rates are analysed below.

23. 銀行及其他借貸(續)

銀行及其他借貸實際年利率介乎2.04至7.43厘(二零一六年：1.85至3.40厘)。銀行及其他借貸以多種貨幣列值及按現行市場利率計息，分析如下。

Currencies 貨幣	Interest rates 利率	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
HK\$ 港幣	Hong Kong Interbank Offered Rate (“HIBOR”) plus 1.75% (2016: HIBOR plus 1.75%) per annum 香港銀行同業拆息(「香港銀行同業拆息」)加年利率1.75厘 (二零一六年：香港銀行同業拆息加1.75厘)	7,809	11,307
SGD 新加坡元	SGD Swap Offered Rate (“SGDSOR”) plus 1.75% (2016: SGDSOR plus 1.75%) per annum 新加坡元拆息(「新加坡元拆息」)加年利率1.75厘(二零一六年：新加坡元拆息加1.75厘)	46,775	42,896
SGD 新加坡元	Singapore Interbank Offered Rate (“SIBOR”) plus 1.08% and 1.88% (2016: SIBOR plus 0.98% and 1.88%) per annum 新加坡銀行同業拆息(「新加坡銀行同業拆息」)加年利率1.08及1.88厘(二零一六年：新加坡銀行同業拆息加0.98及1.88厘)	51,661	51,897
USD 美元	London Interbank Offered Rate (“LIBOR”) plus 2.00% (2016: LIBOR plus 2.00%) per annum 倫敦銀行同業拆息(「倫敦銀行同業拆息」)加年利率2.00厘 (二零一六年：倫敦銀行同業拆息加2.00厘)	62,525	60,839
USD 美元	LIBOR plus 5% (2016: LIBOR plus 4.75%) per annum 倫敦銀行同業拆息加年利率5厘(二零一六年：倫敦銀行同業拆息加4.75厘)	114,210	37,986
RMB 人民幣	110% to 150% of the Benchmark Lending Rate of the People’s Bank of China (“Benchmark Rate”) or Benchmark Rate plus 2.68% (2016: nil) per annum 中國人民銀行基準貸款利率(「基準利率」)之110厘至150厘或基準利率加年利率2.68厘(二零一六年：無)	4,032,958	–
RMB 人民幣	Fixed rate from 4.35% to 7.43% (2016: nil) per annum 固定年利率4.35厘至7.43厘(二零一六年：無)	4,968,537	–
		9,284,475	204,925

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24. AMOUNTS DUE TO RELATED COMPANIES

The amounts due to related companies are unsecured, interest-free and repayable on demand.

Ms. Huang and together with its spouse, Mr. Zhang have the controlling interests over these related companies.

25. LOANS FROM A RELATED COMPANY

The Group has entered into loan agreements with a related company, Henan Zensun Real Estate Co., Ltd (“Zensun”), in which Ms. Huang has controlling interests, pursuant to which Zensun will provide unsecured loan(s).

The loans amounting to HK\$31,063,000 (2016: HK\$164,516,000) are unsecured, interest bearing at the lower of (i) 4% per annum or (ii) such other interest rate the Group is able to borrow in an amount equal to the relevant loan from a bank or a financial institution at the date of drawdown. The amounts are repayable within one year (2016: HK\$54,981,000). As at 31 December 2016, the entire amount of HK\$109,535,000 was repayable in 2018 and therefore classified under non-current liabilities.

The remaining loans amounting to HK\$3,166,857,000 (2016: HK\$997,124,000) are unsecured, interest-free and repayable on demand. Those amounts are shown under current liabilities as Zensun has the discretionary rights to demand immediate repayment.

In the opinion of the directors of the Company, the carrying amounts of the loans approximate their fair values at initial recognition.

24. 應付關連公司款項

應付關連公司款項為無抵押、免息並按要求償還。

Huang女士連同其配偶張先生對該等關連公司擁有控股權益。

25. 來自一間關連公司之貸款

本集團與關連公司河南正商置業有限公司(「正商」, Huang女士於其中擁有控股權益)簽訂貸款協議, 據此, 正商將提供無抵押貸款。

31,063,000港元(二零一六年: 164,516,000港元)之貸款為無抵押, 按下列較低者計息: (i) 年利率4厘或(ii)相等於在提取日期本集團能夠向銀行或金融機構借入有關貸款金額之其他利率。該等款項須於一年內償還(二零一六年: 54,981,000港元)。於二零一六年十二月三十一日, 全部款項109,535,000港元須於二零一八年償還, 故已分類為非流動負債。

餘下金額3,166,857,000港元(二零一六年: 997,124,000港元)之貸款為無抵押、免息及按要求償還。由於正商有酌情權要求即時還款, 該等款項於流動負債項下列示。

本公司董事認為, 該等貸款之賬面值與彼等於初始確認時之公平值相若。

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26. SHARE CAPITAL OF THE COMPANY

26. 本公司股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
Ordinary shares with no par value:	無面值之普通股：		
At 1 January 2016	於二零一六年一月一日	5,381,419,969	557,626
Issue of shares under share subscription (<i>note</i>)	根據股份認購發行股份(<i>附註</i>)	795,400,000	159,080
At 31 December 2016 and 31 December 2017	於二零一六年十二月三十一日及 二零一七年十二月三十一日	<u>6,176,819,969</u>	<u>716,706</u>

Note: On 30 May 2016, the Company completed a subscription transaction to issue 795,400,000 new ordinary shares at the subscription price of HK\$0.20 per subscription share and received proceeds of approximately HK\$159,080,000.

附註： 於二零一六年五月三十日，本公司完成一項認購交易，按認購價每股認購股份0.20港元發行795,400,000股新普通股，收取所得款項約159,080,000港元。

All the shares issued in last year rank *pari passu* with other shares in issue in all respects.

去年發行之所有股份在所有方面與其他已發行股份享有同等權益。

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27. DEFERRED TAXATION

The movement in deferred tax liabilities arising from temporary differences are as follows:

27. 遞延稅項

暫時差額產生之遞延稅項負債之變動如下：

		Accelerated tax depreciation	Revaluation of investment properties	Revaluation of properties acquired under business combination	Total
		加速稅項折舊 HK\$'000 千港元	投資物業重估 HK\$'000 千港元	收購之物業重估 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	66	4,675	7,629	12,370
Credit to profit or loss	於損益賬計入	-	(325)	-	(325)
Exchange realignment	匯兌調整	-	4	(492)	(488)
At 31 December 2016	於二零一六年 十二月三十一日	66	4,354	7,137	11,557
Credit to profit or loss	於損益賬計入	-	(1,279)	-	(1,279)
Transfer to land appreciation tax payables	轉撥至應付土地增值稅	-	-	(2,195)	(2,195)
Exchange realignment	匯兌調整	-	28	457	485
At 31 December 2017	於二零一七年 十二月三十一日	66	3,103	5,399	8,568

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27. DEFERRED TAXATION (continued)

At 31 December 2017, the Group had unused tax losses of HK\$643,960,000 (2016: HK\$597,149,000) which are subject to agreement with respective tax authorities, available to offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. Tax loss can be carried forward indefinitely, subject to fulfilment of certain conditions or rules, except for tax loss amounting to HK\$70,885,000 (2016: HK\$27,581,000) incurred in the PRC will expire in the following years ending 31 December:

2020	二零二零年
2021	二零二一年
2022	二零二二年

27. 遞延稅項(續)

於二零一七年十二月三十一日，本集團未動用稅項虧損為643,960,000港元(二零一六年：597,149,000港元)，與有關稅務機構訂立之協議，可用作抵扣未來利潤。由於未能預測日後溢利來源，故並無就未動用稅項虧損確認遞延稅項資產。符合若干條件或規則後，稅項虧損可無限期結轉，惟於中國產生之稅項虧損70,885,000港元(二零一六年：27,581,000港元)將於截至以下年度十二月三十一日止屆滿。

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	-	10,386
	342	17,195
	70,543	-
	<u>70,885</u>	<u>27,581</u>

28. DISPOSAL OF SUBSIDIARIES

(a) Deemed disposal of GMR and its subsidiaries

During the year ended 31 December 2016, GMR, a former subsidiary of the Company, has successfully completed its share offering and migration listing in the New York Stock Exchange. Consequently, the Group's equity interest in GMR was diluted from 99.9% to 14.8%, resulting in a loss of control in GMR. Thereafter, GMR was ceased to be subsidiary of the Company, and the Group classified the remaining investment in GMR as financial assets at fair value through profit or loss (note 19).

