



**HSIN新昌
CHONG**

**Hsin Chong Group Holdings Limited
新昌集團控股有限公司**

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)

Stock Code 股份代號: 00404.HK



ANNUAL REPORT 年報

2017

VISION 願景

The Leader in Construction, Property and Related Services.

成為建造、房地產及相關服務的行業領導者。

MISSION 使命

We are committed to:

我們致力：

- creating value for our customers and delivering quality services at world-class standard; and
為客戶創造價值及提供世界級的優質服務；及
- delivering value to our shareholders through maximising market share and returns.
擴大市場佔有率及提升回報，為股東締造更高的價值。

VALUES 價值

Heart and Harmony 全心全意 和諧共勉

- We strive for perfection through service from the **heart** and work **harmoniously** together by complementing and supplementing each other.
我們盡心服務，力臻完善，並和諧共勉，彼此互補優勢。

Can-do attitude and Commitment to quality 樂觀積極 優質承諾

- We uphold a **can-do attitude** with integrity and are **committed** to delivering **quality** that will earn the respect and loyalty of our stakeholders.
我們堅持樂觀積極的態度，堅守誠實廉正的信念，並矢志以優質服務，贏取持份者的尊重與忠誠。

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Chairman's Statement

主席報告



Non-executive Chairman and Non-executive Director, Mr. LIN Zhuo Yan
非執行主席兼非執行董事·林卓延先生

On behalf of the Board of Directors (the "Board") of Hsin Chong Group Holdings Limited (the "Company"), I am pleased to report the audited consolidated results of the Company together with its subsidiaries (collectively, the "Group") for the year ended 31 December 2017 to our shareholders.

Business Performance and Review

The Group recorded a turnover of approximately HK\$6,302 million for the year ended 31 December 2017, representing a decrease of 36% comparing to the turnover of approximately HK\$9,823 million in the year ended 31 December 2016. The Group also recorded a loss of approximately HK\$571 million in the current year comparing to a loss of approximately HK\$2,712 million in the last year. The decrease in the Group's loss was mainly due to the alleviation of impairment loss on the property investment, a reduction of the net exchange loss and the fair value gain on investment properties incurred during the year.

Trading in the shares of the Company was halted since on 3 April 2017 at the request of the Company. As stated in the 2016 independent auditor's report, in which the predecessor auditor of the Company at that time, being PricewaterhouseCoopers ("PwC"), did not express an audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2016 as a result of certain audit issues.

An Independent Investigation Committee comprised of three Independent Non-executive Directors at that material time was established in March 2017 to conduct a review on the audit issues. Subsequently, Deloitte Advisory (Hong Kong) Limited ("Deloitte") to conduct independent investigations on each of the audit issues accordingly.

本人謹代表新昌集團控股有限公司（「本公司」）董事會（「董事會」）欣然向各位股東提呈本公司連同其附屬公司（統稱「本集團」）截至2017年12月31日止年度的經審核綜合業績。

業務表現及回顧

本集團於截至2017年12月31日止年度錄得營業額約港幣63.02億元，較截至2016年12月31日止年度的營業額約港幣98.23億元減少36%。本集團亦於本年度錄得虧損約港幣5.71億元，而去年錄得虧損約港幣27.12億元。本集團虧損減少乃主要由於年內物業投資之減值虧損有所減少、匯兌虧損淨額減少及產生投資物業公允值收益。

本公司股份應本公司要求自2017年4月3日起暫停買賣。誠如2016年獨立核數師報告所載，當時本公司的前任核數師羅兵咸永道會計師事務所（「羅兵咸永道」）因若干審核事項並無就本集團截至2016年12月31日止年度的綜合財務報表發表審核意見。

在該重要時刻，由三名獨立非執行董事組成的獨立調查委員會已於2017年3月成立，對審核事項進行審查。其後，德勤諮詢（香港）有限公司（「德勤」）對各審核事項相應進行獨立調查。

On 10 January 2018, Deloitte issued the investigation report. For the summary of their major findings and the corresponding recommendations, the Independent Investigation Committee accepted the factual findings made by Deloitte as documented in the investigation report, based on which the Independent Investigation Committee have issued its report on 15 January 2018 and in which it has made a number of recommendations to the Board of Directors for resolving the audit issues respectively. Details of the recommendations and the status of the implementation are set out in the announcement of the Company dated 9 January 2018 and 19 January 2018 respectively.

Construction Business

With Hsin Chong's leading construction industry role and remarkable track record in Hong Kong and Asia, we strive our best to take part in the city's infrastructure and building plans.

After these issues are behind us, the Directors are confident that Hsin Chong, as one of Asia's longest-standing construction groups with its firm foundation in the industry, will continue to strengthen our solid position to sustain further successes in Hong Kong and Asia.

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

Property Development Business

Over the course of the last few years, Hsin Chong has pursued a strategic transformation in its property business portfolio. Currently, the Group has two completed properties in the first tier cities of Beijing and Guangzhou and four properties under development in Foshan, Tai'an, Tianjin and Tieling. We expect to grasp the new opportunities in the Mainland of China's fast growing and developing property market.

A ceremony to celebrate the official grand opening of Hsin Chong Outlet Mall was held during 2017 in Foshan, Guangdong Province. The retail mall indulges visitors with an extensive collection of chic fashion labels, both local and international, plus a wide selection of leisure and entertainment options. We believe this development will become a distinguished integrated tourist, leisure, lifestyle, shopping and entertainment landmark in the Guangdong-Hong Kong-Macao Bay Area. The launch of the Outlet Mall is just an initial step in the realisation of Hsin Chong Town's vision to develop a brand new, integrated residential and recreational community in Lubao Town of Foshan's Sanshui District. Encompassing high quality homes, retail shopping, spa resorts and senior living residences, we believe the project will assist Sanshui District to grow into an attractive new destination to live and to visit. With these distinguishing factors, the project would provide a renowned reputation in China's property market and deliver a best return of portfolio to the Group.

於2018年1月10日，德勤發佈調查報告。就主要的發現及相應的建議概要而言，獨立調查委員會接納德勤於調查報告記錄的事實發現，據此，獨立調查委員會已於2018年1月15日發佈其報告，其中就解決各審核事項向董事會提供一系列推薦建議。有關推薦建議及實施情況的詳情分別載於本公司日期為2018年1月9日及2018年1月19日之公告。

建造業務

憑藉新昌作為建造業引領者的角色以及在香港及亞洲取得的驕人往績，我們傾力參與城市基建及樓宇規劃。

待該等事項解決後，董事確信，新昌作為亞洲歷史最為悠久並在業內擁有堅實基礎的建造集團之一，將繼續鞏固我們的穩固地位，進一步延續在香港及亞洲的成功歷程。

除公營界別外，我們亦重視高端私營界別客戶，用專業素養及企業傳統為其服務。作為在香港基建發展方面的主要參與者，我們將持續關注這充滿競爭的建造業，努力把潛在機遇。

物業發展業務

於過往年度，新昌對其物業業務組合進行策略轉型。現時，本集團於北京及廣州等一線城市擁有兩項竣工物業及於佛山、泰安、天津及鐵嶺擁有四項發展中物業。我們預期將從中國大陸快速增長及發展的物業市場中捕捉新的機遇。

於2017年，我們在廣東省佛山市舉行開幕儀式，慶祝新昌廣場奧特萊斯正式營業。該零售商場匯聚國內外時尚品牌及各類休閒娛樂設施，我們深信可將其打造成為粵港澳大灣區生活圈最具影響力的一站式旅遊、度假、休閒、購物及娛樂新勝地。該奧特萊斯的營業只是我們實現新昌小鎮願景的第一步，我們將在佛山三水區蘆苞鎮發展一個全新的綜合生活及休閒社區，包含高品質住宅、零售商場、溫泉度假村及養老住宅區。我們相信此項目將有助於三水區成為具吸引力的新居住及旅遊目的地。憑藉該等利好因素，該項目將為本集團在中國物業市場上帶來良好聲望及優厚回報。

Belt and Road Initiative and Greater Bay Area

China has taken the role to lead and manage the Belt and Road Initiative since its inception in 2013, paving the way for the next stage of development, it also highlighted the benefits for Hong Kong to leverage its strengths and role in advancing the Belt and Road Initiative and to cooperate with other core regions to capitalise on this opportunity.

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

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

In Africa, the Company has extended the validity of its MOU with Chad for one year. Chad's National Assembly President, together with some of his ministers, are planning to visit Hong Kong again in mid-2018.

In Europe, the Company has commissioned an international property valuation group to prepare a feasibility study on the redevelopment of a major shopping centre and the associated commercial facilities in Istanbul, Turkey.

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

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

一帶一路計劃及大灣區

中國在一帶一路計劃中擔當領導及管理角色，計劃自2013年提出以來取得很大進展，為下一階段的發展鋪路，一帶一路計劃亦有助香港利用其優勢和角色促進一帶一路計劃的實施及與其他區域合作，把握發展機遇。

憑藉與非洲乍得共和國（「乍得」）、柬埔寨王國（「柬埔寨」）和尼泊爾聯邦民主共和國（「尼泊爾」）等多個國家的主要部長及代表建立定期的業務關係、聯繫及溝通的成功經驗，國際基建業務繼續在亞洲、非洲、歐洲、中東和南美探索及發展新商機。

在亞洲，本公司重點聚焦於鄰近香港的柬埔寨、馬來西亞、緬甸聯邦共和國（「緬甸」）和尼泊爾。在柬埔寨，本公司正就若干發展項目進行磋商，發展2023年舉行的亞洲國家運動會的外圍設施。在馬來西亞，本公司繼續與一家馬來西亞跨國企業集團討論基建業務和項目發展。在緬甸，本集團於2017年初與一名國際開發商簽署諒解備忘錄（「諒解備忘錄」），為內維桑市（Ngwe Saung）一項面積達一千八百英畝的大型綜合度假村項目提供項目及建設管理服務。在尼泊爾，本公司正與項目開發商就Darbang地區建設25MW水力發電站進行重要討論。本公司亦將被邀請在2018年第三季度參與從加德滿都至特萊地域的高速公路項目內的隧道和橋樑投標。

在非洲，本公司已將其與乍得簽署的諒解備忘錄的有效期限延長1年。乍得國民議會議長連同部分部長官員計劃於2018年中再次訪問香港。

在歐洲，本公司已委託一家國際物業估值集團就土耳其伊斯坦布爾主要購物中心及相關商業設施的重建項目進行可行性研究。

在中東，本公司正在探索在巴林王國和連接所有六個海灣合作委員會成員國的海灣鐵路項目進行若干重大建築工程的潛在商機。

充分利用香港的競爭優勢及為支持其對「一帶一路」倡議的貢獻及參與，新昌繼續扮演其超級聯繫人的角色，並透過促進連接、整合和創建一個區域經濟合作框架，從而擴展其建造專長。

The vast concept of the Guangdong-Hong Kong-Macau Greater Bay Area ("Greater Bay Area") have been much into details of discussion and also supported by the National Government. As it also covers several cities area which are Dongguan, Foshan, Guangzhou, Hong Kong, Huizhou, Jiangmen, Macau, Shenzhen, Zhaoqing, Zhongshan and Zhuhai. Establishing the Greater Bay Area promotes the forthcoming development of the metropolitan areas along South China Region and is part of the nationwide urban agglomeration plan and reform designed by the Central Government. Improvement in connectivity among cities can optimise their synergies and maximise economic potential of the cities.

Green Building and Sustainability Concept

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

The Group has been applying the energy saving measures in our projects and prioritises sustainability in all of its undertakings, it sought to apply eco-friendly practices whenever and wherever possible, minimising potential impact on the environment. We will continue to work with our partners to promote sustainable growth and development in other countries, where there is a wealth of opportunity.

Financial Position

In view of the debt maturity profile and current financial position of the Group, the priority objective of our prudent financial management is to try to reduce the costs of finance and lengthen the debt maturity. The overreliance on any single financing platform in the past would not meet the forthcoming funding requirements. Our financial professional would take a proactive role to improve the Group's cash flow through the expansion of funding sources.

In August 2017, the disposal of Hsin Chong Center provided a good opportunity for the Group to realise its investment value with considerable financial gain.

國家政府已就粵港澳大灣區（「大灣區」）一泛概念進行了細節層面的深入討論並對此持支持表態。該區域涵蓋東莞、佛山、廣州、香港、惠州、江門、澳門、深圳、肇慶、中山及珠海等多個市區。建立大灣區有助華南地區大都市圈的未來發展，同時亦為中央政府規劃的全國城市群規劃及發展的一部分。提高城市間的聯結性可優化其協同效應並最大限度發揮其經濟潛力。

綠色建築及可持續發展理念

綠色建築作為一種在設計及建造上使用節能材料及技術的建築，將繼續在2018年影響全球建造業。可持續健康生活等社會趨勢定必在未來數年逐漸成形。作為在香港具有重大影響力的建築行業領先企業之一，我們有望充當可持續發展的先行者，維持優勢地位。

本集團一直在項目上運用各種節能措施，及秉持可持續發展的基本原則，銳意採用最環保的建造方法，減低工程有可能對環境造成的影響。我們將繼續與合夥人攜手在充滿機遇的其他國家推進可持續增長及發展。

財務狀況

根據本集團的債務到期狀況及現時的財務狀況，我們的審慎財務管理主要目標是嘗試降低融資成本及延長債務到期期限。過去過度倚賴任何單一融資平台將無法滿足日後的資金需求。我們的財務專員將積極透過擴大融資渠道的方式改善本集團的現金流量狀況。

於2017年8月，出售新昌中心為本集團變現其投資價值提供了良機，並且獲得了可觀財務收益。

Business Prospect and Outlook

The management of the Company will prepare a viable resumption proposal to be submitted to the Stock Exchange for application of resumption of trading of shares on the Stock Exchange. And the Board will closely work with professional parties on the listing application for the resumption of trading of the Company's shares on the Stock Exchange in the near future and strive for the best return to the shareholders of the Company. We will keep the shareholders and potential investors informed of the progress as and when appropriate.

Looking ahead into the forthcoming year, the Group will continue to optimize existing business projects to further enhance profitability and room for expansion and will actively and steadily promote the development of property projects to expand the Group's stable sources of income and consolidate the foundation of the Group. The management is dedicated to explore different attractive business opportunities for the Group.

In parallel to the continuous promoting of our existing business operations, the Group brought in professional teams to study different investment opportunities. The management will continue to develop its principal construction and property development business and will step up its effort to identify new business opportunities such as aged care and healthcare services so as to strengthen and broaden the revenue stream of the Group. At the same time, the management will adhere to a prudent attitude in identifying investment opportunities with potentials for long-term development to further gather the Group's momentum for sustainable business growth aiming at achieving the goals of improving returns for shareholders, to pave the way for a better result and prospect for the Group and to enhance the returns to our shareholders as a whole.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my gratitude to all shareholders, investors, bankers and business partners for their continuing trust and support to the Group and to express my sincere appreciation to my fellow Directors and all of staff members for their strenuous efforts and valuable contribution during the past year.

LIN Zhuo Yan

Non-executive Chairman and Non-executive Director

Hong Kong, 23 March 2018

業務前景及展望

本公司管理層將擬備一份可行的復牌建議並提交予聯交所申請於聯交所恢復股份買賣。董事會將與專業人士就近期於聯交所恢復本公司股份買賣的上市申請緊密合作，爭取為本公司股東帶來最佳回報。我們將於適當時候向股東及潛在投資者通報進展情況。

展望來年，本集團將繼續優化現有業務項目，進一步提升盈利能力及擴張空間，積極穩妥推進物業項目發展，擴大本集團穩定收入來源，鞏固本集團基礎。管理層致力為本集團探索具吸引力的不同商機。

在持續推動現有業務營運的同時，本集團引入專業團隊研究不同的投資機會。管理層將繼續發展其主要建造及物業發展業務，並將繼續努力尋找新商機，例如發展養老及護理服務以加強及擴闊本集團的收入來源。同時，管理層將堅持審慎尋找具有長期發展潛力的投資機會，進一步凝聚本集團持續業務增長的動力，實現提高股東回報的目標，為本集團取得更佳業績及前景鋪路，並提升股東整體回報。

致謝

本人謹代表董事會，藉此機會向全體股東、投資者、往來銀行及商業合作夥伴對本集團的持續信任及支持表示衷心感謝，並向董事及全體員工於過去一年作出的不懈努力及寶貴貢獻致以誠摯謝意。

非執行主席兼非執行董事

林卓延

香港，2018年3月23日

REVIEW OF BUSINESS AND PROSPECTS

業務回顧及前景

1. Financial Overview

1. 財務回顧

(In HK\$ million) (港幣百萬元)		2017 2017年	2016 2016年	Change 變動	
				Amount 金額	%
Revenue	收益	6,302	9,823	-3,521	-36%
Revenue – excluding NSC [#]	收益 – 不包括NSC [#]	6,124	9,379	-3,255	-35%
Gross profit	毛利	165	456	-291	-64%
Gross profit margin	毛利率	2.6%	4.6%	-2.0%	
Gross profit margin – excluding NSC [#]	毛利率 – 不包括NSC [#]	2.7%	4.9%	-2.2%	
Fair value gain/(loss) on investment properties	投資物業公允值之收益/(虧損)	707	(884)	1,591	180%
Provision for impairment of properties under development	發展中物業減值撥備	(361)	(1,924)	1,563	81%
EBITDA	EBITDA	(42)	(4,040)	3,998	99%
Net finance costs	融資成本淨額	(321)	(142)	-179	-126%
Loss attributable to shareholders	股東應佔虧損	(774)	(2,734)	1,960	72%
Basic loss per share (in HK cents)	每股基本虧損 (港幣仙)	(13.6)	(48.9)	35.3	72%
Interim dividend (in HK cents)	中期股息 (港幣仙)	-	-	N/A 不適用	N/A 不適用
Final dividend (in HK cents)	末期股息 (港幣仙)	-	-	N/A 不適用	N/A 不適用

Note:

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

附註:

「NSC」—澳門銀河娛樂渡假村第二期項目的指定分判商工程

2. Business Overview

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

2. 業務回顧

作為區內的綜合建造及物業集團，新昌藉著建立一間具發展潛力的物業公司，尋求實現其業務組合的策略轉型。在我們期待物業業務為本集團帶來重大收益貢獻之同時，本集團之建造業務的盈利能力維持不變。

(In HK\$ million) (港幣百萬元)		2017 2017年	2016 2016年	Change 變動	
				Amount 金額	%
Revenue	收益				
Construction – excluding NSC	建造 – 不包括NSC	6,058	9,314	-3,256	-35%
Property development and investment	物業發展及投資	66	65	1	2%
		6,124	9,379	-3,255	-35%
Construction – NSC	建造 – NSC	178	444	-266	-60%
		6,302	9,823	-3,521	-36%
Discontinued operation (Note)	已終止經營業務 (附註)	-	2,163	-2,163	-100%
		6,302	11,986	-5,684	-47%
Gross profit	毛利				
Construction	建造	139	436	-297	-68%
Property development and investment	物業發展及投資	26	20	6	30%
		165	456	-291	-64%
Discontinued operation (Note)	已終止經營業務 (附註)	-	149	-149	-100%
		165	605	-440	-73%
EBITDA	EBITDA				
Construction	建造	-	315	-315	-100%
Property development and investment	物業發展及投資	73	(4,238)	4,311	102%
Corporate overhead and others	企業營運費用及其他	(115)	(117)	2	2%
		(42)	(4,040)	3,998	99%
Discontinued operation (Note)	已終止經營業務 (附註)	-	48	-48	-100%
		(42)	(3,992)	3,950	99%
Gross profit margin (excluding NSC)	毛利率 (不包括NSC)				
Construction	建造	2.3%	4.7%		
Property development and investment	物業發展及投資	39.4%	30.8%		

Note:

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

2.1 Construction Business Review

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

- (i) P4002 direct contract for PPC Pile Works for Galaxy Resort & Casino Phase 4, Lot 4 New Integrated Resort Development at Cotai City, Macau;
- (ii) Contract No. CV/2016/10 Site Formation and Associated Infrastructural Works for Development of Columbarium at Sandy Ridge Cemetery;
- (iii) a sub-contract for air-conditioning installation for construction of Sports Center, Community Hall and Football Pitches in Area 1, Tai Po; and
- (iv) a sub-contract for air-conditioning and mechanical ventilation installation for construction of Public Rental Housing Redevelopment at Pak Tin Estate Phases 7 and 8.