28. 出售附屬公司

(a) 視作出售GMR及其附屬公司

於截至二零一六年十二月三十一日止年度，本公司之前附屬公司GMR成功完成其於紐約證券交易所之股份發售及轉板上市。因此，本集團於GMR之股權由99.9%攤薄至14.8%，導致本集團失去GMR之控制權。此後，GMR不再為本公司之附屬公司，且本集團將其餘下於GMR之投資分類為按公平值計入損益之金融資產(附註19)。

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28. DISPOSAL OF SUBSIDIARIES (continued)

(a) Deemed disposal of GMR and its subsidiaries (continued)

The net assets of the GMR and its subsidiaries at the date of the disposal were as follows:

Net assets disposed of:
Investment properties
Restricted bank balances
Prepaid expenses
Accounts receivable, deposits and prepayments
Pledged deposits
Bank balances and cash
Accounts payable, deposits received and accrued charges
Amount due to immediate holding company
Amounts due to the group companies
Secured bank borrowings – due after one year

Deemed loss on disposal of subsidiaries:
Net assets disposed of
Fair value of retained interest
Non-controlling interests
Cumulative exchange difference in respect of the net assets of GMR reclassified from translation reserve to profit or loss on loss of control of GMR

Loss of disposal of subsidiaries

Net cash outflow arising from the deemed disposal:
Bank balances and cash disposed of

During the year ended 31 December 2016, included in the revenue and the loss of the Group for the year were revenue of HK\$23,529,000 and net loss of HK\$15,247,000 respectively attributable to GMR and its subsidiaries.

28. 出售附屬公司(續)

(a) 視作出售GMR及其附屬公司(續)

GMR及其附屬公司於出售事項日期之資產淨值如下：

	HK\$'000 千港元
已出售資產淨值：	
投資物業	729,355
受限制銀行結餘	148
預付開支	16,526
應收賬款、按金及預付款項	5,053
已抵押按金	7,437
銀行結餘及現金	19,978
應付賬款、已收按金及應計費用	(14,110)
應付直接控股公司款項	(105,640)
應付集團公司款項	(11,543)
有抵押銀行貸款—於一年後到期	(422,550)
	<u>224,654</u>

視作出售附屬公司之虧損：	
已出售資產淨值	(224,654)
保留權益公平值	202,086
非控股權益	89
就GMR之資產淨值由換算儲備重新分類至失去GMR控制權之損益而產生之累計匯兌差額	146
	<u>(22,333)</u>

出售附屬公司之虧損

視作出售事項產生之現金流出淨額：
已出售銀行結餘及現金

於截至二零一六年十二月三十一日止年度，計入本集團年度收益及虧損乃由於分別由GMR及其附屬公司應佔之收益23,529,000港元及虧損淨額15,247,000港元所致。

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28. DISPOSAL OF SUBSIDIARIES (continued)

(b) Disposal of subsidiaries

During the year ended 31 December 2016, the Group disposed of its entire interest in certain subsidiaries and net gain of approximately HK\$9,205,000 was recognised upon disposal. The amount represents the reclassification of cumulative exchange difference from translation reserve to profit or loss.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. In view of the Group's expansion strategy, the Group has sourced fundings from banks, financial institutions and its related companies in which Ms. Huang has beneficial interests and continued to look for other external financing sources. The Group's overall strategy remains unchanged from prior period.

The capital structure of the Group consists of net debt, which includes bank and other borrowings, amounts due to related companies and loans from a related company disclosed in notes 23, 24 and 25, net of bank balances and cash, restricted bank balances and pledged deposits, and equity attributable to owner of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with the share capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues, raising of new borrowings or redemption of debts.

28. 出售附屬公司(續)

(b) 出售附屬公司

於截至二零一六年十二月三十一日止年度，本集團出售其於若干附屬公司之全部權益，並於出售事項後確認收益淨額約9,205,000港元。該款項指累計匯兌差額由換算儲備至損益之重新分類。

29. 資本風險管理

本集團管理資本乃為確保本集團實體能夠持續經營，同時透過優化債務與權益平衡為股東帶來最大回報。鑒於本集團之擴建策略，本集團由銀行、金融機構及Huang女士擁有實益權益之關連公司籌集資金來源及繼續尋求其他外部融資渠道。本集團整體策略與過往期間保持不變。

本集團資本架構包括負債淨額，即包括於附註23、24及25披露之銀行及其他借貸、應付關連公司款項及來自一間關連公司貸款，減銀行結餘及現金、受限制銀行結餘及已抵押按金及本公司擁有人應佔股權，包括已發行股本及儲備。

本公司董事每年均會審閱資本架構。為配合該項審閱，本公司董事認為資本成本及風險與股本相關。根據本公司董事建議，本集團將透過支付股息、發行新股份、籌集新借貸或贖回債務，平衡其整體資本架構。

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS

30. 金融工具

a. Categories of financial instruments

a. 金融工具之類別

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	175,242	187,403
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	1,236,925	289,508
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本計算之金融負債	17,562,743	1,614,220

b. Financial risk management objectives and policies

Details of the Group's financial instruments are disclosed above and in the respective notes. The risks associated with these financial instruments include foreign currency risk, interest rate risk, other price risk, credit risk and liquidity risk.

The management monitors and manages the financial risk of the Group through internal risk assessment which analyses exposures by degree and magnitude of risks. 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.

b. 財務風險管理目標及政策

本集團之金融工具詳情於上文及各附註披露。與該等金融工具有關之風險包括外幣風險、利率風險、其他價格風險、信貸風險及流動資金風險。

管理層透過分析風險之程度及幅度之內部風險評估監控及管理本集團之財務風險。有關減輕該等風險之政策載列如下。管理層管理及監控該等風險，以確保及時有效地採取適當措施。

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk

(i) Foreign currency risk

Certain assets and liabilities are denominated in foreign currencies of respective group entities, which are mainly USD, SGD and JPY. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險

(i) 外幣風險

若干資產及負債以各集團實體之外幣列值，主要為美元、新加坡元及日圓。本集團目前並無外幣對沖政策。然而，管理層監控外幣風險，並將於需要時考慮對沖重大外幣風險。

於報告日期以外幣列值之貨幣資產及貨幣負債之賬面值如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Assets	資產		
USD	美元	8,007	13,897
SGD	新加坡元	37,699	33,912
JPY	日圓	3,555	3,852
Liabilities	負債		
USD	美元	73,988	22,723

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截至二零一七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Foreign currency sensitivity

As HK\$ is pegged to USD, no sensitivity analysis on the fluctuation on USD against HK\$ is presented.

The Group's foreign currency risk is mainly concentrated on fluctuation of SGD and JPY against HK\$. The following table details the Group's sensitivity to a 5% (2016: 5%) increase or decrease in SGD and JPY against HK\$.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in SGD and JPY. A positive number indicates an increase in post-tax profit (2016: decrease in post-tax loss) for the year where SGD and JPY strengthens against the HK\$. For a 5% weakens of SGD and JPY against HK\$, there would be an equal and opposite impact on the post-tax profit (2016: loss) and the balance would be negative.