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

- (i) Government & Public Institutions: M+ Museum Main Works Contract at West Kowloon Cultural District, Design & Construction of Kowloon East Regional Headquarters and Operational Base cum Ngau Tau Kok Divisional Police Station and Civil Engineering and Development Department; and
- (ii) MTR Corporation: Elevated Road along LOHAS Park Road and the Pedestrian Footbridge FBI, Express Rail Link contract for West Kowloon Terminus Station South and Shatin to Central Link contract for Sung Wong Toi and To Kwa Wan Stations and Tunnels.

附註:

已終止經營業務是指室內裝飾及特殊項目以及物業及設施管理業務，由於新昌管理集團有限公司已出售，該公司於2016年11月21日不再是本集團的附屬公司。

2.1 建造業務回顧

於2017年，建造業務獲得合共港幣6.19億元（2016年：港幣57.82億元）新訂單，包括以下主要合約：

- (i) 澳門路氹城新綜合度假村開發第四地段銀河度假酒店及賭場第四期的預應力預制混凝土樁工程P4002直接合約；
- (ii) 合約編號CV/2016/10沙嶺墳場興建骨灰安置所的土地平整及相關基礎設施工程合約；
- (iii) 大埔第1區體育館、社區會堂及足球場建築工程的空調裝置工程分包合約；及
- (iv) 白田邨第七期及第八期公共租住房屋重建項目建築工程的空調及機動通風裝置工程分包合約。

截至2017年12月31日，手頭未完成合約額（不包括NSC）為港幣68億元。於所有手頭合約中，79%來自公營機構及港鐵公司，包括：

- (i) 政府及公營機構：西九文化區的M+博物館主工程合約、東九龍總區總部及行動基地暨牛頭角分區警署大樓設計及建築項目及土木工程拓展署；及
- (ii) 港鐵公司：康城路高架路橋及行人天橋工程、廣深港高鐵西九龍總站（南）與宋王臺及土瓜灣鐵路站及隧道的沙中線合約。



Mantin Heights
皓畋

Shatin to Central Link Contract
沙中線合約



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

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

2.2 Property Development and Investment Business Review

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

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

其他21%來自私營客戶，主要包括新世界發展、麗新發展及銀河娛樂集團。

於本年度，本集團的核心建造業務錄得收益（不包括NSC）港幣61億元（2016年：港幣93億元）及毛利港幣1.39億元（2016年：港幣4.36億元）。本年度之收益較去年減少35%，而毛利減少68%，因此毛利率減少2.4個百分點至2.3%。

2.2 物業發展及投資業務回顧

過去幾年來，新昌一直致力實現物業業務組合的策略轉型。目前，本集團於一線城市北京及廣州擁有兩項已完成物業及於佛山、泰安、天津及鐵嶺擁有四項發展中物業。

於本年度，此分部產生收益港幣66,000,000元及毛利港幣26,000,000元。

Property Portfolio

Completed properties for investment and/or sale

(i) *New Times Plaza, Beijing*

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

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

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

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



New Times Plaza, Beijing
北京新年華購物中心

物業組合

供投資及／或出售的已落成物業

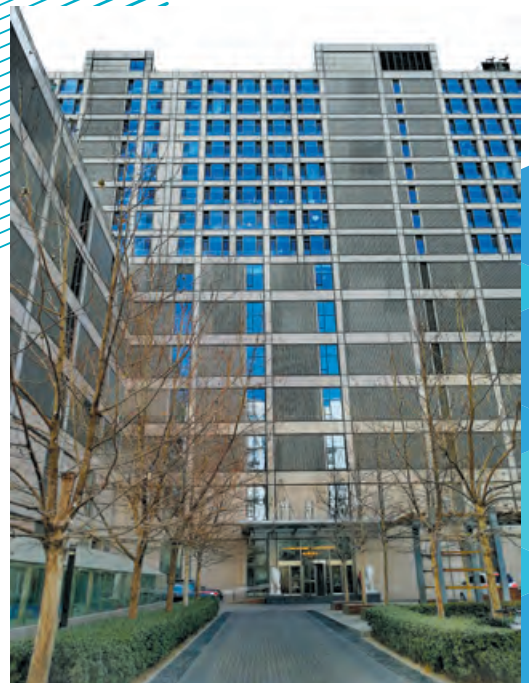
(i) *北京新年華購物中心*

新年華項目現時為西城區著名商業地標及消費典範前列代表。該物業為一個商業發展項目，由地上15層及3層地庫組成。購物商場及停車場佔據9層物業（由地庫第3層至地上第6層），總建築面積（「建築面積」）約55,798平方米（「平方米」）。公寓則位於該物業第7層至第15層。於2017年12月31日，公寓可供出售或可供租賃面積約為11,962平方米。

於2017年12月31日，購物商場的出租率超過95%。年內新年華購物中心提供穩定租金及相關收入，此物業自收購以來收益持續穩定增長。

(ii) *熹陽電腦城（天晟明苑商業部分）*

該物業位於廣州市天河區石牌西路的理想地段，總建築面積為26,306平方米，包括商業物業及325個車位的停車場。



Property under development

(i) *La Viva, Foshan*

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

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

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

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

發展中物業

(i) *佛山星悅南岸*

佛山星悅南岸項目位於佛山市三水區蘆苞鎮獨樹崗村「九十九崗」，項目東臨廣州市中心區40公里，南鄰港澳。項目周邊擁有完善的立體交通網絡，實現了與珠三角經濟圈主要城市廣州、深圳、珠海、東莞、中山、雲浮、肇慶、惠州、清遠、江門等1小時互通，直接覆蓋大灣區超過1億核心消費人群。

其規劃功能核心布局囊括威尼斯水城、超五星休閒渡假酒店、特色購物中心、兒童樂園、體驗教育基地、婚慶廣場、溫泉、高爾夫球場、區域商業配套、服務式公寓及高尚住宅區、鳥天堂自然白鷺保護區等。

項目短期定位為面向廣佛的珠三角時尚購物中心、短時休閒度假的旅遊目的地，中遠期定位為面向廣東及全國的度假養生城（廣東改善居住條件的第二居所，北方過冬養生客群）。

約98,588平方米零售奧特萊斯商業於2017年4月28日成功試營業，並於2017年5月29日正式盛大開業，開業三天吸客逾50萬人次；婚慶廣場及寵物樂園均於2017年建成開業，現已進入日常運營中。會所、一期集裝箱主題酒店、酒店式公寓等已經建成運營。水上樂園已完成初步建設，遊船、垂釣等水上娛樂設施已投入運營使用。8.2萬平方米商住項目已完成樁基施工和市政配套工程，及取得建設工程規劃許可證和施工許可證。項目成為廣佛地區首家休閒購物度假小鎮的定位已經初具規模。

(ii) Commercial development project, Tai'an

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

(iii) Commercial development project, Tianjin

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

(ii) 泰安商業發展項目

項目位於山東省泰安市南部新區—泰安國家高新技術產業開發區內。項目北距濟南市70公里，距離泰安市中心城區東嶽大街約12公里，距離泰山登山口14公里。該項目包括總建築面積約274,977平方米的商業物業。項目定位為將傳統商業與旅遊業結合，形成具有旅遊、休閒特性的複合型商業綜合體。以旅遊休閒功能主導，基於泛旅遊產業綜合發展的構架，融合遊樂、休閒、運動、養生、餐飲、零售等多種功能在內的配套型設施。於本報告日期，共有34棟總建築面積逾10萬平方米的兩層商業零售商場正在興建中。

(iii) 天津商業發展項目

項目位於天津濱海自貿區黃金核心地帶，三面與海河相鄰。項目規劃兩大核心主題：主題一，擬建成一個世界知名的以文物展覽、鑒定、交易及配套金融為核心的文物產業服務區；主題二，一個以增強現實、虛擬現實技術研發、應用、實驗、推廣為核心的兒童教育及娛樂產業基地。圍繞核心主題配套有相應的辦公室、餐飲、娛樂及商業等相關功能，整體仍在規劃階段。



Commercial development project-Tai'an
泰安商業發展項目

(iv) *La Viva, Tieling*

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

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

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

(iv) 鐵嶺星悅南岸

鐵嶺星悅南岸位於鐵嶺新城凡河南岸，北距鐵嶺老城區8公里，南距瀋陽市區30餘公里。該項目包含零售、娛樂、觀光旅遊、酒店、國際學校、水上樂園、住宅、辦公樓及會展設施等多項設施。項目佔地面積達180公頃，總建築面積約為300萬平方米。

住宅發展項目1期總可售面積約為22.5萬平方米。於完工後將有合共2,100個單位可供銷售，每個單位平均為107平方米。住宅物業將配合分階段開張的購物村及水上樂園推出市場銷售。

星悅南岸的第一期商業發展包括展覽中心、宴會廳、會所、商場及構成星悅南岸精彩體驗的重要一環的水上樂園。其將成為中國東北地區首個全年營運水上娛樂設施。第一期商業發展的總建築面積約為214,743平方米。

La Viva-Tieling
鐵嶺星悅南岸



3. Looking Forward

Construction business

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

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

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

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

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

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

3. 展望

建造業務

憑藉新昌在香港建造業的領先地位及彪炳往績，我們力求參與城市的基建及建造計劃。去年第二季度，本集團與利基控股有限公司成立合營企業，取得香港警務處東九龍總區總部項目合約。新昌所承接的這一重大項目不僅涉及設計及建造工程，亦包括機電工程。

在2019-20至2023-24年度未來五年，香港預期將有25幅地盤推出，可供興建超過60,000個單位，其中80%以上將為公營房屋。

自年初以來，本集團的財務狀況已限制其取得新項目的能力，導致建造業務營業額減少。此轉而導致本集團現金流減少及融資成本增加。

新昌已尋求戰略性措施，包括但不限於出售資產及對當前融資進行再融資以恢復本集團的現金流及流動性。於恢復期間，管理層注意到及預見(i)多個項目的操作進展可能受到影響；(ii)短期融資成本可能增加；(iii)於本集團恢復現金流及流動性前，新投標將可能受到限制；及(iv)員工流失率可能增加。

於本集團解決其當前財務問題後，新昌作為亞洲歷史最為悠久並在業內擁有堅實基礎的建造集團之一，將繼續鞏固我們的穩固地位，進一步延續在香港的成功歷程。

除公營界別外，我們亦重視高端私營界別客戶，用專業素養及企業傳統為其服務。作為在香港基建發展方面的主要參與者，我們將持續關注這一充滿競爭的建造市場，努力把握新機遇。

University of Saint Joseph
聖若瑟大學



Tin Shui Wai Hospital
天水圍醫院



PRC Property business

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

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

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

(ii) *La Viva, Foshan*

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

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

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



Hsin Chong Outlet Mall-Foshan
佛山新昌廣場奧特萊斯



中國物業業務

隨著中國物業發展的拓展，新昌現正經歷分散業務分類的戰略轉型。我們希望在中國內地發展日新月異的物業市場上取得新機遇，形成新的營利點。

(i) *北京新年華購物中心及熹陽電腦城(天晟明苑商業部分)*

本集團正積極尋求機會於2018年內悉數出售該兩個項目，從而實現對持份者的價值回報並改善本集團的現金流量狀況。

(ii) *佛山星悅南岸*

本公司正在辦理約2.4萬平方米低密度住宅的預售許可證，預計2018年可銷售完畢。8.2萬平方米商住項目達到預售條件即可進行銷售。2018年內計劃開工可售商住項目30萬平方米，使其陸續達到預售條件，實現可觀的現金回流。

2018年將進一步提升及完善奧特萊斯商業的經營配套設施，帶動更多人流，提升收入。

同時，本公司於2018年將繼續申報項目為國家「特色小鎮」項目，以獲得國家在政策、融資等方面的專項扶持。

(iii) Commercial development project, Tai'an

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

(iv) Commercial development project, Tianjin

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

(v) La Viva, Tieling

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

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

International Infrastructure Business – Belt and Road Initiative

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

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

(iii) 泰安商業發展項目

本公司計劃於2018年完成在建10萬平方米以上的商業開業，17.5萬平方米的可售住宅開工，部分實現銷售資金回籠。

(iv) 天津商業發展項目

已達成合作安排，據此，合作方將出資以供開發建設。安排有助於改善我們的現金流量狀況並應可取得合理回報。

(v) 鐵嶺星悅南岸

2018年年內實現1期22.5萬平方米住宅的銷售及商業水世界開業。本公司計劃於2018年聯合實力機構開展合作建設，增加對項目的資金投入，盤活資產，優化商業業態。

同時，本公司於2018年將繼續申報項目為國家「特色小鎮」項目，以獲得國家在政策、融資等方面的專項扶持。

國際基建業務——一帶一路計劃

憑藉與非洲乍得、柬埔寨和尼泊爾等多個國家的主要部長及代表建立定期的業務關係、聯繫及溝通的成功經驗，國際基建業務繼續在亞洲、非洲、歐洲、中東和南美探索及發展新商機。

在亞洲，本公司重點聚焦於鄰近香港的柬埔寨、馬來西亞、緬甸和尼泊爾。在柬埔寨，本公司正就若干發展2023年亞運會外圍設施的合約進行磋商。在馬來西亞，本公司繼續與一家馬來西亞跨國企業集團就基建及樓宇發展項目進行商討。在緬甸，本集團於2017年初與一名國際開發商簽署諒解備忘錄，為內維桑市(Ngwe Saung)一個面積為1,800英畝的大型綜合度假村項目提供項目及建設管理服務。在尼泊爾，本公司正與項目開發商就於Darbang地區建設25MW水力發電站進行重要討論。本公司亦被邀請在2018年第三季度參與從加德滿都至特萊地域的大型高速公路項目的隧道和橋樑工程投標。

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

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

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

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

在非洲，本公司已將其與乍得簽署的諒解備忘錄的有效期限延長1年。乍得國民議會議長連同部長官員計劃於2018年中再次訪問香港。同時，本公司正在考慮其他非洲國家，包括摩洛哥、科特迪瓦共和國、津巴布韋和加納等的基建項目，例如太陽能發電站、鐵路、土木工程和採礦項目等。

在歐洲，本公司已委託一家國際物業估值集團就土耳其伊斯坦布爾一個大型購物中心及相關商業設施的重建項目進行可行性研究。本公司與項目開發商的磋商已進入關鍵階段。本公司亦關注匈牙利和捷克共和國等絲綢之路經濟帶沿線中歐和東歐國家的潛在基建項目。

在中東，本公司正在探索在巴林王國和連接所有六個海灣合作委員會成員國的海灣鐵路項目進行若干重大建築工程的潛在商機。

充分利用香港的競爭優勢及為支持其對「一帶一路」倡議的貢獻及參與，新昌繼續扮演其超級聯繫人的角色，並透過促進連接、整合和創建一個區域經濟合作框架，從而擴展其建造專長。



Tung Chung Public Housing
東涌公營房屋

The Parisian
澳門巴黎人



Health Living Concept

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

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

Green Building and Sustainability Concept

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

4. Financial Position

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

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

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

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

健康生活理念

中國政府高度重視改善長者的生活水平。根據中國大陸發佈的統計數據，截至2016年底，60歲以上的長者超過230,000,000人，佔總人口的16%以上。預計老年人口於2025年將達到300,000,000人。鑒於中國大陸的養老服務需求日益增長，新昌正積極尋求機會，專注於在大灣區發展優質的養老及護理服務。

本集團亦與著名品牌籌組另一間合資公司以共同開發佛山星悅南岸的洽談亦已進入後期階段。目前正計劃興建一間高級溫泉度假酒店以及兼具度假和養老功能的復康和水療中心，以期與場內之養老場所產生協同效應。

綠色建築及可持續發展理念

綠色建築作為一種在設計及建造上使用節能材料及技術的建築，將繼續在2018年影響全球建造業。可持續健康生活等社會趨勢定必在未來數年逐漸成形。作為在香港具有重大影響力的建築行業領先企業之一，我們有望充當可持續發展的先行者，維持卓越地位。

4. 財務狀況

本集團監察其流動資金需求及適時為本集團之借貸安排再融資。於截至2017年12月31日止年度內，本集團取得新增中國委託貸款港幣40億元，其中21億元到期日超過一年。於2017年12月31日，債務總額為港幣139億元，其中港幣85億元乃來自委託貸款及港幣9億元乃來自其他貸款，港幣35億元乃來自優先票據。銀行借貸總額為港幣1,039,900,000元。1億美元於2017年到期之6厘可換股債券（「2017年可換股債券」）已於2017年8月悉數贖回，贖回價相等於未償還本金額2,600,000美元及應計未付利息30,758美元，因此已無任何尚未償還之已發行2017年可換股債券發行在外。

於2017年12月31日，現金及銀行存款為港幣1,179,600,000元（2016年：港幣1,038,600,000元）。

於2017年12月31日，淨負債比率，即淨負債除以有形資產淨值（扣除無形資產的資產淨值）為114%（2016年：102%）。

根據現時的財務狀況及債務到期狀況，審慎財務管理主要目標是嘗試擴大融資渠道以改善本集團的現金流及延長債務到期期限。

5. Funding cost

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

6. Pledge of assets

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

7. Exposure to fluctuations in exchange rates and related hedges

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

8. Commitments

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

9. Contingent liabilities

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

5. 融資成本

銀行貸款主要以港元計值及按浮動利率計息，優先票據以美元計值按固定利率計息。本集團其他借貸包括中國委託貸款及其他貸款等的利息屬固定息率。

6. 資產抵押

於2017年12月31日，本集團將其賬面值為港幣9,210,000,000元（2016年：港幣7,310,000,000元）的投資物業、賬面值為港幣1,794,000,000元（2016年：港幣2,265,000,000元）的物業、機器及設備及租賃土地、賬面值為港幣8,746,000,000元（2016年：港幣8,575,000,000元）的發展中物業、賬面值為港幣562,000,000元（2016年：港幣527,000,000元）的物業存貨、賬面值為零（2016年：港幣512,000,000元）的其他應收賬款及賬面值為港幣392,000,000元（2016年：港幣627,000,000元）的銀行結餘，以及其於若干附屬公司的股權作為抵押物抵押予銀行、金融機構及其他第三方，以擔保其借貸。

7. 匯率波動風險及相關對沖

本集團於香港、澳門、中國、塞班島及柬埔寨經營業務，其大部分交易以當地貨幣計值和結算。本集團透過對以不同經營貨幣計值的收款及付款進行適當的換算統一監控於澳門及中國經營業務所產生的外匯風險。由於本集團之公司以美元為功能貨幣，而港幣與美元掛鈎，故預期美元兌港幣的匯率並無任何重大變動。於2017年12月31日，本集團並無動用任何衍生財務工具對沖其面臨之外匯風險（2016年：無）。

8. 承擔

於2017年12月31日，本集團就已訂約但未撥備資本開支之發展中物業及其他資本投資擁有資本承擔港幣2,569,000,000元（2016年：港幣2,939,000,000元）。

9. 或然負債

於2017年12月31日及2016年12月31日，本集團於一般業務過程中面臨多項涉及若干建造合約之定額賠償索償。董事認為，本集團已遞交延期申請以減低定額賠償金額，因此所產生之負債不會對本集團之財務狀況構成任何重大影響。

HUMAN RESOURCES

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

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

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

人力資源

於2017年12月31日，本集團的僱員總數為2,111名全職員工，當中包括不同業務分部（例如建造業、物業發展、國際業務及相關服務）之僱員。他們受聘於香港、澳門、中國內地及海外國家。

本集團採納具成效之管理獎勵政策及具競爭力之薪酬，務求令管理層、僱員及股東之利益達成一致。忠誠僱員之技術和專業仍為本集團最重要之資產，因此本集團在對其僱員之甄選、培訓以及自我提升方面適當地投入大量時間與資源。

本集團在制定其薪酬政策時會參考當時市況及與工作表現掛鈎之獎賞制度，以確保本集團能吸引、挽留及激勵具有卓越才幹、對成功領導及有效管理本集團起關鍵作用之人才。在進行表現評核時會考慮財政狀況及行業指標，以求在兩者間取得平衡。薪酬待遇包括基本薪金、津貼、實物福利、附帶福利（包括醫療保險及養老金供款），以及酌情花紅、參與認股權計劃和長期服務獎金等獎勵。

Profiles of Directors 董事之簡介

Non-executive Chairman and Non-executive Director

Mr. LIN Zhuo Yan

(aged 49)

Mr. LIN Zhuo Yan ("Mr. Lin"), was appointed as a Non-executive Director with effect from 23 May 2015, and has been further appointed as the Non-executive Chairman since 19 June 2015.