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 外幣風險(續)

外幣敏感度

由於港元與美元掛鈎，故並無呈列美元兌港元波動之敏感度分析。

本集團之外幣風險主要集中於新加坡元及日圓兌港元之波動。下表詳列本集團對新加坡元及日圓兌港元增加或減少5% (二零一六年：5%)之敏感度。

敏感度分析僅包括未平倉外幣列值貨幣項目，於年末按新加坡元及日圓之5%變動調整換算。正數顯示本年度除稅後溢利於新加坡元及日圓兌港元增強時之增幅(二零一六年：除稅後虧損減幅)。於新加坡元及日圓兌港元疲弱5%時，將對除稅後溢利(二零一六年：虧損)造成相等且相反之影響，而結餘則為負數。

		Profit or loss 損益	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
SGD	新加坡元	1,574	1,416
JPY	日圓	148	161

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30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

- (i) *Foreign currency risk (continued)*
Foreign currency sensitivity (continued)
The Group's sensitivity to foreign currency risk has not changed significantly from the prior year.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

- (ii) *Interest rate risk*
The Group's results and operating cash flows would be affected by the changes of market interest rates. The Group's exposure to market risk for changes in interest rates mainly arises from bank and other borrowings and loans from a related company. Bank and other borrowings and loans from a related company carried at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

The Group has exposure to cash flow interest rate risk through the impact of the rate changes on bank balances and bank and other borrowings which are carried at variable interest rate. The Group has exposure to fair value interest rate risk through fixed rate bank deposits, fixed rate RMB borrowings from banks and financial institutions and fixed rate RMB loans from a related company.

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

- (i) *外幣風險(續)*
外幣敏感度(續)
本集團外幣風險之敏感度較上一年度並無重大變動。

由於年終風險未能反映年內風險，故管理層認為，敏感度分析並不能反映固有外匯風險。

- (ii) *利率風險*
本集團之業績及經營現金流量可能受市場利率變動影響。本集團之市場利率變動風險主要來自銀行及其他借貸、來自一間關連公司貸款。以浮動利率及固定利率安排之銀行及其他借貸及來自一間關連公司貸款導致本集團分別承受現金流量利率風險及公平值利率風險。

由於按浮動利率計息之銀行結餘及銀行及其他借貸利率有變，故本集團承受現金流量利率風險。本集團因按固定利率計息之銀行存款及按固定利率計息之以人民幣計值之銀行及金融機構借貸以及按固定利率計息之以人民幣計值之關連公司貸款而承受公平值利率風險。

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

The directors of the Company consider the Group's exposure of the bank deposits to fair value interest rate risk is not significant as interest bearing bank deposits at fixed rate are within short maturity periods in general.

The directors of the Company manage the interest rate risk by maintaining a balanced portfolio of fixed rate borrowings and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates risk for its variable rate borrowings at the end of the reporting period. The sensitivity analysis does not consider the exposure of the bank deposits because the impact is not significant. The variable-rate borrowings carry interests at Benchmark Rate, HIBOR, LIBOR, SIBOR and SGDSOR. The analysis is prepared assuming that the bank and other borrowings outstanding at the end of the reporting periods were outstanding for the whole year. A 100 basis points increase or decrease is used when reporting interest rate risk internally and represent management's assessment of the reasonably possible change in the interest rates.

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

本公司董事認為，由於按固定利率計息之附息銀行存款總體上到期日較短，故本集團之銀行存款所承受公平值利率風險並不重大。

本公司董事透過維持固定利率借貸及浮動利率借貸組合之平衡，從而管理利率風險。

利率敏感度分析

以下敏感度分析根據其於報告期間結算日之浮息借貸利率風險釐定。由於影響不大，故敏感度分析並不計及銀行存款之風險。浮息借貸按基準利率、香港銀行同業拆息、倫敦銀行同業拆息、新加坡銀行同業拆息及新加坡元拆息計息。編製該分析時假設報告期間結算日未償還銀行及其他借貸於一整年內仍屬未償還。內部報告利率風險時將採取增加或減少100個基點，為管理層對利率之合理可能變動作出之評估。

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截至二零一七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity analysis (continued)
If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit after taxation for the year would decrease/increase by HK\$2,144,000 (2016: increase/decrease of loss after taxation by HK\$1,711,000).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

(iii) Other price risk

The Group is exposed to equity price risk arising from listed investments classified as financial assets at fair value through profit or loss. The management manages this exposure by regular review of price fluctuation.

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

利率敏感度分析(續)
倘利率增加/減少100個基點而所有其他變數維持不變，本集團年內之除稅後溢利應分別減少/增加2,144,000港元(二零一六年：除稅後虧損增加/減少1,711,000港元)。

由於年終風險未能反映年內風險，故管理層認為，敏感度分析並不能反映固有利率風險。

(iii) 其他價格風險

本集團承受被分類為按公平值計入損益之金融資產之上市投資股本價格風險。管理層透過定期審閱價格波幅管理此風險。

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Other price risk (continued)

Price sensitivity

The sensitivity analyses below have been determined based on the exposure to price risks of financial assets at fair value through profit or loss at the end of the reporting period. If the market price of the financial assets at fair value through profit or loss had been 10% (2016: 10%) higher/lower while all other variables were held constant, the Group's post-tax profit would increase/decrease by HK\$14,633,000 (2016: decrease/increase post-tax loss of HK\$15,648,000), as a result of the changes in fair value of the financial assets at fair value through profit or loss.

The Group's sensitivity to listed investments classified as financial assets at fair value through profit or loss has not changed significantly from the prior year.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

(iii) 其他價格風險(續)

價格敏感度

以下敏感度分析以報告期間結算日按公平值計入損益之金融資產價格所承受風險釐定。倘按公平值計入損益之金融資產市價上升/下降10%(二零一六年:10%)而所有其他變數維持不變,本集團之除稅後溢利因按公平值計入損益之金融資產公平值變動而增加/減少14,633,000港元(二零一六年:除稅後虧損減少/增加15,648,000港元)。

本集團被分類為按公平值計入損益之金融資產之上市投資之敏感度自過往年度起並無重大變動。

由於年終風險未能反映年內風險,故管理層認為,敏感度分析並不能反映固有價格風險。

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30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group in the event of the counterparties' failure to discharge their obligations in relation to each class of recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantees issued by the Company as disclosed in note 35.

The credit risk of the Group was primarily attributable to and concentrated on bank deposits. The directors of the Company consider the credit risk for bank deposits is limited because the counterparties are financial institutions with high credit ratings.

The Group does not have any significant concentration of credit risk. Accounts receivable consist of a wide range of customers, spreading across diverse industries and geographical areas.

Liquidity risk

The Group's liquidity requirements for operation and its compliance with lending covenants is monitored closely by the management of the respective companies, to ensure that it maintains sufficient reserve of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirements in the short and long term.

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

信貸風險

於報告期間結算日，本集團承受之最高信貸風險為倘交易對手未能履行綜合財務狀況報表所述各級已確認金融資產承擔及附註35所披露本公司發出財務擔保之或然負債款額，其將導致本集團產生財務虧損。

本集團之信貸風險主要來自及集中於銀行存款。由於對手為具高信貸評級之財務機構，故本公司董事認為，銀行存款之信貸風險有限。

本集團並無任何重大集中信貸風險。應收賬款來自分佈於不同行業及地理位置的大部分客戶。

流動資金風險

各公司管理層密切監察本集團營運之流動資金需求及借貸契諾之守規情況，以確保維持足夠現金儲備及可從主要財務機構獲得充足現金儲備及足夠資金額度，從而滿足長短期之流動資金需要。

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綜合財務報表附註

截至二零一七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. 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.