Mr. Lin is the Honorary Chairman of World Association of Small and Medium Enterprises (世界中小企業協會), Permanent Standing Vice President of China Foreign Trade Council (中國對外貿易理事會), and President of Outlets Branch of China General Chamber of Commerce (中國商業聯合會奧特萊斯協會). Mr. Lin has over 20 years of experience in large enterprise operation and management as well as investment and operation of mega-sized projects.

He received the Commandery of Sant'Agata Honour and was awarded the "Prize of Most Innovative Real Estate Figures in China for the Year" (中國年度最具創新力地產人物大獎), "Prize for Business Leaders in China for the Year" (中國年度商業領袖大獎) and "Prize for Outstanding Brand Innovators in China" (中國品牌創新傑出人物大獎).

非執行主席及非執行董事

林卓延先生

(現年49歲)

林卓延先生(「林先生」)·自2015年5月23日起獲委任為非執行董事·並由2015年6月19日起進一步獲委任為非執行主席。

林先生現任世界中小企業協會榮譽主席·中國對外貿易理事會永久常務副理事長及中國商業聯合會奧特萊斯協會會長。林先生擁有超過20年大企業經營管理及超大型項目投資及運作經驗。

他曾榮獲聖亞加塔「都尉」榮譽以及「中國年度最具創新力地產人物大獎」·「中國年度商業領袖大獎」以及「中國品牌創新傑出人物大獎」等殊榮。



Mr. LIN Zhuo Yan
林卓延先生

Executive Director and Chief Executive Officer

Ir Dr Joseph CHOI Kin Hung

DSc, BSc, RPE, CEng, FHKIE, FHKIHT, MICE
(aged 70)

Ir Dr Joseph CHOI Kin Hung (“Ir Dr Choi”) is an Executive Director and the Chief Executive Officer of the Company. He is a member of each of the Executive Committee, the Nomination Committee and the Remuneration Committee. He is also a director of certain subsidiaries of the Company.

Ir Dr Choi is a fellow and the Immediate Past President of the Hong Kong Institution of Engineers (“HKIE”) as well as the Chairman of the Planning Committee, member of the Council and Executive Committee.

Ir Dr Choi is the vice chairman of Council of China’s Foreign Trade of the China Council for the Promotion of International Trade, and a fellow and a council member of the Hong Kong Institution of Highways and Transportation. He is currently a member of the Infrastructure Development Advisory Committee of the Hong Kong Trade Development Council since 1 April 2016.

Ir Dr Choi is a member of the Institution of Civil Engineers of the UK, a chartered engineer of the UK, a registered professional engineer of Hong Kong.

Ir Dr Choi joined the Group in August 2009 as Assistant Managing Director and has been subsequently promoted to his current positions. He has over 45 years of multi-dimensional and multi-functional experience in construction industry across contracting and client organisations in Hong Kong, Chinese Mainland, Taiwan, Macau and overseas. Before joining the Group, he was the general manager of the Kowloon-Canton Railway Corporation and MTR Corporation Limited, responsible for the design and construction of various new railway lines.

Ir Dr Choi graduated from the University of Aston in Birmingham, United Kingdom with a degree of Bachelor of Science in Civil Engineering, and was awarded the Degree of Honorary Doctorate of Science from the University of Aston on 18 July 2017.

執行董事兼行政總裁

蔡健鴻博士工程師

DSc, BSc, RPE, CEng, FHKIE, FHKIHT, MICE
(現年70歲)

蔡健鴻博士工程師（「蔡博士工程師」）為本公司執行董事兼行政總裁。彼為執行委員會、提名委員會及薪酬委員會成員。彼亦為本公司若干附屬公司之董事。

蔡博士工程師為香港工程師學會（「工程師學會」）之資深會員兼前任會長。彼亦為其策劃委員會之主席、理事會成員及執行委員會成員。

蔡博士工程師為中國國際貿易促進委員會中國對外貿易理事會之副理事長，以及香港公路學會之資深會員及理事。彼現任香港貿易發展局諮詢委員會之基建發展服務諮詢委員會之委員，2016年4月1日起生效。

蔡博士工程師為英國土木工程師學會之會員、英國特許工程師、香港註冊專業工程師。

蔡博士工程師於2009年8月加入本集團擔任助理董事總經理，其後晉升至現職。彼擁有逾45年豐富和全面之建造業經驗，曾於香港、中國內地、台灣、澳門及海外之承建商和客戶機構任職。彼於加入本集團前，為九廣鐵路公司及香港鐵路有限公司之總經理，負責設計及建造多條新鐵路。

蔡博士工程師畢業於英國伯明翰阿斯顿大學，取得土木工程理學士學位，及於2017年7月18日取得阿斯顿大學榮譽理學博士學位。



Ir Dr Joseph CHOI Kin Hung
蔡健鴻博士工程師

Profiles of Directors

董事之簡介

Executive Director and Chief Risk Officer

Mr. Wilfred WU Shek Chun

MBA, MA, FCPA

(aged 48)

Mr. Wilfred WU Shek Chun ("Mr. Wu") is an Executive Director and the Chief Risk Officer of the Company. He is also a member of the Executive Committee, Remuneration Committee and a director of a number of subsidiaries of the Company. Mr. Wu joined the Group in July 2014 as the Associate Director of Corporate Finance, and was appointed as an Executive Director in June 2015, responsible for all merger and acquisition projects from due diligence, negotiation of purchase agreement, handling regulatory approvals and financial sourcing to the smooth operation after merger or acquisition of the projects. Mr. Wu was appointed as the Chief Risk Officer in September 2016, responsible for corporate risk management.

Mr. Wu has more than 20 years of experience in financial reporting, investment proposal appraisal, financial due diligence, insolvency, litigation support and forensic accounting with major corporations and consultancy firms.

Mr. Wu was conferred a Bachelor of Business Administration and Master of Arts in Comparative and Public History from the Chinese University of Hong Kong and a Master of Business Administration from the Hong Kong University of Science and Technology. He is a fellow member of Hong Kong Institute of Certified Public Accountants.

執行董事兼首席風險官

鄔碩晉先生

MBA, MA, FCPA

(現年48歲)

鄔碩晉先生(「鄔先生」)為本公司之執行董事兼首席風險官。彼亦為執行委員會成員、薪酬委員會成員及本公司部分附屬公司之董事。鄔先生於2014年7月加入本集團擔任企業融資副總監，並於2015年6月獲委任為執行董事，負責所有併購項目由審核調查、收購協議磋商、處理監管批准及財務資源，以至該等項目併購後順利營運之工作。2016年9月獲委任為首席風險官，負責企業風險管理的事宜。

鄔先生於大型企業及顧問公司累積逾20年財務申報、投資方案評估、財務審核調查、破產、訴訟支持及法務會計方面之經驗。

鄔先生獲授香港中文大學工商管理學士及比較及公眾史學文學碩士，以及香港科技大學工商管理碩士。彼為香港會計師公會之資深會員。



Mr. Wilfred WU Shek Chun
鄔碩晉先生

Executive Director

Mr. Eric TODD

BSc, AICPA (U.S.A.)

(aged 56)

Mr. Eric TODD (“Mr. Todd”) joined the Group on 9 March 2017 as an Executive Director of the Company. He is also a member of the Executive Committee.

Mr. Todd possesses extensive professional experience in auditing, financial management and investment. Mr. Todd holds a Bachelor of Science degree in Business Administration from Boston University in the United States. He was a Certified Public Accountant in the State of California, the United States from 1989 to 2010.

Mr. Todd started his career with the Hong Kong office of KPMG (formerly known as KPMG Peat Marwick) and subsequently joined the Standard Chartered Bank Group. Prior to joining the Company, he had been a business consultant and also served as finance director for several companies engaged in the media and investment industry. Mr. Todd has been appointed as a non-executive director of Leyou Technologies Holdings Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), Stock Code: 1089) since July 2015, and as an executive director of Kong Shum Union Property Management (Holding) Limited (a company listed on the GEM Board of the Stock Exchange, Stock Code: 8181) since August 2016.

Mr. Todd was an independent non-executive director of Ngai Shun Holdings Limited (Stock Code: 1246) from 18 July 2016 to 14 August 2017.

執行董事

達振標先生

BSc, AICPA (U.S.A.)

(現年56歲)

達振標先生(「達先生」)於2017年3月9日加入本集團擔任本公司之執行董事。彼亦為執行委員會成員。

達先生於審計、財務管理及投資方面擁有豐富專業經驗。達先生持有美國波士頓大學之工商管理理學士學位。彼於1989年至2010年為美國加利福尼亞州之註冊會計師。

達先生於畢馬威會計師事務所(前稱畢馬威會計師行)之香港辦事處展開其事業,其後加入渣打銀行集團。於加入本公司前,彼為業務顧問,亦擔任多間從事媒體及投資行業之公司之財務總監。達先生自2015年7月起獲委任為樂遊科技控股有限公司(一間於香港聯合交易所有限公司(「聯交所」)主板上市之公司,股份代號:1089)之非執行董事及自2016年8月起獲委任為港深聯合物業管理(控股)有限公司(一間於聯交所GEM上市之公司,股份代號:8181)之執行董事。

自2016年7月18日起至2017年8月14日,達先生為毅信控股有限公司(股份代號:1246)之獨立非執行董事。



Mr. Eric TODD
達振標先生

Non-executive Director

Mr. YAN Jie

(aged 54)

Mr. YAN Jie (“Mr. Yan”) has been appointed as a Non-executive Director since 30 May 2014.

Mr. Yan, joined Tewood Group Co., Ltd.* (天津物產集團有限公司) (“Tewood Group”) (formerly known as Tianjin Administration Bureau of Materials and Tianjin Material & Equipment Group Corporation, being a substantial shareholder of the Company) in October 1983, and held positions in the finance department, audit department and assets department, and served as the head of corporate development department of Tewood Group.

Mr. Yan has extensive management experience in finance, audit, investment and strategic planning and has presided over or participated in a number of domestic and overseas substantial merger & acquisition and reorganization projects.

Mr. Yan is currently the board chairman of Tianjin Property Development Co., Ltd. (being a subsidiary of Tewood Group), an executive director of Tewood Investment Co., Limited and a director of various subsidiaries of Tewood Group.

Mr. Yan graduated from Party School of the Central Committee of CPC with a post-graduate degree majoring in economic management, and holds professional qualifications of accountant, senior economist and senior occupation manager.

非執行董事

閻傑先生

(現年54歲)

閻傑先生(「閻先生」)自2014年5月30日起獲委任為非執行董事。

閻先生於1983年10月加入天津物產集團有限公司(「天津物產集團」)(前稱天津市物資管理局及天津市物資集團總公司,為本公司的主要股東),曾先後於財務部、審計部及資產部任職,並曾擔任天津物產集團企業發展部部長。

閻先生於財務、審計、投資和戰略規劃等方面均擁有豐富管理經驗,並主持或參與多個境內外重大併購重組項目。

閻先生現為天津物產置業發展有限公司(為天津物產集團之附屬公司)之董事長、天物投資有限公司之執行董事以及天津物產集團多家附屬公司之董事。

閻先生畢業於中共中央黨校,持有經濟管理專業研究生學歷,並獲得會計師、高級經濟師和高級職業經理人等專業資格。



Mr. YAN Jie
閻傑先生

Non-executive Director

Mr. CHEN Lei

(aged 34)

Mr. CHEN Lei ("Mr. Chen") has been appointed as a Non-executive Director since 23 May 2015.

Mr. Chen joined Tewoo Import and Export Trade Co., Ltd.* (天津物產進出口貿易有限公司), a subsidiary of Tewoo Group, in January 2015 as the deputy general manager. Mr. Chen served as an officer of the Beijing court system and held various positions such as the deputy department head of the legal affair department of Tianjin Er-shang Group Co., Ltd.* (天津二商集團有限公司).

He has extensive experience in the fields of corporate legal affair, risk prevention and control. Mr. Chen has been redesignated as the deputy department head of corporate development department of Tewoo Group in July 2015.

Mr. Chen obtained a Bachelor degree in Management from the Beijing University of Chemical Technology (北京化工大學) and a Master degree in Law from the Tsinghua University (清華大學). He has obtained various professional qualifications such as legal qualification (Mainland China) and corporate legal counsel.

非執行董事

陳磊先生

(現年34歲)

陳磊先生(「陳先生」)自2015年5月23日起獲委任為非執行董事。

陳先生於2015年1月加入天津物產集團之附屬公司天津物產進出口貿易有限公司，擔任副總經理。陳先生曾於北京市法院系統擔任公職人員，並曾擔任天津二商集團有限公司法律事務部副部長等職務。

彼於企業法律事務、風險防控等方面具有豐富經驗。陳先生於2015年7月調任天津物產集團企業發展部，擔任副部長職務。

陳先生於北京化工大學取得管理學學士學位及於清華大學取得法律碩士學位。彼獲得法律從業資格(中國大陸地區)、企業法律顧問等專業資質。



Mr. CHEN Lei
陳磊先生

Profiles of Directors

董事之簡介

Non-executive Director

Mr. CHUI Kwong Kau

(aged 51)

Mr. CHUI Kwong Kau ("Mr. Chui") has been appointed as a Non-executive Director since 23 May 2015. He is also a member of the Audit Committee.

Mr. Chui is a non-executive director of Boill Healthcare Holdings Limited (formerly known as Ngai Shun Holdings Limited, stock code: 1246) and DeTai New Energy Group Limited (stock code: 559) respectively, the shares of which are all listed on the Main Board of the Stock Exchange. He is also an executive director of Hong Kong Life Sciences and Technologies Group Limited (stock code: 8085), the share of which is listed on the Growth Enterprise Market of the Stock Exchange.

Mr. Chui was an Executive Director of China Energy Development Holdings Limited (stock code: 228) from 5 October 2005 to 30 June 2016. Further, he was an Independent Non-executive Director of Aurum Pacific (China) Group Limited (stock code: 8148) from 17 March 2010 to 16 March 2016.

He has over 20 years' experience in financial management, accounting and auditing fields.

非執行董事

崔光球先生

(現年51歲)

崔光球先生(「崔先生」)，自2015年5月23日起獲委任為非執行董事。彼亦為審核委員會成員。

崔先生現時分別為保集健康控股有限公司(前稱毅信控股有限公司，股份代號：1246)及德泰新能源集團有限公司(股份代號：559)的非執行董事，該等公司之股份均於聯交所主板上市。彼亦為香港生命科學技術集團有限公司(股份代號：8085)之執行董事，該公司之股份於聯交所GEM上市。

崔先生於2005年10月5日至2016年6月30日為中國能源開發控股有限公司*(股份代號：228)之執行董事。此外，2010年3月17日至2016年3月16日為奧栢中國集團有限公司(股份代號：8148)之獨立非執行董事。

彼於財務管理、會計及核數工作方面擁有超過20年經驗。



Mr. CHUI Kwong Kau
崔光球先生

Non-executive Director

Mr. LUI Chun Pong

BA, MAcc, LLM, MBA (Executive), FCPA, FCCA, ATiHK, CTA (HK), ACS, ACIS

(aged 49)

Mr. LUI Chun Pong ("Mr. Lui") has been re-designated from an Executive Director to a Non-executive Director of the Company with effect from 1 January 2017. He is also a member of the Nomination Committee.

He joined the Group in 2010 as Group Financial Controller. He was further appointed as an Executive Director and Chief Financial Officer in September 2015. Mr. Lui stepped down from the role of Chief Financial Officer of the Group with effect from 1 December 2016.

While working in the Group, Mr. Lui was responsible for overseeing the Group's finance and accounting operations. He has over 26 years of experience in corporate accounting, financing and tax administration in the real estate business like property development, property investment and property management, in addition to company secretarial practices of Hong Kong listed companies. Before joining the Group, Mr. Lui held senior positions at a number of Hong Kong companies listed on the main board of the Stock Exchange.

Mr. Lui obtained a Bachelor degree of Arts from the University of Hong Kong, a Master degree of Laws from the Chinese University of Hong Kong, a Master degree of Accountancy from Charles Sturt University in Australia and an Executive Master degree of Business Administration from the City University of Hong Kong. He is a Certified Public Accountant and a Certified Tax Advisor in Hong Kong, and a Chartered Certified Accountant and a Chartered Secretary in the United Kingdom.

Mr. Lui also serves the community through participation in promoting sports and youth and students' affairs in Hong Kong. Mr. Lui was a baseball coach and was appointed as a team secretary and a deputy delegate leader of Hong Kong Women's Baseball Team to join the Women's Baseball World Cup in 2006 and in 2014. For the public services in youth and students' affairs, Mr. Lui is a leader of various leadership mentoring programmes in Hong Kong United Youth Association, Association of Chartered Certified Accountants and Hong Kong Professionals and Senior Executives Association. Mr. Lui was a director of Hong Kong United Youth Association in 2014/2015 and Budget Proposal 2017-18 Sub-committee of the Hong Kong Institute of Certified Public Accountants. Mr. Lui is currently a member of the Hong Kong Student Affairs Sub-committee of the Association of Chartered Certified Accountants.

非執行董事

呂振邦先生

BA, MAcc, LLM, MBA (Executive), FCPA, FCCA, ATiHK, CTA (HK), ACS, ACIS

(現年49歲)

呂振邦先生(「呂先生」)自2017年1月1日起由本公司之執行董事調任為非執行董事。彼亦為提名委員會之成員。

彼於2010年加入本集團擔任集團財務總監。彼於2015年9月進一步晉升為執行董事及首席財務總監。呂先生已卸任本集團首席財務總監一職，自2016年12月1日起生效。

於本集團任職期間，呂先生負責監督本集團之財務及會計運作。除於香港上市公司秘書實務方面外，彼於房地產業務(如物業發展、物業投資及物業管理)之企業會計、財務及稅務管理方面擁有逾26年之經驗。加入本集團前，呂先生曾於多間在聯交所主板上市的香港公司擔任高職。

呂先生獲授香港大學文學士學位、香港中文大學法律碩士學位、澳洲查爾斯斯特德特大學會計學碩士學位及香港城市大學行政人員工商管理碩士學位。彼為香港註冊會計師及註冊稅務顧問以及英國特許公認會計師及特許秘書。

呂先生亦積極參與推廣香港體育及青年及學生事務，投身社區服務。呂先生曾為棒球教練，並曾擔任香港女子棒球代表隊之團隊秘書及副領隊，參加2006年及2014年世界盃女子棒球賽。有關青年及學生事務的公共服務方面，呂先生於香港青年聯會、特許公認會計師公會及香港專業及資深行政人員協會參與多個專業師友計劃。呂先生於2014/2015年擔任香港青年聯會之會董及香港會計師公會2017-18預算案委員會分會之前委員。彼現為特許公認會計師公會香港學生事務委員會分會之委員。



Mr. LUI Chun Pong
呂振邦先生

Profiles of Directors

董事之簡介

Independent Non-executive Director

Mr. CHENG Sui Sang

MBA, BEC, CPA

(aged 74)

Mr. CHENG Sui Sang ("Mr. Cheng") has been appointed as an Independent Non-executive Director since 1 January 2014. He is also the chairmen of both the Audit Committee and the Remuneration Committee, a member of the Nomination Committee, Risk Management Committee and Corporate Governance Committee.

Mr. Cheng has extensive experience in banking, finance and investment fields. He is an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Cheng was a director of Cosmopolitan International Holdings Limited, a company listed on the Stock Exchange, from August 2006 to June 2014 and a director of Chi Cheung Investment Company, Limited (now known as LT Commercial Real Estate Limited), a company listed in the Stock Exchange, from 1997 to 2000.

He has held senior management positions in companies in Hong Kong and overseas, as well as several companies listed on the Stock Exchange. He has also been involved in private consulting working in the PRC and Hong Kong. He holds a Bachelor's degree in Economics and a Master's degree in Business Administration.

獨立非執行董事

鄭瑞生先生

MBA, BEC, CPA

(現年74歲)

鄭瑞生先生(「鄭先生」)自2014年1月1日起獲委任為獨立非執行董事。彼亦分別為審核委員會及薪酬委員會之主席，以及提名委員會、風險管理委員會、企業管治委員會之成員。

鄭先生於銀行、金融及投資領域擁有豐富經驗。彼為香港會計師公會會員。

鄭先生於2006年8月至2014年6月為Cosmopolitan International Holdings Limited (四海國際集團有限公司*) (於聯交所上市)之董事，及於1997年至2000年為至祥置業有限公司(於聯交所上市)(現稱為勒泰商業地產有限公司)之董事。

彼於香港及海外多間公司以及多間聯交所上市公司擔任高層管理人員職位。彼亦於中國及香港參與私人顧問工作。彼持有經濟學士學位及工商管理碩士學位。



Mr. CHENG Sui Sang
鄭瑞生先生

Independent Non-executive Director

Mr. George YUEN Kam Ho

(aged 73)

Mr. George YUEN Kam Ho ("Mr. Yuen") has been appointed as an Independent Non-executive Director since 12 July 2016. He is also the chairman of both the Nomination Committee and Corporate Governance Committee, a member of each of the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee respectively.