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

流動資金風險(續)

下表詳列本集團金融負債根據議定還款期之剩餘合約年期，乃根據本集團須付款之最早日期按照金融負債之未貼現現金流量編製。下表已載入利息及本金現金流量。

		Weighted average interest rate 加權平均 利率 %	On demand or within 1 year 應要求或 一年內 HK\$'000 千港元	Within 1-2 years 一至兩年內 HK\$'000 千港元	Within 2-5 years 二至五年內 HK\$'000 千港元	Over 5 years 超過五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2017	於二零一七年 十二月三十一日							
Accounts payable, deposits received and accruals	應付賬款、已收按金及應計費用	-	2,202,051	-	-	-	2,202,051	2,202,051
Amounts due to related companies	應付關連公司款項	-	2,878,297	-	-	-	2,878,297	2,878,297
Loans from a related company	來自一間關連公司之貸款							
- interest-bearing	- 計息	4.0	31,778	-	-	-	31,778	31,063
- non-interest bearing	- 免息	-	3,166,857	-	-	-	3,166,857	3,166,857
Bank and other borrowings	銀行及其他借貸	5.88	5,140,660	4,877,287	132,822	27,729	10,178,498	9,284,475
			13,419,643	4,877,287	132,822	27,729	18,457,481	17,562,743
Financial guarantee contracts (Note)	財務擔保合約(附註)		1,184,570	-	-	-	1,184,570	-
At 31 December 2016	於二零一六年 十二月三十一日							
Accounts payable, deposits received and accruals	應付賬款、已收按金及應計費用	-	170,180	-	-	-	170,180	170,180
Amounts due to related companies	應付關連公司款項	-	77,475	-	-	-	77,475	77,475
Loans from a related company	來自一間關連公司之貸款							
- interest-bearing	- 計息	4.00	60,634	112,057	-	-	172,691	164,516
- non-interest bearing	- 免息	-	997,124	-	-	-	997,124	997,124
Bank and other borrowings	銀行及其他借貸	3.35	160,156	5,704	17,112	30,692	213,664	204,925
			1,465,569	117,761	17,112	30,692	1,631,134	1,614,220
Financial guarantee contracts (Note)	財務擔保合約(附註)		467,282	-	-	-	467,282	-

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截至二零一七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Note: The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on the expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Group's bank and other borrowings with a repayment on demand clause but not repayable within one year are classified under "on demand or within 1 year" time band in the maturity analysis. Taking into account the Group's financial position and the fair value of the pledged assets, the directors of the Company believe that it is not probable that the banks will exercise its discretionary right to demand immediate repayment and such term borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. On this basis, the interest and principal cash flows for the bank and other borrowings would be as follows:

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

流動資金風險(續)

附註： 上述財務擔保合約款項為擔保對手方索取相關款項時，本集團根據安排可能須結付全數擔保款額之最高金額。基於報告期間結算日之預期，本集團認為須根據相關安排支付相關款項之可能性不大。然而，該估計視乎對手方根據擔保索償之可能性而有變，惟此可能性須視乎獲擔保對手方所持財務應收款項會否蒙受信貸虧損而定。

本集團附帶按要求償還條款但不於一年內償還之銀行及其他借貸於到期日分析歸入「應要求或一年內」時間組表。計及本集團財務狀況及已抵押資產之公平值，本公司董事相信，銀行不大可能行使其要求即時還款之酌情權，而有關定期貸款將按貸款協議所載預定還款日期償還。按此基準，銀行及其他借貸之利息及本金現金流量會如下：

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30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

At 31 December 2017	於二零一七年 十二月三十一日
Bank and other borrowings with a repayment on demand clause	附帶按要求償還條款之 銀行及其他借貸
At 31 December 2016	於二零一六年 十二月三十一日
Bank and other borrowings with a repayment on demand clause	附帶按要求償還條款之 銀行及其他借貸

c. Fair value of financial instruments

The Group's financial assets at fair value through profit or loss (representing the listed investments with standard terms and conditions and traded in active liquid markets) are measured at fair value at the end of each reporting period and they are grouped under Level 1 of the fair value hierarchy with reference to quoted market bid prices.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements at amortised cost approximate their fair values.

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

流動資金風險(續)

Weighted average effective interest rate 加權平均利率 %	On demand or within 1 year 應要求或一年內 HK\$'000 千港元	Within 1-2 years 一至兩年內 HK\$'000 千港元	Within 2-5 years 二至五年內 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
2.53	188	3,770	538	4,496	4,227
2.77	269	3,761	4,297	8,327	7,791

c. 金融工具之公平值

本集團按公平值計入損益之金融資產(指附帶標準條款及條件之上市投資並於活躍流動市場進行買賣)於各報告期間結算日按公平值計量並根據公平值層級第一級參考市場所報買入價分組。

其他金融資產及金融負債之公平值根據貼現現金流量分析之一般公認定價模型釐定。

管理層認為，按攤銷成本計算並於綜合財務報表中確認之金融資產及金融負債賬面值與其公平值相約。

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31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES 31. 融資活動之負債對賬

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

下表詳列本公司融資活動之負債變動，包括現金及非現金變動。融資活動產生之負債乃指其現金流量或未來現金流量於本集團綜合現金流量表中分類為融資活動現金流量之負債。

		Amounts due to related companies	Loans from a related company	Interest payable (include in account payable, deposits received and accruals) 應付利息 (包括應付賬款、 已收按金及 應計費用)	Bank and other borrowings	Total
		應付關連 公司款項 HK\$'000 千港元	來自一間 關連公司貸款 HK\$'000 千港元	已收按金及 應計費用) HK\$'000 千港元	銀行及 其他借貸 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	77,475	1,161,640	183	204,925	1,444,223
Financing cashflows (note)	融資現金流量(附註)	2,787,805	1,947,888	(86,621)	9,070,212	13,719,284
Finance costs	融資成本	8,082	-	102,379	-	110,461
Foreign exchange translation	外匯換算	4,935	88,392	-	9,338	102,665
At 31 December 2017	於二零一七年 十二月三十一日	2,878,297	3,197,920	15,941	9,284,475	15,376,633

Note: The financing cash flows make up the net amount of new bank and other borrowings raised, repayment of bank and other borrowings, interest paid, advance from/repayment to related companies, loans advance received from/repaid to a related company in the consolidated statement of cash flows.

附註：融資現金流量為綜合現金流量表內之新造銀行及其他借貸、償還銀行及其他借貸、已付利息、關連公司墊款/還款、已收/償還一間關連公司墊付貸款之淨額。

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32. PLEDGE OF ASSETS

The following assets are pledged to certain banks and a financial institutions as for banking facilities granted to the Group and also mortgage loan facilities granted to certain property buyers of the Group's properties at the end of the reporting period:

32. 資產抵押

於報告期間結算日，以下資產已抵押予若干銀行及一間金融機構作為本集團獲授銀行融資及本集團物業之若干物業買家獲授按揭融資之質押：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Property under development for sale	待售發展中物業	11,172,785	-
Properties held for sale	持作出售之物業	600,731	-
Investment properties	投資物業	678,552	461,439
Investment properties classified as held for sale	分類為持作出售之投資物業	-	28,818
Property, plant and equipment	物業、廠房及設備	11,353	11,664
Pledged deposits	已抵押按金	119,174	12,794
		12,582,595	514,715

In addition, shares of certain subsidiaries are pledged as securities to obtain certain banking facilities granted to the Group as at 31 December 2017.