Mr. Yuen is currently an Independent Non-executive Director of Industrial and Commercial Bank of China (Asia) Limited which was listed on the Stock Exchange before being privatised on 21 December 2010. He was a director of Visteon Corporation, a company listed on the New York Stock Exchange.

Mr. Yuen was an independent non-executive director of Easy One Financial Group Limited (Stock Code: 221) from 20 March 2007 to 29 August 2017.

Mr. Yuen is a member of the Court of the University of Hong Kong and a business advisory council member of U.N. Economic and Social Commission for Asia and the Pacific.

Mr. Yuen graduated from The University of Hong Kong with a Bachelor's Degree (Honours) in Economics and Political Science. Mr. Yuen has attended post-graduate studies in International Marketing Management at the International Marketing Institute, Cambridge, Massachusetts, U.S.A. and has completed the Hong Kong Administrators Course (commissioned by the Hong Kong Government) in Public Administration and International Relations at Oxford University, the United Kingdom, and the International Executive Program in INSEAD, France respectively. In June 2003, Mr. Yuen was admitted to the Leadership in Development Program organised by Kennedy School of Government, Harvard University, U.S.A. In June 2004, Stanford University, California, U.S.A. had also invited Mr. Yuen to participate in its "Corporate Governance" forum and in early 2006, the University awarded a fellowship to Mr. Yuen as a non-profit leader at its Center for Social Innovation.

獨立非執行董事

袁金浩先生

(現年73歲)

袁金浩先生(「袁先生」)自2016年7月12日起獲委任為獨立非執行董事。彼亦分別為提名委員會及企業管治委員會之主席，以及審核委員會、薪酬委員會、提名委員會及風險管理委員會各自之成員。

袁先生現為中國工商銀行(亞洲)有限公司(曾於聯交所上市，但已於2010年12月21日私有化)獨立非執行董事。彼曾任Visteon Corporation(於紐約證券交易所上市之公司)董事。

袁先生於2007年3月20日至2017年8月29日曾任易易壹金融集團有限公司(股份代號:221)獨立非執行董事。

袁先生為香港大學校董會委員及聯合國亞太經濟和社會委員會商務諮詢委員會理事。

袁先生畢業於香港大學，取得經濟及政治學榮譽學士學位。袁先生分別在美國麻省劍橋國際市場學院修讀國際市場管理課程，及獲香港政府保薦往英國牛津大學完成公共行政及國際關係之香港行政人員課程，並於法國歐洲商業學院(INSEAD)參與國際工商管理人員培訓計劃。於2003年6月，袁先生被邀參與美國哈佛大學肯尼迪政府學院主辦的領袖發展計劃。於2004年6月，袁先生獲邀參與美國加州史丹福大學「公司管治」研修會議。在2006年初，史丹福大學社會創建學院更邀請袁先生為訪問學者作短期研修。



Mr. George YUEN Kam Ho
袁金浩先生

Mr. Yuen had been Chief Executive Officer of “The Better Hong Kong Foundation” for nine years from September 1997. Prior to his joining “The Better Hong Kong Foundation”, Mr. Yuen was the Assistant Director and Acting Deputy Director of the Information Services Department of the Hong Kong Government. Mr. Yuen played an active role in organising significant international conferences in Hong Kong and held multiple public offices, including being a board member of the East-west Strategic Development Commission. From 2003 to 2007, Mr. Yuen was a member of the Pan-Pearl River Delta Panel of the Central Policy Unit (“CPU”) of the HKSAR Government. From January 2006 to January 2013, Mr. Yuen was a member of the Committee of Guangxi Zhuang Autonomous Region, the Chinese People’s Political Consultative Conference, an adviser of the Institute of Finance and Trade Economics, Chinese Academy of Social Sciences, an adviser of Center for Hong Kong and Macao Research, Shanghai Academy of Social Sciences, China, and an adviser of Guangzhou Municipal Board for International Investment, China.

Mr. Yuen is a fellow member of the Hong Kong Institute of Directors, a member of the British Institute of Management and the Institute of Marketing, U.K., and was also commended by the U.S. President, George W. Bush for his efforts in support of coalition’s campaign against global terrorism.

自1997年9月起，袁先生曾出任「香港明天更好基金」行政總裁達9年。於加入「香港明天更好基金」前，袁先生於香港政府新聞處擔任新聞處助理處長及署理副處長。袁先生積極參與籌組於香港舉行之重要國際會議，並曾擔當多項公職，其中包括出任國際策略發展局董事局成員。於2003年至2007年期間，袁先生曾任香港特別行政區政府中央政策組泛珠江三角洲流域研究委員會成員。在2006年1月至2013年1月期間，袁先生曾為中國人民政治協商會議廣西壯族自治區委員會委員、中國社會科學院財政與貿易經濟研究所顧問、中國上海社會科學院港澳研究中心顧問及中國廣州市國際投資促進中心顧問。

袁先生為香港董事學會之資深會員、英國管理學會及英國市務學會會員，並曾獲前任美國總統布殊親函嘉許其支持世界反恐工作的貢獻。

Independent Non-executive Director

Mr. LAI Chik Fan

(aged 69)

Mr. LAI Chik Fan ("Mr. Lai") has been appointed as an Independent Non-executive director with effect from 8 June 2017. He is also the chairman of Risk Management Committee and a member of Nomination Committee, Remuneration Committee, Audit Committee and Corporate Governance Committee.

Mr. Lai holds a Bachelor degree of Science from Indiana State University in the United States. He possesses extensive professional experience in financial management, securities and capital investment.

Mr. Lai is the principal of AR Evans Capital Partners Inc. He has more than 35 years of experience in the financial services sector, mainly in stock broking and investment banking. Mr. Lai previously served as advisor to the Board of Directors of Asia Securities Global Ltd. and was CEO of Koffman Financial Holdings Ltd. He had held senior positions at various reputable financial institutions in Hong Kong, including the role of Managing Director at Smith Barney Shearson (Asia) Ltd., Merrill Lynch (Asia Pacific) Limited and Paine Webber Hong Kong Ltd. He was the Group CEO of Chin Tung Financial Holdings which eventually became part of Standard Chartered Asia Ltd. in 1988.

Mr. Lai was a Non-executive Director of CCT Fortis Holdings Limited (stock code: 138) from 8 October 1991 to 29 June 1992, a Non-executive Director of GCL New Energy Holdings Limited (stock code: 451) from 13 February 1992 to 15 May 1992, an Independent Non-executive Director of Shanghai Zendai Property Limited (stock code: 755) from 18 May 2004 to 25 May 2017. Further, he was an Executive Director of Century Ginwa Retail Holdings Limited (stock code: 162) from 11 August 2007 to 9 October 2008 respectively, the shares of which are all listed on the Main Board of the Stock Exchange.

In addition, Mr. Lai was an Independent Non-executive Director of China Demeter Financial Investments Limited (stock code: 8120) from 21 October 2004 to 22 January 2007, and re-designated as a Non-executive Director of China Demeter Financial Investments Limited (stock code: 8120) from 22 January 2007 to 9 August 2007, the share of which is listed on the Growth Enterprise Market of the Stock Exchange.

獨立非執行董事

賴焯藩先生

(現年69歲)

賴焯藩先生(「賴先生」)自2017年6月8日起獲委任為獨立非執行董事。彼亦為風險管理委員會主席，同時為提名委員會、薪酬委員會、審核委員會及企業管治委員會之成員。

賴先生持有美國印第安納州立大學(Indiana State University)理學學士學位。彼於財務管理、證券及資本投資方面擁有豐富的專業經驗。

賴先生為AR Evans Capital Partners Inc.的負責人。彼於金融服務業(主要於股票經紀及投資銀行方面)擁有逾35年經驗。賴先生曾擔任亞洲環球證券有限公司董事會之顧問，亦曾任Koffman Financial Holdings Ltd.之行政總裁。彼曾於香港多家著名金融機構擔任高級職務，包括擔任Smith Barney Shearson (Asia) Ltd.、Merrill Lynch (Asia Pacific) Limited及Paine Webber Hong Kong Ltd.之董事總經理。彼曾為Chin Tung Financial Holdings的集團行政總裁，該公司最終於1988年成為渣打(亞洲)有限公司的一部分。

賴先生自1991年10月8日至1992年6月29日擔任中建富通集團有限公司(股份代號:138)之非執行董事、自1992年2月13日至1992年5月15日擔任協鑫新能源控股有限公司(股份代號:451)之非執行董事、自2004年5月18日至2017年5月25日擔任上海証大房地產有限公司(股份代號:755)之獨立非執行董事。此外，彼自2007年8月11日至2008年10月9日擔任世紀金花商業控股有限公司(股份代號:162)之執行董事，該等公司之股份均於聯交所主板上市。

此外，賴先生自2004年10月21日至2007年1月22日擔任國農金融投資有限公司(股份代號:8120)之獨立非執行董事及自2007年1月22日至2007年8月9日調任為國農金融投資有限公司(股份代號:8120)之非執行董事，該公司之股份於聯交所GEM上市。



Mr. LAI Chik Fan
賴焯藩先生

Profiles of the Group's Key Personnel

集團要員之簡介

Group Operating Management and Corporate Service

Mr. Thomas PANG Pui Yin ("Mr. Pang"), aged 56, is Chief Operating Officer of the Company. Mr. Pang is primarily responsible for overseeing the operations of the Company. Mr. Pang possesses over 30 years of experience in the areas of capital markets, accounting & finance, and corporate management covering a number of industrial sectors such as real estate investment and management, oil and gas, financial advisory, investment management and securities market regulation. Before joining the Group, Mr. PANG held senior positions including Chief Executive Officer and Chief Financial Officer of a real estate investment fund as well as a number of Hong Kong listed companies.

Mr. Pang qualified as a Chartered Accountant in England and Wales in 1988 while working in the London office of a big 4 accounting firm. He is a member of Hong Kong Institute of Certified Public Accountants with exposure in the United Kingdom, Australia, New Zealand, Hong Kong, the Mainland of China and Dubai. Mr. Pang graduated from the University of Oxford, England with a Master's degree and also obtained a Master's degree from the International School of Advanced Studies, University of Trieste, Italy.

Mr. CHAN Chi Fai David ("Mr. Chan"), aged 52, has been appointed as the Company Secretary with effect from 22 March 2017. Mr. CHAN has also been appointed as the Group Financial Controller of the Company in 14 March 2017. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a Bachelor's degree in Business Administration from the University of Manchester. Mr. Chan has over 29 years of experience in company secretarial management, auditing, finance and corporate governance.

Mr. YAO Yan Ping Francis ("Mr. Yao"), aged 48, is the assistant director of Strategic Development Department with effect from 8 January 2018. He is primarily responsible for corporate development, finance and strategic planning of the Company. Mr. Yao is a certified public accountant and is a fellow member of the Hong Kong Institute of Certified Public Accountants. He has over 26 years accounting, auditing, corporate finance and governance experience.

集團營運管理層及企業服務

彭沛然先生（「彭先生」），現年56歲，現為本公司首席營運官。彭先生主要負責監督本公司的營運。彭先生擁有超過30年資本市場、會計與金融及企業管理等範疇的工作經驗，其間涵蓋的不同行業包括房地產投資和管理、油氣、財務顧問、投資管理和證券市場監管。加入本集團前，彭先生於一房地產投資基金以及若干香港上市公司工作，曾出任行政總裁及首席財務總監等之高職。

彭先生於1988年在一間四大會計師事務所的倫敦分公司工作時，取得英格蘭及威爾斯特許會計師資格，彼亦為香港會計師公會會員。彼曾在英國、澳洲、紐西蘭、香港、中國內地和杜拜各地工作。彭先生於英國牛津大學畢業並取得碩士學位，其後在意大利University of Trieste之International School of Advanced Studies取得碩士學位。

陳志輝先生（「陳先生」），52歲，於2017年3月22日獲委任為公司秘書。陳先生亦於2017年3月14日獲委任為本公司的集團財務總監。彼為香港會計師公會之資深會員，並持有曼徹斯特大學之工商管理學士學位。陳先生於公司秘書管理、審計、財務及企業管治方面擁有逾29年經驗。

姚恩平先生（「姚先生」），48歲，於2018年1月8日獲委任為本公司之策略發展部助理董事。彼主要負責本公司企業發展、財務及策略規劃。姚先生為執業會計師及香港會計師公會之資深會員。彼於會計、審計、企業融資及企業管治方面擁有逾26年經驗。

Construction Business

Ir Paul LEE Kai Hung ("Ir Lee"), *BEng, MASc, PEng, MCSCCE, RPE, CEng, FHKIE, MICE*, aged 61, is the Managing Director of each of Hsin Chong Construction Company Limited ("HCC"), Hsin Chong Construction (Asia) Limited ("HCA") and HCCG Building and Civil Engineering (Macau) Limited. He is also a director of certain subsidiaries of the Company. Ir Lee was appointed as the Deputy Managing Director of HCC in July 2015 and has been promoted to his current position in HCC in October 2015.

Ir Lee is responsible for the management of the construction and related businesses within the Group. Ir Lee joined the Group in 2010 and has more than 38 years of experience in civil engineering and building construction.

Ir Lee is a registered professional engineer. He is also a fellow of The Hong Kong Institution of Engineers. Prior to joining the Group, he was a senior executive with a leading Hong Kong contractor.

Mr. Joseph FUNG Cho Ning ("Mr. Fung"), *BSc (Eng), CEng, RPE, FIMECHE, MCIBSE, MHKIE*, aged 65, is the managing director of Hsin Chong Aster Building Services Limited ("HC Aster"), the electrical and mechanical engineering specialists of the Group, and a director of certain subsidiaries of the Company. Mr. Fung has the primary responsibility in managing the business of HC Aster. He joined the Group in 2003 and has over 39 years of experience in the engineering field as consultant, client's representative and contractor in Hong Kong, United Kingdom and Australia. Prior to joining the Group, for over 17 years, Mr. Fung was engaged in the general management of companies in Australia and Hong Kong before acting as the general manager of Jardine and Cathay Pacific group of companies.

Mr. Desmond SZE Man Sang ("Mr. Sze"), *MHKIE, RPE (CVL)*, aged 57, is an Assistant Managing Director since January 2017 of HCC. Mr. Sze is responsible for part of the building business of the Group within Hong Kong. He joined the Group in 2015 and has over 35 years of experience in the field of civil and building construction.

Mr. Cyrus CHIN Chi Keung ("Mr. Chin"), *BSc (Hons), MSc, MHKIE, RPE*, aged 59, is a director of HCC and HCA, and a director of certain subsidiaries of the Company. Mr. Chin is responsible for the overall management of the Building Division in Hong Kong. He joined the Group in 1994 and has over 33 years of experience in the field of structural design and project management. Mr. Chin is a member of the Mandatory Provident Fund Industry Schemes Committee and the Immediate Vice President of the Hong Kong Construction Association.

Mr. James LEE Kok Foo ("Mr. Lee"), *BEng, MHKIE*, aged 66, is a director of HCC and HCA, and a director of certain subsidiaries of the Company. Mr. Lee is responsible for the business development for the Building Division, including managing the business development and operation of Design and Build Projects. He joined the Group in 1981 and has over 42 years of experience in the field of electrical and mechanical engineering and building construction management.

建造業務

李啟鴻工程師 (「李工程師」) · *BEng, MASc, PEng, MCSCCE, RPE, CEng, FHKIE, MICE* · 現年61歲，為新昌營造廠有限公司 (「新昌營造廠」) · 新昌營造廠 (亞洲) 有限公司 (「新昌亞洲」) 及新營房屋及土木工程 (澳門) 有限公司之董事總經理。彼亦為本公司若干附屬公司之董事。李工程師於2015年7月獲委任為新昌營造廠之副董事總經理，並於2015年10月晉升至現於新昌營造廠之職位。

李工程師負責管理本集團建築及相關業務。李工程師於2010年加入本集團，擁有逾38年土木工程及樓宇建造方面之經驗。

李工程師為註冊專業工程師。彼亦為香港工程師學會之資深會員。於加入本集團前，彼曾於香港一家大型承建商擔任要職。

馮祖寧先生 (「馮先生」) · *BSc (Eng), CEng, RPE, FIMECHE, MCIBSE, MHKIE* · 現年65歲，為本集團專責機電工程業務之新昌亞仕達屋宇設備有限公司 (「新昌亞仕達」) 之董事總經理，以及本公司若干附屬公司之董事。馮先生主要負責管理新昌亞仕達之業務；彼於2003年加入本集團，於香港、英國及澳洲出任顧問、客戶代表及承建商，在工程界擁有逾39年之經驗。於加入本集團前，馮先生曾負責澳洲及香港公司之一般管理工作逾17年，其後出任怡和集團及國泰航空集團旗下公司之總經理。

史文生先生 (「史先生」) · *MHKIE, RPE (CVL)* · 現年57歲，於2017年1月起出任新昌營造廠之助理董事總經理。史先生負責本集團於香港之部分建造業務。彼於2015年加入本集團，並於土木及樓宇建造領域擁有逾35年經驗。

錢志強先生 (「錢先生」) · *BSc (Hons), MSc, MHKIE, RPE* · 現年59歲，為新昌營造廠及新昌亞洲之董事，以及本公司若干附屬公司之董事。錢先生負責香港樓宇建造部之整體管理。彼於1994年加入本集團，並擁有逾33年結構設計及項目管理之經驗。錢先生現時為強制性公積金行業計劃委員會成員及前香港建造商會副會長。

李國富先生 (「李先生」) · *BEng, MHKIE* · 現年66歲，為新昌營造廠及新昌亞洲之董事，以及本公司若干附屬公司之董事。李先生負責樓宇部門的業務發展，包括管理設計及承建項目之業務發展及營運。彼於1981年加入本集團，並擁有逾42年機電工程及樓宇建造管理之經驗。

Mr. Steven John MEREDITH ("Mr. Meredith"), BSc (Eng), C.Eng, MICE, aged 59 is a director of HCC and HCA. Mr. Meredith is a director (Civil Engineering), and is responsible for the civil engineering business of the Group within Hong Kong. He joined the Group in 2017 and has over 37 years of experience in the field of civil engineering.

Mr. Alan Clive EVANS ("Mr. Evans"), MA, FRICS, ACI Arb, RPS(QS), aged 56, is a director of HCC and HCA, and a director of certain subsidiaries of the Company. Mr. Evans is responsible for overseeing all commercial, legal, insurance and procurement matters for the whole construction business. He joined the Group in 2011 as Group Commercial Manager and has more than 30 years of property and construction management experience with major corporations and international consultants in the UK, Qatar, Macau and Hong Kong.

Mr. Keith John BUCKLEY ("Mr. Buckley"), BSc (Civil), CEng, MICE, MHKIE, aged 69, is a director of HCC and HCA, and a director of certain subsidiaries of the Company. Mr. Buckley is the Executive Project Director of the construction management business of the Group in Macau. He joined the Group in 2003 and has over 46 years of experience in the field of building construction and civil engineering.

Mr. Augustine TANG Man Yee ("Mr. Tang"), MSc, MCI OB, MAIB, MHKICM, aged 60, is a director of HCC, HCCG Building and Civil Engineering (Macau) Limited and Ever Work Construction Limited. Mr. Tang is also a Chairman of Zhuhai Hengqin New Area HCCG Construction Management Co., Ltd., a President of HCCG Building & Civil Engineering (Saipan) Limited and a Chairman of Hsin Chong Building and Civil Engineering (Cambodia) Co. Ltd. Mr. Tang is responsible for the civil engineering and building Projects in Macau, Zhuhai and overseas. He joined the Group in 1976 and has over 40 years of experience in the field of building construction and project management of mega construction projects in Hong Kong, Beijing, Shenzhen, Zhuhai, Macau and overseas.

Mr. Phillip Kenneth CLARKE ("Mr. Clarke"), MRICS, aged 58, is the commercial director of Hsin Chong Construction (Macau) Limited, Hsin Chong Engineering (Macau) Limited and Ever Apex Construction (Macau) Company Limited, the Company's subsidiaries in Macau. Mr. Clarke joined the Group in 2004 and has over 35 years of experience in providing commercial and technical support in the construction field.

Mr. Gilbert CHAN Cheuk Tong ("Mr. Chan"), MBA, BA(Econ), FCPA, MHKSI, MCIM, aged 59, is the finance director of Hsin Chong Construction Company Limited. Mr. Chan is a fellow of the Hong Kong Institute of Certified Public Accountants, he worked in a number of listed companies and sizable organizations in Hong Kong, Shanghai and Shenzhen as finance executive and controller with finance and accounting experiences in various industries ranging from banking, garment, textile machinery trading, sole distributor of consumer electronics, healthcare services, construction, hotel, semiconductor manufacturing, e-Commerce to electronics manufacturing services ("EMS") factory. Before joining the Company on 23 June 2017, Mr. Chan was the chief executive officer for about 5 years of an EMS group of companies, managed its business and headquarters in Macau and Hong Kong; and operated two sizable factories in Shenzhen and Hunan with 2,500 workers.

Steven John MEREDITH先生 (「Meredith先生」), BSc (Eng), C.Eng, MICE, 現年59歲, 為新昌營造廠及新昌亞洲之董事。Meredith先生為土木工程部之董事, 並負責本集團於香港之土木工程業務。彼於2017年加入本集團, 並於土木工程領域擁有逾37年之經驗。

Alan Clive EVANS先生 (「Evans先生」), MA, FRICS, ACI Arb, RPS(QS), 現年56歲, 為新昌營造廠及新昌亞洲之董事, 以及本公司若干附屬公司之董事。Evans先生負責統籌整個建造業務之所有商務、法律、保險及採購事宜。彼於2011年加入本集團, 擔任本集團商務經理, 在英國、卡塔爾、澳門及香港等地之大型企業及國際性顧問公司, 累積逾30年物業及建造管理之經驗。

Keith John BUCKLEY先生 (「Buckley先生」), BSc (Civil), CEng, MICE, MHKIE, 現年69歲, 為新昌營造廠及新昌亞洲之董事, 以及本公司若干附屬公司之董事。Buckley先生為本集團澳門建造管理業務之行政項目總監。彼於2003年加入本集團, 並於樓宇建造及土木工程方面, 擁有逾46年之經驗。

鄧文儀先生 (「鄧先生」), MSc, MCI OB, MAIB, MHKICM, 現年60歲, 為新昌營造廠、新營房屋及土木工程(澳門)有限公司、永成建築有限公司之董事。鄧先生亦為珠海橫琴新區新昌建設管理有限公司主席、新營房屋及土木工程(塞班)有限公司總裁及新昌房屋及土木工程(柬埔寨)有限公司主席。鄧先生負責澳門、珠海與海外之土木工程及建造項目。彼於1976年加入本集團, 並擁有逾40年樓宇建造及項目管理之經驗, 曾參與香港、北京、深圳、珠海、澳門與海外的大型建造項目。

Phillip Kenneth CLARKE先生 (「Clarke先生」), MRICS, 現年58歲, 為本公司之澳門附屬公司新昌營造(澳門)有限公司、新昌工程(澳門)有限公司及永發建築(澳門)有限公司之商務董事。Clarke先生於2004年加入本集團, 並於建造業擁有逾35年提供商業及技術支援之經驗。

陳焯堂先生 (「陳先生」), MBA, BA(Econ), FCPA, MHKSI, MCIM, 現年59歲, 為新昌營造廠有限公司之財務董事。陳先生為香港會計師公會之資深會計師, 曾於香港、上海及深圳的多間上市公司及大型機構擔任財務總監及要職, 其財務會計經驗所涉及的行業包括銀行、製衣、紡織機器貿易、消費電子產品獨家分銷商、醫療服務、建築、酒店、半導體製造、電子商務、電子代工服務(「電子代工服務」)廠。陳先生在2017年6月23日受聘於本公司之前, 為一家電子代工服務集團的行政總裁約5年, 管理其業務及位於澳門與香港之總部; 並營運位於深圳、湖南共有2,500名員工的兩間大型工廠。

Property Development and Hospitality Business (Hong Kong and International)

Sr Stanley LO Seung Chi ("Sr Lo"), *LLB(Hons), LL.M., MBA (Construction & Real Estate), PCLL, FRICS, FHKIS, FCIQB, MCIArb, RPS(QS)*, age 60, is the Managing Director of Hsin Chong International Infrastructure Company Limited ("HCII"). He is also a director of a subsidiary of the Company. Sr Lo was appointed as the Managing Director of HCII since he joined the Company in June 2016. Sr Lo is responsible for the management of the Company's international infrastructure projects and related businesses under the Belt and Road Initiative. Sr Lo has over 37 years of experience in building, civil engineering, railway and infrastructure constructions.

Sr Lo is an executive with dual professions. In addition to being a Chartered Quantity Surveyor, he is also an admitted Solicitor of the High Court of HKSAR. Sr Lo is a fellow of the Royal Institution of Chartered Surveyors, fellow of the Hong Kong Institution of Surveyors, fellow of the Chartered Institute of Building (Chartered Construction Manager), member of the Chartered Institute of Arbitrators, and a Registered Professional Surveyor (Quantity Surveying).

Prior to joining Hsin Chong, Sr Lo was the Director and General Manager of a leading contractor which was listed in the Stock Exchange in Hong Kong. Before that, Sr Lo was an executive of the Kowloon Canton Railway Corporation and the Mass Transit Railway Corporation.

Sr Lo is currently a member of the Belt & Road Advisory Committee of the Hong Kong International Arbitration Centre ("HKIAC"). He was also the Chairman of the Construction Mediation Interest Group (2015–2016) of the Hong Kong Mediation Council (a division of the HKIAC).

Project Directors (Construction Business)

Mr. Chris CHAU Chi Wai ("Mr. Chau"), *BSc (Hons), MHKIE, RPE*, aged 56, is an assistant director of Building Division of HCC. He is responsible for construction projects, including M+ Museum, Dragons Range, redevelopment of Hong Kong Sports Institute and Shek Mun HSBC Data Centre. Mr. Chau joined the Group in 2007. He has 32 years of experience in the construction industry.

Mr. Benjamin CHOW Tai Wang ("Mr. Chow"), *BSc (Civil Engineering)*, aged 65, has been promoted as an assistant director of HCC in 2015 and is the head of civil projects operations. He is responsible for project management, tendering and business development. Mr. Chow joined the Group in 2002. He has over 38 years of experience in foundation, site formation, infrastructure, structural steel, road & drainage, marine works, demolition, building and contracting business.

物業開發及旅遊發展業務 (香港及國際)

盧上賜測量師 (「盧測量師」), *LLB(Hons) (法律學 (榮譽) 學士), LL.M. (法律學碩士), MBA (Construction & Real Estate) (工商管理碩士 (建築與房地產)), PCLL, FRICS, FHKIS, FCIQB, MCIArb, RPS (QS)*, 現年60歲, 為新昌國際基建有限公司 (「新昌國際基建」) 之董事總經理。彼亦為本公司一附屬公司之董事。盧測量師於2016年6月加入本公司, 獲委任為新昌國際基建董事總經理, 負責管理本公司於「一帶一路」倡議下的國際基建項目及相關業務。盧測量師於建築、土木工程、鐵路及基建方面擁有逾37年之經驗。

盧測量師同時擁有律師及工料測量師的專業資格, 既是英國皇家特許工料測量師, 亦是香港特別行政區高等法院註冊律師。盧測量師是英國皇家特許測量師學會之資深會員、香港測量師學會之資深會員、英國皇家特許建造學會之資深會員 (英國皇家特許建造經理)、英國皇家特許仲裁師學會之會員以及註冊專業測量師 (工料測量)。

在加入新昌前, 盧測量師為一家於香港聯交所上市的大型承建商的董事及總經理。在此之前, 盧測量師於九廣鐵路公司及地下鐵路公司擔任要職。

盧測量師現為一帶一路香港國際仲裁中心 (「香港國際仲裁中心」) 諮詢委員會成員。他也是香港國際仲裁中心隸屬香港調解會建築調解小組 (2015–2016) 的主席。

項目總監 (建造業務)

周志偉先生 (「周先生」), *BSc (Hons), MHKIE, RPE*, 現年56歲, 為新昌營造廠樓宇建造部的助理董事。彼負責建造項目, 包括M+視覺文化博物館、玫瑰山、香港體育學院重建項目及滙豐銀行石門數據中心。周先生於2007年加入本集團。彼於建造業擁有32年之經驗。

周大宏先生 (「周先生」), *BSc (Civil Engineering)*, 現年65歲, 於2015年獲晉升為新昌營造廠的助理董事, 彼亦為土木工程項目營運之主管。彼負責項目管理、投標工作及業務發展。周先生於2002年加入本集團。彼於地基工程、地盤平整、基建、鋼結構、道路及排水、海事工程、清拆、建造及承建業務方面, 擁有逾38年之經驗。

Profiles of the Group's Key Personnel

集團要員之簡介

Mr. CHOI Man Fai ("Mr. Choi"), *BSc, FHKIE, FCIQB, FHKICM, MICE, MRICS, RPE*, aged 56, is a senior project director of HCC. He is responsible for managing all aspects of the construction operations in projects under his control including the MTRC Shatin to Central Link Contract No. SCL1109 – Sung Wong Toi and To Kwa Wan Stations and Tunnels. Mr. Choi joined the Group in 2009. He has over 28 years of experience in managing and administering both Government-funded and privately-sponsored infrastructure projects comprising civil, building and foundation jobs.

Mr. Frankie LAM Kam Keung ("Mr. Lam"), *BSc (Eng), MA (Arb & DR), CEng, MICE, RPE, MHKIE, MCSCEHKB*, aged 49, is a senior project director of HCC. He is primarily responsible for project management as well as tender preparation and business development. Mr. Lam joined the Group in 1994. He has over 26 years of experience in both consulting and contracting business on a wide spectrum of projects including infrastructure, site formation, roads & drainage, foundation, deep excavation, geotechnical and ground investigation field works. He is also appointed as the Authorised Signatory under the Buildings Ordinance (Chapter 123) supervising site formation works, foundation works and ground investigation field works.

Mr. Christopher TANG Sik Ming ("Mr. Tang"), *BSc (Hons), MCIQB, MHKIE, MASCE, MHKICM, MCMI, RPE, MASI*, aged 63, is a senior project director of HCC. He is responsible for the construction management of various projects: Ocean Park Marriott Hotel, Office Complex at Lam Lee Street, Sai Wan Terrace, Tsuen Wan Adventist Hospital, Hong Kong Housing Authority's housing developments at Anderson Road and Tung Chung, and HKUST, etc. Mr. Tang joined the Group in 2011. He has over 37 years of experience in building construction management and administration.

Mr. Wayne CHAN Wai Kei ("Mr. Chan"), *BSc (Arch), MIHEEM, ASHRAE*, aged 62, is a project director of HC Aster. He is responsible for Building Services project management, tender preparation and business development. Mr. Chan joined the Group in 2005. He has over 36 years of experience in the managing and administering of both public and private sector E & M projects.

蔡文輝先生 (「蔡先生」), *BSc, FHKIE, FCIQB, FHKICM, MICE, MRICS, RPE*。現年56歲，為新昌營造廠的高級項目總監。彼負責建造業務各方面的管理工作，其所監督的項目包括港鐵沙田至中環線建造合約編號SCL1109—宋王臺及土瓜灣鐵路及隧道工程。蔡先生於2009年加入本集團。彼於政府資助及私人贊助基建項目的土木工程、建造及地基工程方面，擁有逾28年之管理及行政經驗。

林錦強先生 (「林先生」), *BSc (Eng), MA (Arb & DR), CEng, MICE, RPE, MHKIE, MCSCEHKB*。現年49歲，為新昌營造廠的高級項目總監。彼主要負責項目管理、投標工作及業務發展。林先生於1994年加入本集團。彼於顧問及承建業務方面，擁有逾26年之經驗，曾負責多類型的項目，包括基建、地盤平整、道路及排水、地基工程、深挖、岩土技術及地基調查實地工作。彼亦獲委任為建築物條例(第123章)的授權簽署人，負責監督地盤平整工程、地基工程及現場土地勘測工程。

鄧錫明先生 (「鄧先生」), *BSc (Hons), MCIQB, MHKIE, MASCE, MHKICM, MCMI, RPE, MASI*。現年63歲，為新昌營造廠的高級項目總監。彼負責海洋公園萬豪酒店、臨利街甲級辦公室、西灣臺、荃灣港安醫院、香港房屋委員會安達臣道及東涌住宅發展，以及香港科技大學等項目的建造管理工作。鄧先生於2011年加入本集團。彼於樓宇建造管理及行政方面擁有逾37年之經驗。

陳偉基先生 (「陳先生」), *BSc (Arch), MIHEEM, ASHRAE*。現年62歲，為新昌亞仕達的項目總監。彼負責樓宇服務之項目管理、投標工作及業務發展。陳先生於2005年加入本集團。彼於公共及私營機電項目方面，擁有逾36年管理及行政之經驗。

Business of the Mainland of China

Ms. WAN Wen Ying ("Ms. Wan"), aged 72, joined Hsin Chong Holdings (China) Limited as Senior Commercial Vice President in March 2016. She is also Chairman of Hsin Chong (China) Business Management Company Limited, standing director of China General Chamber of Commerce, vice president of China Commerce Association for General Merchandise, a member of the Expert Committee of China General Chamber of Commerce, and honorary president of Outlets Branch of China General Chamber of Commerce. Ms. Wan is also a senior economist and senior corporate operator.

Ms. Wan has engaged in business operation and management for 42 years and devoted herself to research and development of the business sector in China, and accumulated rich experience in business management. Honoured as the "originator of China's outlets", she was the first to bring the outlets mode into China, and she was also the planner and leader of the outlets business model of the new generation. In recent years, as the general business advisor of Beijing Capital Land, she led and directed in the opening and operation of Capital Land's projects in Fangshan, Wanning, Huzhou, and Kunshan, and explored a path for developing outlets with Chinese characteristics.

Mr. JIANG Wanyong ("Mr. Jiang"), aged 58, is a senior engineer with the Bachelor's Degree in Engineering. He now assumes the senior vice president of Hsin Chong Holdings (China) Limited. Mr. Jiang once worked for China-Foreign Aid Office of Ministry of Railways/China Civil Engineering Construction Corporation (CCECC), and was dispatched to Arabia and African countries, Hong Kong, Macao and North America. He worked as the director of business development in Mainland China for CH2MHILL, a world's famous large-scale engineering consulting company and took charge of energy and transportation services. With over 30 years' management experience in real estate investment and development, energy and environmental protection, urban planning and infrastructure construction, communications technologies and services, asset restructuring, mergers and acquisitions of enterprises and others, Mr. Jiang, a senior business management specialist, has accumulated rich experience in the investment and operation and management of large projects at home and abroad as well as commercial real estate investment and development management, and obtained outstanding achievements in related fields. Mr. Jiang also concurrently serves as an expert member of Commercial Real Estate Association and the vice president of Ortel Branch of China General Chamber of Commerce.

Ms. ZENG Xian ("Ms. Zeng"), aged 50, is a senior corporate culture specialist and economist with double Master's Degree respectively in Economic Management and Psychology. She has been the vice president of Hsin Chong Holdings (China) Limited since 2015. As a senior human resources expert, Ms. Zeng once assumed the senior management position of several famous listed companies and large real estate enterprises, and she particularly excels in human resource management of real estate industry. Ms. Zeng also concurrently serves as the vice president of Ortel Branch of China General Chamber of Commerce, the director of Practice Committee of Chinese Human Resource Theory and Practice Association, the vice chairman of Human Resource Alliance of Commercial and Tourism Real Estate Professional Committee of China Real Estate Association, managing director of National Real Estate Managers Alliance, distinguished lecturer of China Federation of Human Resources Managers and career mentor of Sun Yat-sen Business School.

中國內地之業務

萬文英女士（「萬女士」），現年72歲，2016年3月加入新昌控股（中國）有限公司擔任高級商業副總裁。彼亦為新昌（中國）商管有限公司董事長，還兼任中國商業聯合會常務理事、中國百貨協會副會長、中國商業聯合會專家委員及奧特萊斯協會名譽會長。萬女士亦為高級經濟師、高級企業運營師。

萬女士從事商業運營及管理42年，一直致力於中國商業領域的研究發展，積累了極為豐富的商業管理經驗。被譽為「中國奧特萊斯鼻祖」，是中國引進奧特萊斯業態的第一人，也是新一代奧特萊斯商業模式的籌劃者和領航者。近年來作為首創置業的商業總顧問主導，指揮了首創房山、萬寧、湖州、昆山項目的開業、運營工作，摸索出一套適合中國國情的奧特萊斯發展之路。

江萬勇先生（「江先生」），工學學士，高級工程師，現年58歲。現任新昌控股（中國）有限公司高級副總裁。江先生早年供職於國家鐵道部援外辦公室／中國土木工程集團公司，曾被派往阿拉伯地區及非洲國家、港澳及北美地區工作。曾就職於世界著名的大型工程諮詢公司美國西圖集團（CH2MHILL）擔任中國大陸地區業務拓展總監，負責能源與交通業務。江先生從事管理工作三十多年來的行業經驗涉及到房地產投資與開發、能源與環保、城市規劃與基礎設施建設、通訊技術與服務、資產重組與企業併購等諸多方面，是資深企業管理專家，擁有豐富的國內外大型項目的投資和運營管理經驗，以及商業地產投資與開發管理等方面的豐富經驗，在相關領域成績顯赫。江先生還兼任中國商業地產聯盟專家委員，中國商業聯合會奧特萊斯協會副會長。

曾先女士（「曾女士」），經濟管理和心理學雙研究生學歷，高級企業文化師，經濟師，現年50歲，2015年加入新昌控股（中國）有限公司擔任副總裁。曾女士作為資深人力資源專家，曾在多家著名上市公司及大型地產企業擔任高級管理職位，在地產行業人力資源管理方面尤有專長。曾女士還兼任中國商業聯合會奧特萊斯協會副會長，中國人力資源理論與實踐聯盟實踐委員會理事，中房協商業和旅遊地產專業委員會人力資源聯盟副主任委員，中國房地產經理人聯盟常務理事，中國人力資源經理人聯合會特聘講師和中山大學管理學院職業導師。

Ms. LIU Lan (“Ms. Liu”), aged 49, holds a bachelor degree in economic management and an MBA degree in monetary banking. Ms. Liu is currently the Assistant president of Hsin Chong Holdings (China) Limited. Ms. Liu is a senior professional manager in the property development industry in China. She has held senior executive positions in various well-known real estate enterprises such as the Contue Group, the Rongqiao Group and the Tahoe Group, delivering outstanding performances in project development, sales and commercial opening. She was named one of the Top 10 Characters in National Property Marketing. Ms. Liu has been appointed as Deputy Secretary General by the Shan Dong Alumni Office of the Renmin University of China and as investment adviser by Taian High-tech Industrial Development Zone.

Mr. DING Mingliang (“Mr. Ding”), aged 50, graduated from Tsinghua University with a masters’ degree, majoring in heating, ventilation and air conditioning. He joined Hsin Chong (China) Business Management Company Limited* as Executive Deputy General Manager in 2015 and is responsible for the properties and engineering related business. Mr. Ding is also responsible for the business operation management of Foshan project.

For many years Mr. Ding engaged in planning, investment attraction, and operation management with commercial real estate projects. He has nearly 20 years’ experience as a senior executive at well-known enterprises and commercial property companies including GT Land Group, Saite Group, and Beijing Modern Plaza, thus with comprehensive management capability in large commercial real estate projects, especially in large commercial complex and other commercial projects in Guangzhou Area.

Mr. LI Qiming (“Mr. Li”), aged 47, is a senior engineer and a Class 1 registered constructor as well as a national supervision engineer with a civil engineering degree. Mr. Li joined Hsin Chong Holdings (China) Limited in 2016 as the general manager of Liaoning Tongji Property Investment Limited / Liaoning Huisheng Property Investment Limited (Tieling project company). Mr. Li has 17 years of experience in comprehensive development and management of large-scale real estate complex, commercial, hotel, residential and tourism properties, and has conducted whole process management and operation in a number of complexes and real estate projects with an area over 500,000 sqm². He has assumed various senior management positions in Yintai Land Group, Wanda Group and many other well-known real estate enterprises, including the general manager of projects and the general manager of cites. Mr. Li has outstanding performance in real estate operation and has profound management experience in all stages of commercial property development as well as remarkable resources integration capabilities.