此外，於二零一七年十二月三十一日，已抵押若干附屬公司之股份，以作為本集團獲授若干銀行融資之抵押。

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33. OPERATING LEASE COMMITMENT

As lessor

Property rental income in respect of the investment properties earned of HK\$34,342,000 (2016: HK\$53,826,000), net of outgoings of HK\$7,907,000 (2016: HK\$12,643,000), is HK\$26,435,000 (2016: HK\$41,183,000). The investment properties held have committed tenants for the next one to twelve years at fixed rentals.

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments which fall due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)
Over five years	超過五年

As lessee

At the end of the reporting period, the Group has commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)

Operating lease payments represent rentals payable by the Group for certain offices located in overseas and those leases are negotiated for an average term of one to three years.

33. 經營租賃承擔

作為出租人

與投資物業有關之物業租金收入已賺取34,342,000港元(二零一六年: 53,826,000港元), 扣除支出7,907,000港元(二零一六年: 12,643,000港元)後為26,435,000港元(二零一六年: 41,183,000港元)。持作投資物業已有租戶按固定租金承擔租賃, 租期為自下一年起至十二年不等。

於報告期間結算日, 本集團與租戶訂有以下時間到期之日後最低租賃付款:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	29,625	14,963
In the second to fifth years inclusive	77,805	7,316
Over five years	127,537	-
	234,967	22,279

作為承租人

於報告期間結算日, 本集團就不可撤銷經營租賃於以下時間到期之日後最低租賃付款作出承諾:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	1,182	1,267
In the second to fifth years inclusive	1,065	2,228
	2,247	3,495

經營租賃付款指本集團就其位於海外之若干辦公室及該等經議定平均年期介乎一到三年之租賃之應付租金。

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34. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

Contracted for but not provided in respect of:
Acquisitions of land use rights
Property development expenditures

34. 資本承擔

於報告期間結算日，本集團承擔如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
已訂約但未撥備：		
收購土地使用權	1,263,778	1,356,434
物業發展開支	2,795,093	369,054
	4,058,871	1,725,488

35. CONTINGENT LIABILITIES

As at 31 December 2017, the Group had contingent liabilities relating to guarantees amounting to approximately HK\$1,184,570,000 (2016: HK\$456,022,000) in respect of mortgage loan facilities provided by certain banks in connection with the mortgage loans entered into by property buyers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these property buyers, the Group would be responsible for repaying the outstanding mortgage principals together with accrued interests thereon and any penalties owed by the defaulted buyers to the banks. The Group would be entitled to take over legal title to and possession of the related properties. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the buyers of the property; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage. In the opinion of the directors of the Company, no provision for the guarantee contracts was recognised in the consolidated financial statements for the year ended 31 December 2017 as the default risk is low.

35. 或然負債

於二零一七年十二月三十一日，本集團就有關本集團物業之物業買家訂立之按揭貸款而由若干銀行提供之按揭貸款融資之擔保擁有或然負債約1,184,570,000港元(二零一六年：456,022,000港元)。根據擔保條款，倘該等物業買家拖欠按揭款項，本集團須負責支付失責買家欠付銀行的未償還按揭本金連同累計利息及任何罰款。本集團將有權接管相關物業的法定業權及擁有權。該等擔保將於以下較早者發生時解除：(i)物業買家償還按揭貸款；及(ii)就按揭物業發出物業所有權證並完成按揭的取消登記。本公司董事認為，由於違約風險不大，故並無就擔保合約於截至二零一七年十二月三十一日止年度之綜合財務報表作出撥備。

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36. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) for all qualifying employees in Hong Kong under the rules and regulations of the Mandatory Provident Fund Schemes Authority. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Contributions are made based on a percentage of the participating employees’ relevant income from the Group and are charged to the profit or loss as they become payable in accordance with the rules of the MPF Scheme. When an employee leaves the MPF Scheme, the mandatory contributions are fully vested with the employee.

According to the relevant laws and regulations in the PRC, certain subsidiaries established in the PRC are required to contribute a specific percentage of the payroll of their employees to retirement benefit schemes to fund the retirement benefits of their employees. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the respective schemes.

Total retirement benefit expense charged to profit or loss for the year amounted to HK\$1,179,000 (2016: HK\$1,227,000).

36. 退休福利計劃

本集團根據強制性公積金計劃管理局之規則及規例為全體香港合資格僱員提供強制性公積金計劃(「強積金計劃」)。強積金計劃資產與本集團資產分開持有，由受託人管理之基金持有。按照參與僱員從本集團所得相關收入之百分比供款，由彼等根據強積金計劃規則應付並計入損益。當僱員退出強積金計劃時，強制性供款全數歸僱員所有。

根據中國有關法律及法規，若干在中國成立的附屬公司須以其僱員薪金之特定百分比向退休福利計劃作出供款，為僱員的退休福利撥資。本集團就退休福利計劃之唯一責任為根據個別計劃作出所需供款。

年內計入損益之退休福利總開支為1,179,000港元(二零一六年：1,227,000港元)。

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37. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related companies:

Related company 關連公司	Transactions 交易	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Zensun 正商	Interest expenses (capitalised in properties under development for sale) 利息開支(於待售發展中物業資本化)	8,082	11,381
Relevant members of Henan Zensun Corporate Development Company Limited (the "Zensun Development Group") 河南正商企業發展有限責任公司之有關成員公司(「正商發展集團」)	Construction costs (capitalised in properties under development for sale) 建築成本(於待售發展中物業資本化)	426,307	106,525

Zensun and Zensun Development Group are the entities controlled by ultimate controlling party of the Company and together with its spouse.

The remuneration paid and payable to the members of key management, who are also the directors, during the year, are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term benefits	短期福利	1,714	1,672
Post-employment benefits	離職後福利	93	109
		1,807	1,781

Balances with related parties are set out in the consolidated statement of financial position, and details of terms are set out in notes 21, 24 and 25.

The Group is licensed by Zensun to use the trademark of "Zensun", "正商", on a royalty-free basis until July 2020.

37. 關連人士交易

本集團與關連公司進行下列交易：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest expenses (capitalised in properties under development for sale) 利息開支(於待售發展中物業資本化)	8,082	11,381
Construction costs (capitalised in properties under development for sale) 建築成本(於待售發展中物業資本化)	426,307	106,525

正商及正商發展集團為由本公司最終控股方連同其配偶控制之實體。

於年內，已付及應付主要管理人員(亦為董事)之薪酬如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
短期福利	1,714	1,672
離職後福利	93	109
	1,807	1,781

與關連人士之結餘載列於綜合財務狀況報表，條款詳情載於附註21、24及25。

本集團獲正商許可按免專利費基準使用「Zensun」及「正商」商標至二零二零年七月。

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38. SHARE OPTION SCHEME

On 28 August 2013, a new share option scheme (the “Share Option Scheme”) was adopted by the Company. The purpose of the Share Option Scheme is to motivate eligible persons who contribute to the success of the Group’s operations. The Share Option Scheme remains in force for 10 years from that date, unless otherwise cancelled or amended. Eligible persons of the Share Option Scheme include (i) a director or proposed director (including an independent non-executive director) of any member of the Group; (ii) a direct or indirect shareholder of any member of the Group; (iii) a supplier of goods or services to any member of the Group; (iv) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (v) a person or entity that provides research, development or other technological support or any advisory, consultancy, professional services to any member of the Group; and (vi) a landlord or tenant (including a sub-tenant) of any member of the Group. Subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time during the life of the New Share Option Scheme to offer the grant of any option to any eligible person as the Board may in its absolute discretion select and the basis of eligibility shall be determined by the Board from time to time.

Pursuant to the Share Option Scheme, the maximum number of shares in respect of which options may be granted is such number of shares which, when aggregated with shares subject to any other share option scheme(s), must not exceed 10% of the issued share capital of the Company from time to time. The maximum number of shares issuable under share options to each eligible person in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to the shareholders’ approval in a general meeting.