劉嵐女士（「劉女士」），經濟管理學士，貨幣銀行學MBA，現年49歲，現任新昌控股（中國）有限公司助理總裁職務。劉女士是中國房地產開發行業的資深職業經理人，歷任康居集團、融僑集團、泰禾集團等多家知名房地產企業的高管職位，創造多個項目開發、銷售和商業開業的優異成績，曾榮獲「全國房地產營銷人物十佳」稱號。同時劉女士還擔任中國人民大學山東校友會副秘書長。彼被聘為泰安國家高新區招商顧問。

丁明亮先生（「丁先生」），現年50歲，畢業於清華大學，供熱、通風及空調專業，碩士學位，2015年加入新昌（中國）商管有限公司任職常務副總經理，分管物業及工程相關業務。丁先生同時主管佛山項目的商業經營管理工作。

丁先生多年來從事商業地產項目的策劃、招商和運營管理，在高德置地集團、賽特集團、北京當代商城等知名企業和商業地產企業任職高管近20年，具備掌控大型商業地產項目的綜合管理能力，尤其擅長大型商業綜合體及廣州其他商業項目的運營管理。

李其明先生（「李先生」），土木工程專業畢業，高級工程師，一級建造師、全國監理工程師，現年47歲，2016年加入新昌控股（中國）有限公司任遼寧同濟置業有限公司／遼寧匯盛置業有限公司（鐵嶺項目公司）總經理職務。李先生擁有17年房地產大型綜合體、商業、酒店、住宅及旅遊地產全面開發管理經歷，有多個50萬平方米以上綜合體項目全程管理和大盤實操經驗。歷任銀泰置地集團、萬達集團等多家知名房地產企業項目總經理、城市總經理等高管職位，創造了卓越的操盤運營業績。李先生對商業地產開發各個環節具備豐富的管理經驗以及超強的整合資源的能力。

Mr. XIE Lizhong (“Mr. Xie”), aged 50, is the deputy general manager of the Foshan Project Company of Hsin Chong Holdings (China) Limited. Mr. Xie is a senior engineer graduated from Tsinghua University with a degree in water resources and hydropower engineering. Mr. Xie had been the Director of Guangdong Fangshi Construction Supervision Co., Ltd. (廣東房實建設工程監理有限公司), the deputy general manager of Guangdong Jinhuiyang Real Estate Co., Ltd. (廣東金輝洋房地產有限公司) and the project manager of Panyu Clifford Estate Real Estate Limited (番禺祈福新村房地產有限公司). He has nearly 30 years’ experience in construction project management, particularly in the operation of construction and supervision companies, and is familiar with the construction related processes and relevant laws and regulations of property development.

Mr. MENG Yunjun (“Mr. Meng”), aged 45, graduated from Huazhong University of Science and Technology with bachelor degree in civil engineering. He is currently the executive general manager of the Taian Project Company of Hsin Chong Holdings (China) Limited. He is a senior professional manager in real estate development industry in China, and has held senior management positions in several famous real estate enterprises, such as Wanda and Yintai group, during which he has delivered outperformance in development, sales and commercial commencement. In addition, Mr. Meng has been appointed as the Vice President of Zhejiang Chamber of Commerce in Taian City.

Mr. CHENG Shing Lit (“Mr. Cheng”), aged 57, is a member of the Royal Institution of Chartered Surveyors (Facilities Management) with a master degree of Business Administration awarded by the Newport University in the US. Mr. Cheng has been engaged in property management for over 30 years and accumulated considerable experience in property and asset management during his service in well-known projects in Hong Kong and Mainland China. He has cooperated with renowned domestic and overseas property developers and Top 500 companies in managing high-end residential properties, 5A office buildings, large shopping malls and service apartments, etc. He is an expert in market development, early stage consultation, preparation of accurate management budget, acceptance inspection, renovation supervision, hygiene, environmental protection and fire inspection, inspection before opening of projects and risk management. By effectively applying the mature management modes of Hong Kong properties to those in mainland China, he is capable of coordinating the operation of various departments and managing projects comprehensively and has a good track record in his management work.

謝立忠先生（「謝先生」），新昌控股（中國）有限公司佛山項目公司副總經理。畢業於清華大學水利水電工程專業，高級工程師，現年50歲。謝先生曾任廣東房實建設工程監理有限公司總監、廣東金輝洋房地產有限公司副總經理，番禺祈福新村房地產有限公司項目經理。具有將近三十年的工程管理經驗，尤其是施工、監理單位的工程運作方面，熟悉房地產開發的工程設置流程和相關法律法規。

蒙雲軍先生（「蒙先生」），畢業於華中科技大學，大學本科學歷，工民建專業，現年45歲，現任新昌控股（中國）有限公司泰安項目公司執行總經理職務。蒙先生是中國房地產開發行業的資深職業經理人，歷任萬達、銀泰集團等多家知名房地產企業的高管職位，創造多個開發、銷售和商業開業的優異成績。同時蒙先生還被聘為泰安市浙江商會副會長。

鄭承烈先生（「鄭先生」），美國Newport大學工商管理碩士，RICS英國皇家測量師學會會員（設施管理），現年57歲，從事物業管理工作超過30年，於香港及多個內地知名項目積累了大量的物業及資產管理經驗，與國內外眾多知名地產商及500強客戶有合作經歷，管理業態遍及高檔住宅、5A級寫字樓、大型購物中心、酒店式服務公寓等。擅長市場開拓、前期諮詢、編製精確管理預算、接管驗收、裝修工程監理、衛生、環保及消防報驗、各項開業前檢查並風險管理；統籌公司各部門運作及項目全方位管理，能將內地物業與香港成熟物業的管理模式有效結合，並在既往的管理經歷中取得良好的管理效果。

Corporate Governance Report

企業管治報告

Corporate governance is the system by which the Company is directed and controlled. The Board is fully aware of its importance to shareholders and has developed a rigorous system of checks and balances which allows management to respond to the strategic directions approved by the Board. The Board believes that a well balanced corporate governance system enables the Company to achieve business excellence and fulfill the Company's mission.

Corporate Code of Conduct

Since 1995, the Company has published and distributed its Corporate Code of Conduct to all staff to educate and reinforce the Company's commitment to the highest standards of business ethics and the seriousness with which the Board treats such matters. The Corporate Code of Conduct is a living document that will be periodically updated to incorporate comments and suggestions from the Independent Commission Against Corruption and the other regulating authorities in Hong Kong.

Corporate Governance Code

The Company has applied the principals in the code provisions and certain recommended best practices set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). During the financial year ended 31 December 2017, the Company complied with all code provisions of the CG Code, except those deviations as mentioned herein below.

Model Code for Securities Transactions by Directors

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

The Board has further adopted the Model Code as the written guidelines for regulating securities transactions by the senior management and certain employees of the Group (collectively, the "Relevant Employees"). The Board believes that the Relevant Employees may, by virtue of their positions, likely be in possession of unpublished inside information of the Group.

企業管治為本公司之指導及監控系統。董事會十分明白其對股東之重要性，因此建立了一套嚴謹之監察及制衡制度，使管理層能配合董事會批准之策略方針。董事會相信，建立一套制衡之企業管治系統，可以讓本公司獲得業務優勢，及實現本公司之使命。

公司紀律守則

自1995年以來，本公司已開始印製其《公司紀律守則》並分發予全體僱員，藉此教育和鞏固僱員對本公司致力維繫最高商業道德標準之決心，並表明董事會對一切關乎商業道德事宜之認真態度。《公司紀律守則》為一份不斷更新之規管文件，內容定期作出修訂，以納入廉政公署及其他香港監管機構之意見和建議。

企業管治守則

本公司一直應用香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之《企業管治守則》（「企業管治守則」）所載之守則條文及若干建議最佳常規之原則。於截至2017年12月31日止財政年度內，本公司已遵守企業管治守則之所有守則條文，惟下文所載偏離者除外。

董事進行證券交易的標準守則

董事會已採納上市規則（經聯交所不時修訂）附錄10所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）（經聯交所不時修改）作為其自身規管董事進行證券交易之操守準則。經向所有董事作出特定查詢後，所有董事確認彼等於截至2017年12月31日止財政年度內一直遵守標準守則所載之規定準則。

董事會進一步採納標準守則作為規管高層管理人員及本集團若干僱員（統稱「有關僱員」）進行證券交易之書面指引。董事會認為有關僱員或可透過其本身之職位取得本集團未經刊發之內幕消息。

Board of Directors

Composition

As at 23 March 2018, the Board comprised 11 Directors, including three Executive Directors, five Non-executive Directors and three Independent Non-executive Directors.

The Directors who were in office during the year and up to the date of this report are named as below:

Non-executive Chairman and Non-executive Director

Mr. LIN Zhuo Yan

Executive Directors

Ir Dr Joseph CHOI Kin Hung (*Chief Executive Officer*) (re-designated from Co-Chief Executive Officer to Chief Executive Officer with effect from 8 June 2017)

Mr. Wilfred WU Shek Chun (*Chief Risk Officer*)

Mr. Eric TODD (appointed with effect from 9 March 2017)

Mr. ZHOU Wei (resigned with effect from 8 June 2017)

Non-executive Directors

Mr. YAN Jie

Mr. CHEN Lei

Mr. CHUI Kwong Kau

Mr. LUI Chun Pong (re-designated with effect from 1 January 2017)

Independent Non-executive Directors

Mr. CHENG Sui Sang

Mr. George YUEN Kam Ho

Mr. LAI Chik Fan (appointed with effect from 8 June 2017)

Ms. LEE Jai Ying (resigned with effect from 13 March 2018)

Mr. KWOK Shiu Keung Ernest (resigned with effect from 5 May 2017)

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

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

An updated list of Directors identifying their roles and functions is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hsinchong.com).

董事會 組成

於2018年3月23日，董事會由11名董事組成，包括3名執行董事、5名非執行董事及3名獨立非執行董事。

於本年度及直至本報告日期在任董事姓名如下：

非執行主席及非執行董事

林卓延先生

執行董事

蔡健鴻博士工程師 (*行政總裁*) (自2017年6月8日起由聯席行政總裁調任為行政總裁)

鄔碩晉先生 (*首席風險官*)

達振標先生 (自2017年3月9日起獲委任)

周煒先生 (自2017年6月8日起辭任)

非執行董事

閻傑先生

陳磊先生

崔光球先生

呂振邦先生 (自2017年1月1日起調任)

獨立非執行董事

鄭瑞生先生

袁金浩先生

賴焯藩先生 (自2017年6月8日起獲委任)

李嘉音女士 (自2018年3月13日起辭任)

郭少強先生 (自2017年5月5日起辭任)

根據上市規則第3.10A條，本公司必須委任至少佔董事會成員人數三分之一的獨立非執行董事。於2017年3月9日委任達振標先生為執行董事及獨立非執行董事郭少強先生於2017年5月5日辭任後，本公司未能符合上市規則第3.10A條之規定。然而，於2017年6月8日，周煒先生辭任執行董事一職及賴焯藩先生獲委任為獨立非執行董事後，獨立非執行董事的人數已符合上市規則第3.10(1)條及第3.10A條項下規定的最低人數。因李嘉音女士於2018年3月13日辭任獨立非執行董事，董事會上之獨立非執行董事人數少於上市規則第3.10A條規定之最低人數。

本公司將物色合適人選填補空缺，預期替代人選將根據上市規則第3.11條自2018年3月13日起計三個月內獲委任。本公司將於適當時候作出進一步公告。

董事名單更新版本可於聯交所網站(www.hkexnews.hk)及本公司網站(www.hsinchong.com)查閱，當中會列明各董事之職能及責任。

Coming from diverse business and professional backgrounds, including real estate development, property development, construction, finance, and finance related work, members of the Board possess a balance of skills, expertise and experience appropriate for the requirements of the business of the Group which helps promote its success and benefits its management. Save as disclosed in the Profiles of Directors set out on pages 22 to 33 of this annual report, there is no relationship among the members of the Board.

Each of the Independent Non-executive Directors has given the Company an annual confirmation of independence in compliance with Rule 3.13 of the Listing Rules. The Company considers that all the Independent Non-executive Directors are and have remained independent. Mr. CHENG Sui Sang, chairman of the Audit Committee, has the appropriate accounting and financial management expertise required under Rule 3.10(2) of the Listing Rules.

Members of the Board, including the names of all the Independent Non-executive Directors, are expressly identified in all corporate communications which disclose the names of the directors of the Company.

Functions

The Board has an ultimate oversight of the Group's activities. Its primary functions are to set and direct the Company's strategy and to monitor and measure the management's performance. It is accountable for the overall strategic development of the Group with the objective to enhance shareholder value. Material matters are reserved for the Board's considerations or decisions which include, among other things, overall strategy of the Group, business plans, annual budgets, significant capital expenditure, interim and annual results and reports, dividend policy and payments, material acquisitions, disposals or investment proposals, directors' appointments, re-appointments or removal, and other material transactions.

The Board has delegated certain of its responsibilities to the Audit Committee, Remuneration Committee, Nomination Committee and Executive Committee. It has also delegated the day-to-day operations of the Group's business to the senior management. Delegation of duties to the Board committees and daily business operations to the management are discussed on pages 50 to 58 of this report.

Board Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. LIN Zhuo Yan is the Non-executive Chairman. For the period from 1 January 2017 to 7 June 2017, Ir Dr Joseph CHOI Kin Hung (an Executive Director) was the Co-Chief Executive Officer. Upon the resignation of Mr. ZHANG Xuejun as Co-Chief Executive Officer with effect from 8 June 2017, the title of Ir Dr Joseph CHOI Kin Hung was changed to Chief Executive Officer.

The roles of chairman and chief executive are separate, and there are clear divisions among their responsibilities with a view to achieving a balance of power and authority. Therefore, the Company complies with the code provision A.2.1 of the CG Code.

董事會成員來自包括房地產發展、物業發展、建造業、金融、與財務相關工作等不同行業及專業背景，具備全面技能、專業知識與經驗，適用於管理本集團之業務，使其得以成功發展並令其管理層獲益。除於本年報第22頁至33頁所載董事之簡介所披露者外，董事會成員之間並無關係。

每名獨立非執行董事已根據上市規則第3.13條就其獨立性向本公司作出年度書面確認。本公司認為所有獨立非執行董事現時及一直以來均為獨立人士。審核委員會主席鄭瑞生先生具備上市規則第3.10(2)條規定之適當會計及財務管理專長。

董事會之成員（包括所有獨立非執行董事之姓名）均明確地載列於所有披露本公司董事姓名之企業通訊中。

職能

董事會為本集團業務之最高監督組織。其主要職能為制定本公司之策略並提供指引，亦同時監察及評估管理層之表現。董事會負責本集團之整體策略發展，以提升股東價值為目標。重大事項均留待董事會考慮或作出決定，其中包括本集團之整體策略、業務計劃、年度預算、重大資本開支、中期與年度業績及報告、股息政策及分派、重大收購、出售或投資方案、委任、重新委任或罷免董事以及其他重大交易。

董事會已將其若干責任轉授予審核委員會、薪酬委員會、提名委員會以及執行委員會。董事會亦已授權高層管理人員處理本集團日常業務營運。有關轉授職責予董事會轄下的委員會及授權管理層處理日常業務營運之詳情，於本報告第50至58頁討論。

董事會主席及行政總裁

企業管治守則第A.2.1條守則條文規定，主席與行政總裁的角色應有區分，並不應由一人同時兼任。林卓延先生為非執行主席。於2017年1月1日至2017年6月7日期間，蔡健鴻博士工程師（執行董事）為聯席行政總裁。於2017年6月8日張學軍先生辭任聯席行政總裁後，蔡健鴻博士工程師之職銜已變更為行政總裁。

主席與行政總裁的角色已分開，而且兩者之責任明確劃分，務求在權力及權限之間取得平衡。因此，本公司已符合企業管治守則第A.2.1條守則條文之規定。

With the support from the Executive Directors and the Company Secretary, the Board chairman ensures that all Directors are properly briefed on issues arising from Board meetings and receive adequate, complete and reliable information on a timely manner.

Appointment, Re-election and Removal of Directors

The Board has assumed the responsibility to consider the appointment, re-election and removal of the Directors. The Board set up a Nomination Committee in 2011 to recommend the appointment, re-election and removal of the Directors.

All the Non-executive and Independent Non-executive Directors have entered into letters of appointment with the Company for a term of two years subject to the requirements of the Listing Rules and the bye-laws of the Company (the "Bye-laws"), including the requirement of retirement by rotation and re-election or standing for re-election at annual general meetings of the Company at least once every three years. The term is renewable upon expiry.

Any new director to be appointed by the Company shall be provided with information on duties and obligations of director, relevant regulatory requirements and the Group's business affairs. All Directors appointed to fill a casual vacancy would be subject to election by shareholders at the first general meeting of the Company after appointment.

Board Meetings

Regular Board meetings are held at least four times a year at approximately quarterly intervals. Tentative dates of regular Board meetings for next year are scheduled approaching the end of each calendar year in order to facilitate the Directors to plan for attendance of the meetings. Additional Board meetings will be convened, as and when required, to deal with ad hoc issues. Any Director who is not able to present physically may participate at any Board meeting through electronic means of communication, such as conference telephone or other similar communication equipment, in accordance with the Bye-laws.

Board Proceedings

Notice convening each regular Board meeting is sent at least 14 days in advance, and reasonable notice is given for other Board meetings. The Company Secretary assists the Board chairman to prepare the meeting notice and agenda. Each Director may include any item in the agenda. The agenda, accompanied by meeting papers with sufficient and reliable information, are sent to each Director not less than three days before the date of a Board meeting to enable the Directors to make informed decisions on the matters to be discussed, except where a Board meeting is convened on a very urgent basis to consider any urgent ad hoc matter.

The Company Secretary is responsible for taking minutes of the Board meetings, drafts and final versions of which will be circulated to Directors for comments and records, respectively, and in both cases, within a reasonable time after each meeting. Minutes recorded in sufficient detail the matters considered by the Board at the meeting and decisions reached, including any concerns raised by the Directors or dissenting view (if any) expressed. Minutes of Board meetings are kept by the Company Secretary and open for inspection to any Director on request.

在執行董事及公司秘書之協助下，董事會主席確保所有董事均就董事會會議上提出之事項獲得適當說明，並適時收到充分、完備且可靠之資料。

委任、重選及罷免董事

董事會負責考慮委任、重選及罷免董事。董事會於2011年成立提名委員會，就董事之委任、重選及罷免提供建議。

所有非執行及獨立非執行董事均與本公司簽訂任期為2年之委任函，惟須遵守上市規則及本公司細則（「細則」）之規定，包括最少每3年一次於本公司股東周年大會上輪席告退並膺選連任或尋求重選連任之規定。該任期於屆滿時可予續期。

任何新董事於獲本公司委任時均獲提供董事之職責及義務、有關監管規定及本集團業務事宜之資料。所有為填補臨時空缺而獲委任的董事應在獲委任後的本公司首次股東大會上接受股東選舉。

董事會會議

董事會每年最少舉行4次定期會議，約每季一次。翌年董事會定期會議之日期將於每曆年年底時暫定，以便董事就出席會議作出安排。董事會於有需要時會另行召開會議，以處理突發事項。根據細則，任何無法親身出席之董事均可透過電子通訊設備，例如會議電話或其他類似通訊設備，參與任何董事會會議。

董事會程序

召開每次董事會定期會議之通告會於最少14天前發出，而就其他董事會會議之通告則會於合理時間內發出。公司秘書協助董事會主席擬定會議通告及議程。每位董事均可於議程內加入任何議題。議程連同載有充足且可靠資料之會議文件將不少於董事會會議舉行日期前3天發送給每位董事（除非董事會會議於緊急情況下召開以考慮任何緊急突發事項），使董事能就須討論之事項作出知情決定。

公司秘書負責撰寫董事會會議記錄，會議記錄之初稿及最終稿將於每次會議後之合理時間內向董事傳閱，初稿供評議，而最終稿則供存檔之用。會議記錄須對董事會於會議上所考慮之事項及達成之決定作出充足詳細之記錄，包括董事提出之任何疑慮或表達之反對意見（如有）。董事會會議記錄由公司秘書備存，並將按要求公開予任何董事查閱。

All Directors have access to the Company Secretary who is responsible for ensuring that the Board procedures are complied with and all applicable rules and regulations are followed. Directors have full and timely access to all relevant information, including reports from the Board committees and reports from the management. They are also provided with updates on the latest developments of the Listing Rules and other relevant legal and regulatory changes and matters of relevance to the Directors in discharging their duties as and when appropriate.