38. 購股權計劃

於二零一三年八月二十八日，本公司採納新購股權計劃（「購股權計劃」）。購股權計劃旨在激勵對本集團業務成就有所貢獻之合資格人士。除非另經註銷或修訂，否則購股權計劃由該日起一直有效十年。購股權計劃之合資格人士包括(i)本集團任何成員公司之董事或候任董事(包括獨立非執行董事)；(ii)本集團任何成員公司之直接或間接股東；(iii)本集團任何成員公司之貨品或服務供應商；(iv)本集團任何成員公司之客戶、諮詢顧問、業務或合營企業伙伴、特許經營人、承包商、代理或代表；(v)向本集團任何成員公司提供研發或其他技術支持或任何顧問、諮詢顧問、專業服務之人士或實體；及(vi)本集團任何成員公司之業主或租戶(包括分租戶)。根據新購股權計劃之條款，於新購股權計劃有效期內任何時間，董事會有權向其全權酌情選擇之任何合資格人士提呈授出購股權，而合資格基準不時由董事會釐定。

根據購股權計劃，可能授出之購股權涉及之股份數目上限，與任何其他購股權計劃涉及之股份相加，最多不得超過本公司不時已發行股本之10%。於任何十二個月期間根據購股權可向購股權計劃各合資格人士發行之股份數目上限，以本公司任何時間已發行股份1%為限。任何進一步授出超逾該限額之購股權須待股東於股東大會批准後，方可實行。

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38. SHARE OPTION SCHEME (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive Director, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to the shareholders' approval in a general meeting.

The amount payable upon the acceptance of an option is HK\$1.00. The period within which an option must be exercised shall be such period as the Board may in its absolute discretion determine at the time of grant, save that such period shall not be more than 10 years commencing on the date of grant of an option.

The exercise price of the share options is determinable by the Board, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer of the grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of offer of the grant; and (iii) the nominal value of the Company's shares.

38. 購股權計劃(續)

向本公司董事、主要行政人員或主要股東或彼等各自之任何聯繫人士授出購股權，均須取得獨立非執行董事(為購股權承授人之任何獨立非執行董事除外)之事先批准。此外，在任何十二個月期間，倘向任何主要股東或獨立非執行董事或彼等各自之任何聯繫人士授出任何超過本公司於任何時間已發行股份0.1%及總值超過5,000,000港元(根據本公司股份於授出日期之價格計算)之購股權，則須待股東於股東大會批准後，方可實行。

購股權獲接納時應付金額1.00港元。購股權之必須行使期限由董事會於授出購股權時全權酌情釐定，惟有關期限自購股權授出日期起計不得超過十年。

購股權之行使價由董事會釐定，惟不得低於以下各項之最高者：(i)本公司股份於提呈授出日期(必須為交易日)於聯交所每日報價表所報收市價；(ii)本公司股份於緊接提呈授出日期前五個交易日於聯交所每日報價表所報平均收市價；及(iii)本公司股份面值。

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截至二零一七年十二月三十一日止年度

38. SHARE OPTION SCHEME (continued)

The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options vested immediately and may be exercised at any time not exceeding a period of 5 years from the date on which the share options is accepted.

During the year ended 31 December 2017 and 2016, no options have been granted under the above mentioned scheme.

38. 購股權計劃(續)

與根據購股權計劃可能授予之購股權有關之股份總數在未經本公司股東事先批准前，不允許超過本公司於任何時間點已發行股份10%。與於任何一年內授予或可能授予任何人士之購股權有關之已發行及將予發行股份數目在未經本公司股東事先批准前，不允許超過本公司於任何時間點已發行股份1%。購股權自購股權獲接納之日起不超過五年期間內任何時間即時歸屬並可能獲行使。

於截至二零一七年及二零一六年十二月三十一日止年度，概無購股權根據上述計劃獲授出。

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截至二零一七年十二月三十一日止年度

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 39. 本公司財務狀況報表

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	121	183
Investment properties	投資物業	2,350	2,250
Investments in subsidiaries	於附屬公司之投資	411,385	472,126
Amounts due from subsidiaries	應收附屬公司款項	367,480	642,392
		<hr/> 781,336	<hr/> 1,116,951
Current assets	流動資產		
Deposits and prepayments	按金及預付款項	1,447	910
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	8,183	6,613
Amounts due from subsidiaries	應收附屬公司款項	464,592	151,100
Bank balances and cash	銀行結餘及現金	35,826	44,297
		<hr/> 510,048	<hr/> 202,920
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	2,266	2,471
Amounts due to subsidiaries	結欠附屬公司款項	257,801	309,002
		<hr/> 260,067	<hr/> 311,473
Net current assets (liabilities)	流動資產(負債)淨值	<hr/> 249,981	<hr/> (108,553)
Total assets less current liabilities	資產總值減流動負債	<hr/> 1,031,317	<hr/> 1,008,398
Capital and reserves	資本及儲備		
Share capital	股本	716,706	716,706
Reserves (Note)	儲備(附註)	314,611	291,692
		<hr/> 1,031,317	<hr/> 1,008,398
Total equity	權益總額	<hr/> 1,031,317	<hr/> 1,008,398

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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued) 39. 本公司財務狀況報表(續)

Note: Details of the Company's reserves are set out below:

附註：本公司之儲備詳情載列如下：

		Capital reduction reserve 資本削減 儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Retained earning 保留盈餘 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	149,180	3,632	37,567	190,379
Profit for the year	年內溢利	-	-	12,492	12,492
Deemed contribution from a subsidiary	一間附屬公司之視作出資	-	88,821	-	88,821
At 31 December 2016	於二零一六年十二月三十一日	149,180	92,453	50,059	291,692
Profit for the year	年內溢利	-	-	22,819	22,819
Deemed contribution from a subsidiary	一間附屬公司之視作出資	-	100	-	100
At 31 December 2017	於二零一七年十二月三十一日	149,180	92,553	72,878	314,611

40. PARTICULARS OF THE SUBSIDIARIES 40. 附屬公司概要

Particulars of the principal subsidiaries of the Company at 31 December 2017 and 31 December 2016 are as follows:

於二零一七年十二月三十一日及二零一六年十二月三十一日，本公司主要附屬公司之資料如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊成立/成立 及營業地點	Paid up issued capital/ registered capital 實繳已發行股本/ 註冊資本	Proportion of ownership interest held by the Company 由本公司持有所有權權益比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2017 二零一七年 %	2016 二零一六年 %	2017 二零一七年 %	2016 二零一六年 %	
75 Wall Street, LLC	USA 美國	Note (ii) 附註(ii)	-	-	100	100	Property investment 物業投資
Aizuya Limited	Japan 日本	Common stock JPY30,000,000 普通股 30,000,000日圓	-	-	81.8	81.8	Hotel operations 酒店業務

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40. PARTICULARS OF THE SUBSIDIARIES (continued) 40. 附屬公司概要(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊成立/成立 及營業地點	Paid up issued capital/ registered capital 實繳已發行股本/ 註冊資本	Proportion of ownership interest held by the Company 由本公司持有所有權權益比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2017	2016	2017	2016	
			二零一七年 %	二零一六年 %	二零一七年 %	二零一六年 %	
American Housing REIT, Inc. (note i) (附註i)	USA 美國	Common stock USD6,256 普通股6,256美元	-	-	99.8	99.8	Property investment 物業投資
AHR First Borrower, LLC	USA 美國	Note (ii) 附註(ii)	-	-	99.8	99.8	Loan financing and property investment 貸款融資及物業投資
AHR Second Borrower, LLC	USA 美國	Note (ii) 附註(ii)	-	-	-	99.8	Loan financing 貸款融資
American Senior Housing REIT, LLC	USA 美國	Note (ii) 附註(ii)	-	-	99.8	-	Property investment and investment holding 物業投資及投資控股
ASHR McKinney, LLC	USA 美國	Note (ii) 附註(ii)	-	-	99.8	-	Property investment 物業投資
ASHR First, LLC	USA 美國	Note (ii) 附註(ii)	-	-	99.8	-	Property investment 物業投資
China Credit Singapore Pte. Ltd.	Singapore 新加坡	Ordinary shares SGD13,417,282 普通股 13,417,282新加坡元	100	100	-	-	Investment holding 投資控股
Expats Residences Pte. Ltd.	Singapore 新加坡	Ordinary shares SGD25,002 普通股 25,002新加坡元	-	-	100	100	Property investment 物業投資