To assist the Directors to discharge their duties, the Board has adopted written procedures in case any Director wishes to seek independent professional advice at the Company's expenses.

Board approval is also given by circulation of resolution in writing pursuant to the Bye-laws on urgent matter which requires decision in a tight timeframe and hence convening a Board meeting is difficult or not practicable. In case where a resolution in writing is circulated, sufficient information and explanatory materials will also be provided to the Directors at the same time. These written resolutions were tabled for the Directors' review at the next following Board meeting so that Directors were given the opportunity to raise any further comment (if any) on the relevant matters.

If a substantial shareholder or a Director has a conflict of interest in a matter (including material transaction with connected persons) which the Board determines to be material, the Board will hold a meeting (as long as time is allowed to convene a Board meeting) to consider the relevant matter first before any subsequent approval is given by way of circulation of resolution in writing.

Appropriate insurance covering directors' and officers' liabilities has been arranged to protect the Directors and officers of the Group.

所有董事均有接觸公司秘書之途徑，公司秘書有責任確保董事會程序獲依循及所有適用規則及規例均獲遵守。董事均可及時全面取得所有相關資料，包括董事會轄下委員會之報告及管理層之報告。彼等亦獲適時提供有關上市規則之最新發展及其他有關法例及監管變動之最新信息，以及與董事履行彼等職責有關之事宜。

為協助董事履行彼等之職責，董事會已採納書面程序，使任何董事如欲尋求獨立專業意見時，均可依循該等程序，費用由本公司支付。

如有緊急事項須於緊迫時限內作出決定，並因此難以或不能召開董事會會議，則根據細則，董事會可透過傳閱書面決議方式批准有關事項。在傳閱書面決議時，充分之資料及說明材料亦將同時提供予董事。該等書面決議均於下一次董事會會議上提呈董事省覽，使董事有機會就有關事項提出任何進一步意見（如有）。

倘主要股東或董事在某一事項（包括與關連人士之重大交易）中存在董事會認為重大之利益衝突，董事會將首先舉行會議（只要在時間上容許召開董事會會議）以考慮有關事項，隨後才會透過以傳閱書面決議方式給予任何批准。

本集團已購買合適之董事及高級職員責任保險，為其董事及高級職員提供保障。

Attendances of Meetings

26 Board meetings, 9 Audit Committee meetings, 6 Remuneration Committee meetings, 3 Nomination Committee meetings, one annual general meeting and one special general meeting were held during the year ended 31 December 2017. Attendances of these meetings by Directors are set out below:

會議出席記錄

截至2017年12月31日止年度內已舉行26次董事會會議、9次審核委員會會議、6次薪酬委員會會議、3次提名委員會會議、1次股東周年大會及1次股東特別大會。下列為各董事出席該等會議之情況：

Name of Directors	董事姓名	Meetings attended/Eligible to attend 出席/具資格出席會議					Annual General Meetings 股東周年大會	Special General Meetings 股東特別大會
		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			
<i>Non-executive Chairman and Non-executive Director</i> LIN Zhuo Yan	非執行主席兼非執行董事 林卓延	20/26	N/A	N/A	N/A	0/1	0/1	
<i>Executive Directors</i>	執行董事							
Joseph CHOI Kin Hung ¹ (Chief Executive Officer)	蔡健鴻 ¹ (行政總裁)	26/26	N/A	6/6	3/3	1/1	1/1	
Wilfred WU Shek Chun (Chief Risk Officer)	鄒碩晉(首席風險官)	25/26	N/A	6/6	N/A	1/1	1/1	
Eric TODD ²	達振標 ²	20/21	N/A	N/A	N/A	1/1	0/1	
ZHOU Wei ³	周煒 ³	16/18	N/A	N/A	N/A	0/1	N/A	
<i>Non-executive Directors</i>	非執行董事							
YAN Jie	閻傑	17/26	N/A	N/A	N/A	0/1	1/1	
CHEN Lei	陳磊	11/26	N/A	N/A	N/A	0/1	0/1	
CHUI Kwong Kau	崔光球	26/26	9/9	N/A	N/A	1/1	0/1	
LUI Chun Pong ⁴	呂振邦 ⁴	23/26	N/A	N/A	3/3	1/1	1/1	
<i>Independent Non-executive Directors</i>	獨立非執行董事							
CHENG Sui Sang	鄭瑞生	22/26	9/9	6/6	2/3	1/1	1/1	
George YUEN Kam Ho	袁金浩	25/26	9/9	6/6	3/3	1/1	1/1	
LAI Chik Fan ⁵	賴焯藩 ⁵	7/7	2/2	2/2	N/A	N/A	0/1	
LEE Jai Ying ⁶	李嘉音 ⁶	20/26	N/A	4/6	3/3	1/1	0/1	
KWOK Shiu Keung Ernest ⁷	郭少強 ⁷	9/12	6/6	N/A	N/A	N/A	N/A	

Notes:

- 1 Ir Dr Joseph CHOI Kin Hung was re-designated from Co-Chief Executive Officer to Chief Executive Officer with effect from 8 June 2017.
- 2 Mr. Eric TODD was appointed as an Executive Director and a member of Executive Committee with effect from 9 March 2017 and 22 March 2017 respectively.
- 3 Mr. ZHOU Wei resigned as an Executive Director with effect from 8 June 2017 and ceased to be the Chief Strategic Officer with effect from 19 January 2018.
- 4 Mr. LUI Chun Pong was re-designated from an Executive Director to a Non-executive Director with effect from 1 January 2017.
- 5 Mr. LAI Chik Fan was appointed as an Independent Non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 8 June 2017.
- 6 Ms. LEE Jai Ying resigned as an Independent Non-executive Director, chairman of Nomination Committee and a member of Remuneration Committee respectively with effect from 13 March 2018.
- 7 Mr. KWOK Shiu Keung Ernest resigned as an Independent Non-executive Director and a member of Audit Committee respectively with effect from 5 May 2017.

N/A: Not Applicable

附註:

- 1 蔡健鴻博士工程師由聯席行政總裁調任行政總裁，自2017年6月8日起生效。
- 2 達振標先生獲委任為執行董事及執行委員會成員，分別自2017年3月9日及2017年3月22日起生效。
- 3 周煒先生已辭任執行董事，自2017年6月8日起生效，亦自2018年1月19日起停任首席策略官。
- 4 呂振邦先生由執行董事調任非執行董事，自2017年1月1日起生效。
- 5 賴焯藩先生獲委任為獨立非執行董事及審核委員會、提名委員會及薪酬委員會各自之成員，自2017年6月8日起生效。
- 6 李嘉音女士分別辭任獨立非執行董事、提名委員會主席及薪酬委員會成員，自2018年3月13日生效。
- 7 郭少強先生分別辭任獨立非執行董事及審核委員會成員，均自2017年5月5日起生效。

N/A: 不適用

During the year under review, the Chairman of the Board also held a meeting with Non-executive Directors (including Independent Non-executive Directors) without the presence of Executive Directors.

Code provision A.6.7 of the CG Code requires that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. LIN Zhuo Yan, Mr. YAN Jie and Mr. CHEN Lei, the Non-executive Directors, did not attend the annual general meeting due to their own official businesses. Mr. LIN Zhuo Yan, Mr. CHEN Lei and Mr. CHUI Kwong Kau, the Non-executive Directors, and Ms. LEE Jai Ying and Mr. LAI Chik Fan, the Independent Non-executive Directors, did not attend the special general meeting of the Company held on 31 July 2017 due to their own official businesses.

Directors' Training and Professional Development

Every Director keeps abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company. The Company provides all members of the Board with monthly updates on the Group's performance and financial position.

Directors are aware of the requirement under code provision A.6.5 of the CG Code regarding continuous professional development. During the year, the Company provided reading materials to the Directors for self-study. In addition, the Directors have attended external courses, conferences or luncheons organised by various organisations.

回顧本年度，董事會主席與非執行董事（包括獨立非執行董事）亦在沒有執行董事出席的情況下舉行會議。

企業管治守則第A.6.7條守則條文規定，獨立非執行董事及其他非執行董事應出席股東大會，並對股東的意見有公正的了解。非執行董事林卓延先生、閻傑先生及陳磊先生因彼等之公務而並無出席股東周年大會。非執行董事林卓延先生、陳磊先生及崔光球先生以及獨立非執行董事李嘉音女士及賴焯藩先生均因彼等之公務而並無出席本公司於2017年7月31日舉行之股東特別大會。

董事培訓及專業發展

每位董事均會時常更新有關本公司董事責任，以及本公司的經營、業務活動及動向的資料。本公司每月向董事會所有成員提供本集團業績及財務狀況的最新資料。

董事均知悉企業管治守則第A.6.5條守則條文有關持續專業發展的規定。年內，本公司向董事提供閱覽資料以供自學。此外，董事亦參與由不同機構舉辦的外界課程、會議或午餐會。

Directors also reviewed the monthly business and financial updates and other reading materials provided to them concerning latest developments in corporate governance practices, and relevant legal and regulatory developments. A record of the Directors' participation in various professional development programs is kept by the company secretarial department. A summary of training received by the Directors for the year ended 31 December 2017 is according to the records provided by the Directors as follows:

董事亦審閱彼等獲提供之每月業務及財務的更新資料以及其他有關企業管治常規和相關法例及法規最新發展的閱覽資料。有關董事參與不同專業發展項目的記錄由公司秘書部門保存。根據董事提供的記錄，董事於截至2017年12月31日止年度所接受培訓概要如下：

Name of Directors	董事姓名	Giving talks or attending seminars/conferences/forums	舉行講座或出席研討會/會議/論壇	Reading newspapers, journals and updates relating to the economy, general business, accounting, laws, rules and regulations, etc.	閱讀關於經濟、一般商業、會計、法律、規則及法規等方面之報章、期刊及最新資訊
LIN Zhuo Yan (<i>Non-executive Chairman and Non-executive Director</i>)	林卓延 (非執行主席兼非執行董事)	✓	✓	✓	✓
Joseph CHOI Kin Hung ¹ (<i>Chief Executive Officer</i>)	蔡健鴻 ¹ (行政總裁)	✓	✓	✓	✓
Wilfred WU Shek Chun (<i>Chief Risk Officer</i>)	鄔碩晉 (首席風險官)	✓	✓	✓	✓
Eric TODD ²	達振標 ²	✓	✓	✓	✓
ZHOU Wei ³	周煒 ³	N/A	N/A	N/A	N/A
YAN Jie	閻傑	✓	✓	✓	✓
CHEN Lei	陳磊	✓	✓	✓	✓
CHUI Kwong Kau	崔光球	✓	✓	✓	✓
LUI Chun Pong ⁴	呂振邦 ⁴	✓	✓	✓	✓
CHENG Sui Sang	鄭瑞生	✓	✓	✓	✓
George YUEN Kam Ho	袁金浩	✓	✓	✓	✓
LAI Chik Fan ⁵	賴焯藩 ⁵	✓	✓	✓	✓
LEE Jai Ying ⁶	李嘉音 ⁶	✓	✓	✓	✓
KWOK Shiu Keung Ernest ⁷	郭少強 ⁷	N/A	N/A	N/A	N/A

Notes:

- 1 Mr. Dr Joseph CHOI Kin Hung was re-designated from Co-Chief Executive Officer to Chief Executive Officer with effect from 8 June 2017.
- 2 Mr. Eric TODD was appointed as an Executive Director and a member of Executive Committee with effect from 9 March 2017 and 22 March 2017 respectively.
- 3 Mr. ZHOU Wei resigned as an Executive Director with effect from 8 June 2017 and ceased to be the Chief Strategic Officer with effect from 19 January 2018.
- 4 Mr. LUI Chun Pong was re-designated from an Executive Director to a Non-executive Director with effect from 1 January 2017.
- 5 Mr. LAI Chik Fan was appointed as an Independent Non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 8 June 2017.
- 6 Ms. LEE Jai Ying resigned as an Independent Non-executive Director, chairman of Nomination Committee and a member of Remuneration Committee respectively with effect from 13 March 2018.
- 7 Mr. KWOK Shiu Keung Ernest resigned as an Independent Non-executive Director and a member of Audit Committee respectively with effect from 5 May 2017.

N/A: Not Applicable

附註：

- 1 蔡健鴻博士工程師由聯席行政總裁調任行政總裁，自2017年6月8日起生效。
- 2 達振標先生獲委任為執行董事及執行委員會成員，分別自2017年3月9日及2017年3月22日起生效。
- 3 周煒先生已辭任執行董事，自2017年6月8日起生效，亦自2018年1月19日起停任首席策略官。
- 4 呂振邦先生由執行董事調任非執行董事，自2017年1月1日起生效。
- 5 賴焯藩先生獲委任為獨立非執行董事及審核委員會、提名委員會及薪酬委員會各自之成員，自2017年6月8日起生效。
- 6 李嘉音女士分別辭任獨立非執行董事、提名委員會主席及薪酬委員會成員，自2018年3月13日生效。
- 7 郭少強先生分別辭任獨立非執行董事及審核委員會成員，均自2017年5月5日起生效。

N/A：不適用

Board Committees

Each of the Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee, is to assist in the execution of the Board's responsibilities and to oversee particular aspect of the Group's affairs. Each Board committee is provided with sufficient resources to discharge its duties properly, and holds meetings in accordance with the Bye-laws, its specific written terms of reference and, where applicable, the proceedings of Board meeting.

Audit Committee

The Audit Committee comprises Mr. CHENG Sui Sang (Independent Non-executive Director) as chairman, Mr. CHUI Kwong Kau (Non-executive Director), Mr. KWOK Shiu Keung Ernest (who resigned as an Independent Non-executive Director and ceased to be a member with effect from 5 May 2017), Mr. George YUEN Kam Ho (Independent Non-executive Director) and Mr. LAI Chik Fan (who was appointed as an Independent Non-executive Director and a member with effect from 8 June 2017) as members. None of the Audit Committee members is or has been a former partner of the existing auditing firm engaged by the Company for the past one year.

The Audit Committee is primarily responsible for conducting an independent and objective review of the financial reporting process, internal controls and audit function with emphasis on:

- (i) appraise the quality of the audit effort of the Company's internal and external auditors;
- (ii) serve as an independent and objective party to review the financial information presented by management to shareholders, regulators and the general public;
- (iii) ascertain the adequacy of the Company's system of internal controls which management and the Board have established; and
- (iv) serve as useful channel of communication between the Board and the external and internal auditors on matters relating to and arising out of the external and internal audit.

The authority and duties of the Audit Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The principal duties of the Audit Committee include, among other things, recommending to the Board on the appointment, re-appointment or removal of the Company's external auditor and on its remuneration; reviewing the Company's interim and annual financial statements and other financial reports; and reviewing the Company's financial reporting system, internal control procedures (including monitoring the effectiveness of the internal audit function) and risk management systems. The Audit Committee has explicit authority to investigate any activity within its duties and responsibilities and the authority to obtain outside legal or other independent professional advice if it considers necessary.

董事會轄下之委員會

董事會轄下之各委員會，即審核委員會、薪酬委員會、提名委員會及執行委員會，均為協助執行董事會之責任，並專責監督本集團事務之某一特定範疇。每個董事委員會均獲提供充足資源，可適當地履行其職責，並根據細則、其特定書面職權範圍及董事會會議程序（如適用）舉行會議。

審核委員會

審核委員會由鄭瑞生先生（獨立非執行董事）擔任主席，並由崔光球先生（非執行董事）、郭少強先生（彼於2017年5月5日辭任獨立非執行董事及不再擔任成員）及袁金浩先生（獨立非執行董事）及賴焯藩先生（彼於2017年6月8日獲委任為獨立非執行董事及成員）擔任成員。於現時或過去一年，概無審核委員會成員是本公司現時核數師事務所之前合夥人。

審核委員會主要負責就財務報告程序、內部監控及審核職能作出獨立及客觀之檢討，並專注於以下事項：

- (i) 評核本公司內部及外聘核數師之核數成果的質素；
- (ii) 以獨立及客觀者身份檢閱管理層向股東、監管機構及一般公眾提呈的財務資料；
- (iii) 確保由管理層及董事會設立的本公司內部監控系統已經足夠；及
- (iv) 作為董事會及外聘及內部核數師就有關及由外聘及內部核數引致事宜的有效溝通渠道。

審核委員會之權限和職責載於其特定書面職權範圍內。審核委員會職權範圍全文可於本公司及聯交所網站瀏覽。

審核委員會之主要職責包括（當中包括）就委任、重新委任或罷免本公司外聘核數師及就其酬金向董事會作出建議；審閱本公司中期及年度財務報表以及其他財務報告；及檢討本公司之財務報告制度、內部監控程序（包括監管內部審核功能之有效性）及風險管理系統。審核委員會具明確權限，可在其職責及責任範圍內調查任何活動，並有權於其認為必要時取得外聘法律或其他獨立專業意見。

The Audit Committee meets at least twice a year. During the year ended 31 December 2017, 9 committee meetings were held. Attendances of the meetings have been disclosed on page 47 of this report.

During the year ended 31 December 2017, the Audit Committee members reviewed (i) the audit strategy memorandum from the external auditor; (ii) with the participation of the internal and external auditors and the management, reviewed the internal control and risk management systems of the Group; and (iii) with the participation of the internal and external auditors and the management, the interim and annual results and the related financial statements of the Company with a view to ensuring that these financial statements were prepared in accordance with the accounting principles and standards generally accepted in Hong Kong. The Audit Committee also considered the reports from the external auditor on the scope and findings of its independent review of the interim financial information and independent audit of the annual financial statements.

Remuneration Committee

The Remuneration Committee comprises Mr. CHENG Sui Sang (Independent Non-executive Director) as chairman, Ir Dr Joseph CHOI Kin Hung (Executive Director), Mr. Wilfred WU Shek Chun (Executive Director), Ms. LEE Jai Ying (who resigned as an Independent Non-executive Director and ceased to be a member with effect from 13 March 2018), Mr. George YUEN Kam Ho (Independent Non-executive Director) and Mr. LAI Chik Fan (who was appointed as an Independent Non-executive Director and a member with effect from 8 June 2017) as members.

The authority and duties of the Remuneration Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

The Remuneration Committee is primarily responsible for reviewing the remuneration policy of the Group and the remuneration packages of the Directors and senior management of the Company. Its duties are summarised below:

- (i) make recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management;
- (iv) make recommendations to the Board on the remuneration of Non-executive Directors;

審核委員會須每年舉行最少兩次會議。於截至2017年12月31日止年度內，委員會共舉行9次會議。有關會議之出席情況已於本報告第47頁披露。

截至2017年12月31日止年度內，審核委員會成員已審閱：(i)外聘核數師的審核策略備忘；(ii)在內部核數師及外聘核數師及管理層的參與下審閱本集團的內部監控及風險管理系統；及(iii)在內部核數師及外聘核數師及管理層的參與下已審閱本公司中期及年度業績以及相關之財務報表，旨在確保該等財務報表乃根據香港一般公認會計準則及標準編撰。審核委員會亦已省覽外聘核數師就其對中期財務資料之獨立審閱與對年度財務報表之獨立審核之範圍及就所得結果作出之報告。

薪酬委員會

薪酬委員會由鄭瑞生先生（獨立非執行董事）擔任主席，蔡健鴻博士工程師（執行董事）、鄔碩晉先生（執行董事）、李嘉音女士（彼於2018年3月13日辭任獨立非執行董事及不再擔任成員）、袁金浩先生（獨立非執行董事）及賴焯藩先生（彼於2017年6月8日獲委任為獨立非執行董事及成員）擔任成員。

薪酬委員會之權限和職責載於其特定書面職權範圍內。薪酬委員會職權範圍全文可於本公司及聯交所網站瀏覽。

薪酬委員會主要負責檢討本集團之薪酬政策及本公司董事與高層管理人員之薪酬待遇。其職責概述如下：

- (i) 就本公司全體董事及高層管理人員的薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- (ii) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- (iii) 就個別執行董事及高層管理人員之薪酬待遇，向董事會提出建議；
- (iv) 就非執行董事的薪酬向董事會提出建議；

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| <p>(v) consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;</p> <p>(vi) review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;</p> <p>(vii) review and approve compensation arrangement, relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;</p> <p>(viii) delegate such of its powers the committee deems appropriate to the management; and</p> <p>(ix) ensure that no Director or any of his associates is involved in deciding his own remuneration.</p> | <p>(v) 考慮同類公司支付的薪酬，須付出的時間及職責，以及本集團內其他職位的僱傭條件；</p> <p>(vi) 檢討及批准向執行董事及高層管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；</p> <p>(vii) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；</p> <p>(viii) 委員會可下放其認為合適的權力予管理層；及</p> <p>(ix) 確保概無董事或其任何聯繫人參與釐定其本身之薪酬。</p> |
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The Remuneration Committee shall meet at least once a year. During the year ended 31 December 2017, 6 committee meetings were held. Attendances of the meetings have been disclosed on page 47 of in this report.