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40. PARTICULARS OF THE SUBSIDIARIES (continued) 40. 附屬公司概要(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊成立/成立 及營業地點	Paid up issued capital/ registered capital 實繳已發行股本/ 註冊資本	Proportion of ownership interest held by the Company 由本公司持有所有權權益比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2017 二零一七年 %	2016 二零一六年 %	2017 二零一七年 %	2016 二零一六年 %	
Heng Fung Capital Company Limited 恒鋒融資有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股 2港元	100	100	-	-	Property investment and securities trading 物業投資及證券買賣
Inter-American Management, LLC	USA 美國	Note (ii) 附註(ii)	-	-	85	85	Provision of property management services 提供物業管理服務
Keng Fong Foreign Investment Co., Ltd.	USA 美國	Common stock USD250,000 普通股 250,000美元	-	-	100	100	Property investment 物業投資
Sansui Limited	Japan 日本	Common stock JPY 10,000 普通股 10,000日圓	-	-	81.8	81.8	Hotel operations 酒店業務
Sapporo Holdings Limited	Japan 日本	Common stock JPY3,000,000 普通股 3,000,000日圓	-	-	81.8	81.8	Property investment 物業投資
Singapore Service Residence Pte. Ltd.	Singapore 新加坡	Ordinary shares SGD1,250,000 普通股 1,250,000新加坡元	-	-	100	100	Property investment 物業投資
Xpress Credit Limited 特速信貸有限公司	Hong Kong 香港	Ordinary shares HK\$1,260,000 普通股 1,260,000港元	-	-	100	100	Securities trading 證券買賣

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40. PARTICULARS OF THE SUBSIDIARIES (continued) 40. 附屬公司概要(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊成立/成立 及營業地點	Paid up issued capital/ registered capital 實繳已發行股本/ 註冊資本	Proportion of ownership interest held by the Company 由本公司持有所有權權益比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2017 二零一七年 %	2016 二零一六年 %	2017 二零一七年 %	2016 二零一六年 %	
ZH USA, LLC	USA 美國	Note (ii) 附註(ii)	100	100	-	-	Securities trading and investment holding 證券買賣及投資控股
河南昌輝企業管理諮詢有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB1,000,000 註冊資本 人民幣1,000,000元	-	-	100	100	Investment holding 投資控股
河南正商經開置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB300,000,000 註冊資本 人民幣300,000,000元	-	-	100	100	Property development 物業發展
河南興漢正商置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	-	-	100	100	Property development 物業發展
河南象湖置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	-	-	100	100	Property development 物業發展
河南新築置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	-	-	100	100	Property development 物業發展

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40. PARTICULARS OF THE SUBSIDIARIES (continued) 40. 附屬公司概要(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊成立/成立 及營業地點	Paid up issued capital/ registered capital 實繳已發行股本/ 註冊資本	Proportion of ownership interest held by the Company 由本公司持有所有權權益比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2017	2016	2017	2016	
			二零一七年 %	二零一六年 %	二零一七年 %	二零一六年 %	
河南正商華府置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB100,000,000 註冊資本 人民幣100,000,000元	-	-	100	100	Property development 物業發展
河南正商新銘置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB100,000,000 註冊資本 人民幣100,000,000元	-	-	100	100	Property development 物業發展
河南正商新航置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	-	-	100	-	Property development 物業發展
北京上築置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB300,000,000 註冊資本 人民幣300,000,000元	-	-	100	-	Property development 物業發展
北京上陽置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB200,000,000 註冊資本 人民幣200,000,000元	-	-	100	-	Property development 物業發展
河南正商銘築置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB100,000,000 註冊資本 人民幣100,000,000元	-	-	100	-	Property development 物業發展

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40. PARTICULARS OF THE SUBSIDIARIES (continued) 40. 附屬公司概要(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment and operation 註冊成立/成立 及營業地點	Paid up issued capital/ registered capital 實繳已發行股本/ 註冊資本	Proportion of ownership interest held by the Company 由本公司持有所有權權益比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2017	2016	2017	2016	
			二零一七年 %	二零一六年 %	二零一七年 %	二零一六年 %	
河南啟盛置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	-	-	100	-	Property development 物業發展
河南正商中嶽置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB100,000,000 註冊資本 人民幣100,000,000元	-	-	100	-	Property development 物業發展
河南正商新府置業有限公司 (note iii) (附註iii)	PRC 中國	Registered capital RMB100,000,000 註冊資本 人民幣100,000,000元	-	-	100	-	Property development 物業發展

Notes:

- (i) The shares of American Housing REIT, Inc. are quoted on the Over-The-Counter Bulletin Board of NASDAQ in the USA.
- (ii) No capital contributions is required from the member unless otherwise required by law.
- (iii) Entities established in the PRC are limited liability companies and no english names have been registered or available upon establishment.

附註：

- (i) American Housing REIT, Inc.之股份於美國納斯達克之場外櫃檯交易系統報價。
- (ii) 除非法律另行規定，否則並無規定資本貢獻必須來自成員公司。
- (iii) 於中國成立之實體為有限公司，且於成立後，概無登記或採用英文名稱。

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40. PARTICULARS OF THE SUBSIDIARIES (continued)

None of the subsidiaries had issued any debt securities at the end of the year.

The above list is the subsidiaries of the Group which, in the opinion of the directors of Company, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of Company, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities and places of business of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal places of business	主要業務地點	Number of subsidiaries 附屬公司數目	
			2017	2016
			二零一七年	二零一六年
Properties development 物業發展	PRC	中國	11	–
Investment holding 投資控股	HK	香港	3	3
	BVI	英屬處女群島	2	3
	USA	美國	2	3
	Singapore	新加坡	–	2
	Japan	日本	1	1
	PRC	中國	–	1
			19	13
Inactive 不活躍	HK	香港	2	2
	BVI	英屬處女群島	1	–
	USA	美國	–	2
	Singapore	新加坡	4	2
	PRC	中國	–	–
			7	6

40. 附屬公司概要(續)

概無附屬公司於年終發行任何債務證券。

上表載列本公司董事認為主要影響本集團業績或資產淨值之本集團附屬公司。本公司董事認為，倘詳列其他附屬公司資料將導致篇幅過於冗長。

於報告期間結算日，本公司擁有其他對本集團屬不重大之附屬公司。該等附屬公司之主要業務及業務地點概述如下：

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截至二零一七年十二月三十一日止年度

41. EVENTS AFTER THE REPORTING PERIOD

- (i) In January 2018, the Group acquired land use rights of a land parcel located in Zhengzhou City, Henan Province, the PRC through listing for sale process in a public auction held by Land and Resources Bureau of Zhengzhou City for transfer of state-owned land use rights at a consideration of RMB1,146,000,000 (equivalent to HK\$1,376,346,000). The land parcel is designated for residential and commercial and financial usage, with the term of 70 years for residential usage and the term of 40 years for commercial and financial usage. The handover of the land parcel is expected to be completed on or before second quarter of 2018.
- (ii) In January 2018, the Group acquired land use rights of three land parcels located in Xinzheng City, Henan Province, the PRC through listing for sale process in a public auction held by Land and Resources Bureau of Xinzheng City for transfer of state-owned land use rights at an aggregate consideration of RMB2,820,520,000 (equivalent to HK\$3,387,444,000). These land parcels are designated for residential usage with the term of 70 years. The handover of these land parcels are expected to be completed on or before second quarter of 2018.
- (iii) In February 2018, the Group entered into a subscription agreement and thereafter issued a US\$200,000,000 7.5% bonds due in 2019. The Group intended to use the gross proceeds from the bonds for general corporate purpose.
- (iv) On 9 March 2018, a termination agreement was entered into between the Company and Ms. Huang to terminate the agreement dated 27 September 2017 and as amended by the supplemental agreement dated 30 January 2018 entered into between the Company and Ms. Huang, all in relation to the acquisition of all the issued share capital of Honor Challenge Investment Limited.

41. 報告期後事項

- (i) 於二零一八年一月，本集團以代價人民幣1,146,000,000元(相等於1,376,346,000港元)於鄭州市國土資源局就轉讓國有土地使用權所舉辦之公開拍賣掛牌出售程序中取得位於中國河南省鄭州市之一幅地塊之土地使用權。該地塊指定作住宅及商務金融用途，住宅使用年限為70年，商務金融使用年限為40年。該幅地塊預期將於二零一八年第二季度或之前完成交付。
- (ii) 於二零一八年一月，本集團以總代價人民幣2,820,520,000元(相等於3,387,444,000港元)於新鄭市國土資源局就轉讓國有土地使用權所舉辦之公開拍賣掛牌出售程序中取得位於中國河南省新鄭市之三幅地塊之土地使用權。該等地塊均指定為住宅用地，使用年限為70年。該等地塊預期將於二零一八年第二季度或之前完成交付。
- (iii) 於二零一八年二月，本集團訂立一份認購協議，並於其後發行於二零一九年到期之200,000,000美元7.5%債券。本集團擬將債券發行所得款項總額作一般企業用途。
- (iv) 於二零一八年三月九日，本公司與Huang女士訂立終止協議，以終止日期為二零一七年九月二十七日之協議(經本公司與Huang女士於二零一八年一月三十日訂立之補充協議修訂)，內容均有關收購Honor Challenge Investment Limited之全部已發行股本。

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2017

綜合財務報表附註

截至二零一七年十二月三十一日止年度

41. EVENTS AFTER THE REPORTING PERIOD (continued)

- (v) In March 2018, the Group acquired land use rights of sixteen land parcels located in Gongyi City, Henan Province, the PRC through listing for sale process in a public auction held by Gongyi Municipal Bureau of Land and Resources for transfer of state-owned land use rights at an aggregate consideration of RMB312,420,000 (equivalent to HK\$375,216,000). These land parcels are designated for residential usage, and/or commercial usage, or public facilities usage with the terms of 70 years for residential usage and/or the terms of 40 years for commercial or terms of 50 years for public facilities usage. The handover of these land parcels is expected to be completed on or before second quarter of 2018.

41. 報告期後事項(續)

- (v) 於二零一八年三月，本集團以總代價人民幣312,420,000元(相等於375,216,000港元)於鞏義市國土資源局就轉讓國有土地使用權所舉辦之公開拍賣掛牌出售程序中取得位於中國河南省鞏義市之十六幅地塊之土地使用權。該等地塊指定作住宅用途(使用年限為70年)及/或商業用途(使用年限為40年)或公共設施用途(使用年限為50年)。該等地塊預期將於二零一八年第二季度或之前完成交付。

Financial Summary

財務概要

		For the year ended 31 December 截至十二月三十一日止年度		For the nine months ended 31 December 截至 二零一五年 十二月 三十一日 止九個月	For the year ended 31 March 截至三月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Results	業績					
Revenue	收益	1,271,982	79,569	43,960	60,661	32,483
Profit (loss) for the year/period	年度/期間 溢利(虧損)	152,315	(56,585)	(19,193)	(55,330)	(42,110)
Attributable to: Owners of the Company	應佔： 本公司擁有人	152,456	(56,702)	(19,655)	(54,920)	(43,503)
Non-controlling interests	非控股權益	(141)	117	462	(410)	1,393
Profit (loss) for the year/period	年度/期間 溢利(虧損)	152,315	(56,585)	(19,193)	(55,330)	(42,110)
		As at 31 December 於十二月三十一日			As at 31 March 於三月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Assets and liabilities	資產及負債					
Total assets	總資產	22,269,858	3,698,185	2,186,089	1,168,869	1,094,327
Total liabilities	總負債	(20,896,040)	(2,541,167)	(1,094,486)	(429,577)	(272,557)
Non-controlling interests	非控股權益	5,782	6,093	7,178	7,568	5,028
Equity attributable to owners of the Company	本公司擁有人 應佔權益	1,379,600	1,163,111	1,098,781	746,860	826,798

Particulars of Major Investment Properties

As at 31 December 2017

主要投資物業概要

於二零一七年十二月三十一日

INVESTMENT PROPERTIES

投資物業

Location 地點	Gross area (approximately) 總面積 (約)	Effective % held 實際擁有權 (%)	Type 類別	Lease term 租約
No.883 North Bridge Road, Shop on 1/F. and 27 Home Office Units on various floors, Southbank, Singapore 198785	28,732 sq. ft. 28,732平方呎	100%	Home Office 家居辦公室	Long-term lease 長期租約
5 Residential Units, Dakota Residences, 34-42 Dakota Crescent, Singapore 399939	9,128 sq. ft. 9,128平方呎	100%	Apartment 寓所	Long-term lease 長期租約
30/F and Carpark No. C8 on 2nd Carparking Floor, Wyndham Place, No.44 Wyndham Street, Central, Hong Kong 香港中環雲咸街44號雲咸商業中心 30樓及2樓停車場C8號車位	3,480 sq. ft. 3,480平方呎	100%	Office premises and Car Parking space 辦公室物業及車位	Long-term lease 長期租約
Portion B of 24/F, Wyndham Place, No. 44 Wyndham Street, Central, Hong Kong 香港中環雲咸街44號雲咸商業中心24樓B部份	1,680 sq. ft. 1,680平方呎	100%	Office premises 辦公室物業	Long-term lease 長期租約
Glen Carr House, 1433 North Hamilton Drive, Derby, Kansas, 67037, USA Glen Carr House 位於美國肯薩斯州德比市 North Hamilton Drive 1433號	29,000 sq. ft. 29,000平方呎	99.8%	Senior house communities 長者住房宿舍	Freehold 永久業權
Oxford Grand McKinney, 2851 Orchid Drive, McKinney, Texas, 75070, USA Oxford Grand McKinney 位於美國德薩斯州麥堅尼市 Orchid Drive 2851號	69,700 sq. ft. 69,700平方呎	99.8%	Senior house communities 長者住房宿舍	Freehold 永久業權
38 Single-family rentals located in the metropolitan regions of Texas, Florida and Georgia, USA 位於美國德克薩斯州、佛羅里達州及喬治亞州 市中心地區之38間單棟出租單位	74,659 sq. ft. 74,659平方呎	99.8%	Residential 住宅	Freehold 永久業權
Land parcels located at 671-180-012, 013, 014, 015, 016, 017, 018 Desert Hot Springs, County of Riverside, State of California, 92503, USA 位於美國加州河濱縣Desert Hot Springs之 地塊671-180-012、013、014、015、 016、017、018	67.5 acres/ 273,200 sq. m./ 2,940,300 sq. ft. 67.5畝/ 273,200平方米/ 2,940,300平方呎	100%	Vacant land 空置土地	Freehold 永久業權

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