薪酬委員會須每年最少舉行一次會議。於截至2017年12月31日止年度內，共舉行6次委員會會議。會議之出席情況已於本報告第47頁披露。

During the year ended 31 December 2017, the Remuneration Committee members (i) reviewed the bonus distribution of the Executive Directors and the senior management for the year ended 31 December 2016; (ii) reviewed the bonus structure of the Executive Directors and the senior management; (iii) reviewed the salaries of Executive Directors and senior management; (iv) reviewed the annual fee of Directors and annual fees for Chairman and members of each of Board committees for the financial year ending 31 December 2018; (v) the grant of share options to a relevant employee; and (vi) recommended the aforesaid matters to the Board for approval.

截至2017年12月31日止年度內，薪酬委員會成員已(i)就向執行董事及高層管理人員分派截至2016年12月31日止年度之花紅作出檢討；(ii)就執行董事及高層管理人員之花紅架構作出檢討；(iii)就執行董事及高層管理人員之薪金作出檢討；(iv)就截至2018年12月31日止財政年度之年度董事袍金及各董事委員會主席及成員之年度袍金作出檢討；(v)授出認股權予一名相關僱員；及(vi)就上述事宜向董事會提出建議以供批准。

Remuneration Policy of the Group

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

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

The remuneration packages of the directors are recommended by the Remuneration Committee and determined by the Board except that no director or any of his associates is allowed to make recommendation on or to determine his own remuneration package. Director's remuneration is determined by reference to each director's duties and responsibilities in the Group as well as the overall performance of the respective company and the Group and the prevailing market situation and competitiveness in the industry.

The remuneration packages of the senior management are determined by the Remuneration Committee and approved by the Board by reference to their respective responsibilities and accountability, target achievements, business results and market competitiveness of the Group. The remuneration packages of the managerial and support staff are determined by the senior management of the Company.

Incentive bonus scheme for each major business segment is set up for senior management staff and employees with significant contributions to the business objectives. The scheme is business result oriented and performance based. Share options are granted to directors, senior management and other employees based on individual performance and overall contributions to the Group. The number and terms of share options granted to each grantee are proposed by the respective executive directors (except for options granted to themselves), reviewed by the Remuneration Committee and approved by the Board.

The Group has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2017 are set out in Note 11 to the consolidated financial statements of this annual report.

The biographies of the senior management are disclosed in the section headed "Profiles of the Group's Key Personnel" in this annual report. Remuneration paid to the senior management (including the Directors) for the year ended 31 December 2017 are included in Note 12 to the consolidated financial statements of this annual report.

本集團之薪酬政策

本集團採納具成效之管理層獎勵政策及具競爭力之薪酬，務求令管理層、僱員及股東利益達成一致。本集團之最重要資產仍為其熟練且專業之忠誠僱員，因此本集團在對其僱員之甄選、培訓以及自我提升方面適當投入大量時間與資源。

本集團在訂立其薪酬政策時會參考當時市況，並制訂一套與工作表現掛鈎之獎賞制度，以確保本集團能吸引、挽留及激勵具有卓越才幹，可成功領導及有效管理本集團之人才。在進行表現評核時會考慮財政狀況及行業指標以求在兩者中取得平衡。薪酬待遇可包括基本薪金、津貼、實物利益、附帶福利（包括醫療保險及退休金供款），以及酌情花紅、參與認股權計劃或長期服務獎金等獎勵。

董事之薪酬待遇乃由薪酬委員會作出建議，並由董事會釐定，惟概無董事或其任何聯繫人可就其本身之薪酬待遇作出建議或決定。董事之薪酬乃參考每位董事於本集團之職責及責任，以及各自的公司與本集團之整體表現，加上當時市場情況及於行內競爭力後釐定。

高層管理人員之薪酬待遇乃由薪酬委員會釐定及經由董事會參考彼等各自之責任及權責、達標成績、業績及本集團之市場競爭力後批准。經理級及後勤員工之薪酬待遇乃由本公司高層管理人員釐定。

就各個主要業務分類中對業務目標有重大貢獻之高層管理人員及僱員訂有花紅獎勵計劃。該計劃以業績為依據及與工作表現掛鈎。董事、高層管理人員及其他僱員會根據個人表現及對本集團之整體貢獻獲授認股權。各承授人獲授之認股權數目及條款乃由各自的執行董事作出建議（惟授予彼等自身之認股權除外），經薪酬委員會審閱後再由董事會批准。

本公司已確立正式及具透明度的程序，以制定董事及本集團高級管理層之薪酬政策。各董事於截至2017年12月31日止年度之薪酬詳情載於本年報綜合財務報表附註11。

高級管理層之履歷於本年報「集團要員之簡介」一節內披露。於截至2017年12月31日止年度內支付予高級管理層（包括董事）之薪酬載於本年報綜合財務報表附註12。

Nomination Committee

The Nomination Committee comprises Mr. George YUEN Kam Ho (Independent Non-executive Director and who was appointed as the chairman with effect from 23 March 2018) as chairman, Ms. LEE Jai Ying (who resigned as an Independent Non-executive Director and ceased to be the chairman with effect from 13 March 2018) as former chairman, Ir Dr Joseph CHOI Kin Hung (Executive Director), Mr. LUI Chun Pong (who was re-designated from an Executive Director to a Non-executive Director with effect from 1 January 2017), Mr. CHENG Sui Sang (Independent Non-executive Director) and Mr. LAI Chik Fan (who was appointed as an Independent Non-executive Director and a member with effect from 8 June 2017) as members.

The authority and duties of the Nomination Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

The Nomination Committee is primarily responsible for formulating nomination policy and leading the process of identifying and nominating suitable candidates. Its duties are summarised below:

- (i) review the structure, size and diversity (including, but not limited to gender, age, cultural and educational background, ethnicity, skills, knowledge, professional experience and length of service) of the Board at least annually; and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy;
- (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iii) identify and nominate candidates to fill casual vacancies of directors for the Board's approval;
- (iv) taking into account the Group's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future, to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive;
- (v) assess the independence of independent non-executive directors and review the independent non-executive directors' annual confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report;
- (vi) regularly review the time required from a director to perform his/her responsibilities and report to the Board of their findings; and
- (vii) review the Board Diversity Policy, as appropriate; and review the measurable objectives that the Board had set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually.

提名委員會

提名委員會由袁金浩先生（獨立非執行董事及彼於2018年3月23日獲委任為主席）擔任主席，李嘉音女士（彼於2018年3月13日辭任獨立非執行董事及不再擔任主席）為前任主席，並由蔡健鴻博士工程師（執行董事）、呂振邦先生（彼於2017年1月1日由執行董事調任非執行董事）、鄭瑞生先生（獨立非執行董事）及賴焯藩先生（彼於2017年6月8日獲委任為獨立非執行董事及成員）擔任成員。

提名委員會之權限及職責載於其特定書面職權範圍內。提名委員會職權範圍全文可於本公司及聯交所網站瀏覽。

提名委員會主要負責制定提名政策及主導物色及提名合適候選人的過程。其職責概述如下：

- (i) 至少每年檢討董事會的架構、人數及成員多元化（包括但不限於性別、年齡、文化及教育背景、種族、技能、知識、專業經驗及服務年期方面），並就為配合本集團的企業策略而擬對董事會作出的任何變動提供建議；
- (ii) 物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提出建議；
- (iii) 物色及提名可填補董事臨時空缺的人選，供董事會批准；
- (iv) 因應本集團的企業策略以及未來所需的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事（尤其是主席及行政總裁）繼任計劃向董事會提出建議；
- (v) 評核獨立非執行董事的獨立性及審視獨立非執行董事就其獨立性作出的年度確認；並在《企業管治報告》內披露審視結果；
- (vi) 定期檢討董事履行其責任所需付出的時間，並向董事會匯報其檢討結果；及
- (vii) 在適當情況下檢討董事會成員多元化政策；及檢討董事會為執行董事會成員多元化政策而制定的可計量目標和達標進度；以及每年在《企業管治報告》內披露檢討結果。

The Nomination Committee shall meet at least once a year. During the year ended 31 December 2017, 3 committee meetings were held. Attendances of the meetings have been disclosed on page 47 of this report.

During the year ended 31 December 2017, the Nomination Committee members (i) reviewed and considered that the structure, size, diversity and composition of the Board are appropriate; (ii) assessed the independence of Independent Non-executive Directors; (iii) recommended the appointments of new Board members, and (iv) recommended the aforesaid matters to the Board for approval.

The “Board Diversity Policy” sets out the approach to achieve diversity of the Board. It is believed that a truly diverse board will include and make good use of differences in the skills, background, experience, knowledge, expertise and other qualities of members of the board. These differences will be taken into account in determining the optimum composition of the Board. The Nomination Committee will review the Board composition by considering the benefits of all aspects of diversity, including but not limited to those described above. The “Board Diversity Policy” shall be reviewed by the Nomination Committee, as appropriate, to ensure its effectiveness.

Executive Committee

The Executive Committee comprises Ir Dr Joseph CHOI Kin Hung, Mr. ZHOU Wei (who resigned as an Executive Director and ceased to be a member with effect from 8 June 2017), Mr. Wilfred WU Shek Chun, Mr. LUI Chun Pong (who was re-designated from an Executive Director to a Non-executive Director and ceased to be a member with effect from 1 January 2017) and Mr. Eric TODD (who was appointed as an Executive Director with effect from 9 March 2017 and was appointed to be a member with effect from 22 March 2017) as members.

The authority and duties of the Executive Committee are set out in its specific written terms of reference. Its primary duties are to approve banking matters, issue of shares under any share option schemes of the Company, and administrative issues of routine nature (excluding notifiable transactions), with a view to assisting the Board to discharge partially its executive functions.

The Executive Committee shall meet as and when required depending on business and operation needs. Members’ attendances would depend on the importance of the matters to be transacted. During the year ended 31 December 2017, the Executive Committee held 45 meetings to discharge their duties.

Risk Management Committee

The Board has established a Risk Management Committee on 13 March 2018. The Risk Management Committee comprises Mr. LAI Chik Fan (who was appointed as an Independent Non-executive Director with effect from 8 June 2017) as chairman, Mr. CHENG Sui Sang and Mr. George YUEN Kam Ho (Independent Non-executive Directors) as members.

The Risk Management Committee is primarily responsible for ensuring there is a formal and effective procedures for assessing and monitoring the risk elements of the Group.

The Risk Management Committee shall meet at least once a year.

提名委員會須每年最少舉行一次會議。於截至2017年12月31日止年度內，已舉行3次委員會會議。會議之出席情況已於本報告第47頁披露。

截至2017年12月31日止年度內，提名委員會成員已(i)審閱並認為董事會的架構、人數、成員多元化及組成屬合適；(ii)評核獨立非執行董事的獨立性；(iii)建議董事會新成員的任命；及(iv)就上述事宜向董事會提出建議以供批准。

「董事會成員多元化政策」載列實現董事會成員多元化之方式。本公司認為一個真正成員多元化之董事會將融入及善用董事會成員之不同技能、背景、經驗、知識、專長及其他質素。該等差異將在釐定董事會之最佳組合時納入考量。提名委員會將透過考慮多元化之所有益處（包括但不限於上述方面）檢討董事會之組成。「董事會成員多元化政策」須由提名委員會進行檢討（如適當）以確保其有效性。

執行委員會

執行委員會由蔡健鴻博士工程師、周煒先生（彼於2017年6月8日辭任執行董事及不再擔任成員）、鄔碩晉先生、呂振邦先生（彼於2017年1月1日由執行董事調任為非執行董事並不再擔任成員）以及達振標先生（彼於2017年3月9日起獲委任為執行董事及自2017年3月22日起獲委任為成員）擔任成員。

執行委員會之權限及職責載於其特定書面職權範圍內。其主要職責為批准銀行事項、根據本公司任何認股權計劃發行股份，以及日常行政事項（不包括須予披露之交易），旨在協助董事會履行其部份執行職能。

執行委員會乃按業務及營運所需舉行會議。成員出席率視乎會議議程之重要性。於截至2017年12月31日止年度內，執行委員會共舉行45次會議，以履行其職責。

風險管理委員會

董事會於2018年3月13日成立風險管理委員會。風險管理委員會由賴焯藩先生（於2017年6月8日獲委任為獨立非執行董事）擔任主席，獨立非執行董事鄭瑞生先生及袁金浩先生擔任成員。

風險管理委員會主要負責確保本集團擁有評估及監察風險因素的正式程序並行之有效。

風險管理委員會須每年最少舉行一次會議。

Corporate Governance Committee

The Board has established a Corporate Governance Committee on 13 March 2018. The Corporate Governance Committee comprises Mr. George YUEN Kam Ho (Independent Non-executive Director) as chairman, Mr. CHENG Sui Sang (Independent Non-executive Director) and Mr. LAI Chik Fan (who was appointed as an Independent Non-executive Director with effect from 8 June 2017) as members.

The Corporate Governance Committee is primarily responsible for ensuring there is a formal and transparent procedures for setting up and monitoring the implementation of the corporate governance policy for the Group.

The Corporate Governance Committee shall meet at least once a year.

Corporate Governance Functions

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

- (i) develop and review the Company's policies and practices on corporate governance;
- (ii) review and monitor the training and continuous professional development of Directors and senior management;
- (iii) review and monitor the Company's policies and practices on compliance with all legal and regulatory requirements;
- (iv) develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and Directors; and
- (v) review the Company's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

The Board has in place procedures for Directors to seek Independent Professional Advice.

Delegation to Management

Management Committee

The monitoring of business operations and implementation of business plans and strategies adopted by the Board are performed by senior executives led primarily by the Executive Committee. The Management Committee for the Group's operations comprising all the Executive Directors and key senior executives was established to oversee the achievement of the Group's operations. The Management Committee holds regular meetings to review and discuss the Group's performance against budget, business strategy, operational issues, and matters relating to corporate services including human resources, corporate communications, and information technology. Other management meetings are also held regularly to review and discuss the day-to-day operations and performance of individual business divisions.

企業管治委員會

董事會於2018年3月13日成立企業管治委員會。企業管治委員會由獨立非執行董事袁金浩先生擔任主席，並由獨立非執行董事鄭瑞生先生及賴焯藩先生（於2017年6月8日獲委任為獨立非執行董事）擔任成員。

企業管治委員會主要負責確保本集團在制定企業管治政策及監控其實施方面具有正式及透明的程序。

企業管治委員會須每年最少舉行一次會議。

企業管治職能

董事會負責釐定本公司企業管治政策及履行以下企業管治職責：

- (i) 制定及檢討本公司企業管治政策及常規；
- (ii) 檢討及監察董事及高層管理層之培訓及持續專業發展；
- (iii) 檢討及監察本公司就遵守所有法律及監管規定所制定之政策及常規；
- (iv) 制定、檢討及監察適用於僱員及董事之行為守則及合規手冊（如有）；及
- (v) 檢討本公司是否遵守企業管治守則及企業管治報告之披露規定。

董事會已設有董事尋求獨立專業意見之程序。

轉授權力予管理層

管理委員會

高級行政人員主要在執行委員會統領下，負責監管業務運作及執行董事會採納之業務計劃及策略。管理委員會負責本集團營運，成員包括全體執行董事及主要之高級行政人員，以監督本集團運作之成績。管理委員會定期舉行會議，藉以檢討及討論本集團業務對比預算之表現、業務策略、經營上的問題及包括人力資源、公司通訊及資訊科技等在內的企業服務相關事項。其他管理層會議亦定期舉行，藉以檢討及討論日常運作及個別業務部門之表現。

Tender Procedures for Construction Related Business

The directors of the respective business divisions are responsible for reviewing business opportunities and their associated risks; formulating viable business models; and deciding the strategy and tactic towards each opportunity. These directors or the managing director of the construction division, working together with the estimator, the bid manager or other persons with relevant expertise continuously review, discuss and approve the various business proposals submitted.

Risk Management and Internal Control

The Board has overall responsibility for the Group's systems of internal control and for the assessment and management of risks.

While such systems are designed to identify and manage risks that could have an adverse impact on the achievement of the Group's objectives, it does not provide an absolute assurance against material misstatement or loss.

Management is responsible for setting the appropriate tone from the top, performing risk assessments, and owning the design, implementation and maintenance of internal controls. The associated policies and procedures for risk management and internal controls, are designed to help ensure that the Group's assets are safeguarded against unauthorised use or disposition; relevant rules and regulations are adhered to and complied with; complete, accurate and reliable financial and accounting records are maintained; and key risk factors including business strategic, operational, financial and regulatory compliance risks which may impact the Group's performance are appropriately identified and managed.

The key elements of the Company's risk management and internal control systems include:

- A distinct organisational structure for different responsible parties with defined authority, responsibilities and risk management roles;
- The Board sets forth the proper risk management culture and risk appetite for the Group, evaluates and determines the level of risk that the Group should take and monitor regularly;
- The Risk Management Committee facilitates the risk assessment process and timely communication to the Audit Committee and the Board. Also, they ensure key business and operational risks properly identified and managed; and
- A Risk Management Policy has been established to provide a framework for the identification, analysis, evaluation, treatment, monitoring and reporting of key financial risks and in particular, liquidity risk, currency risk and interest rate risk, with a view to further strengthening the financial risk management.

建造相關業務投標程序

各個業務部門之董事負責審視業務商機及彼等相關之風險；制定可行業務模式；及就每個商機出謀獻策。該等董事或建造部門之董事總經理會聯同估價員、項目投標經理或其他相關專業人士共同持續檢討、討論及批准由各業務部門提交之業務計劃書。

風險管理及內部監控

董事會全權負責本集團的內部監控系統以及風險評估及管理。

儘管有關系統旨在識別及管理可能對實現本集團目標產生不利影響的風險，其並不保證絕對避免重大錯誤陳述或損失。

管理層負責設定合適的高層基調、執行風險評估，並負責設計、執行及維持內部監控。風險管理及內部監控的相關政策及程序旨在保證本集團的資產不受違規使用或處置；相關規則及法規獲得遵守；完整、準確及可靠的財務及會計記錄獲得保存；及可能對本集團表現產生影響的重大風險因素（包括業務策略、營運、財務及合規風險）獲妥為識別及管理。

本公司風險管理及內部監控系統的關鍵因素包括：

- 不同責任方具有明確的組織架構，具備明確的職責、責任及風險管理角色；
- 董事會為本集團設定適當的風險管理文化及風險承受能力、評估及釐定本集團應承擔及定期監察的風險水平；
- 風險管理委員會促進風險評估程序並及時與審核委員會及董事會溝通。彼等亦保證重大業務及經營風險獲妥為識別及管理；及
- 制定風險管理政策為識別、分析、評估、處理、監察及呈報重大財務風險，尤其是流動資金風險、貨幣風險及利率風險提供框架，以進一步加強風險管理。

Internal Control

The Group has separate internal audit functions for its principal property, construction & construction related operations, and for its subsidiary property and facility management operations, forming part of its ongoing effort to focus on greater efficiency and to quickly respond to the management's concern for the likely problem areas due to their distinctive business nature. Internal audit adopts risks and controls based audit approach. The internal audit work plan for the subsidiary property and facility management operations is reviewed by Group internal audit, and its audit reports and follow-up actions are circulated to the Group internal audit for information. The work plans of internal audit are reviewed/further reviewed and endorsed by the respective audit committees. Examination of the processes, practices and procedures of internal controls for business operations and corporate functions of the Group are performed on a regular basis. Internal audit reports containing findings and recommendations for improvements are submitted to the respective audit committees for review.

The Group is fully aware of its obligation of handling and dissemination of inside information under the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). The Group has a set of procedures and controls in place to preserve the confidentiality of inside information relating to the Group. All Board members and senior management, who are likely to possess the Group's inside information because of their offices or employments in the Group, are bound by Model Code. In addition, every employee is required to follow the guidelines of the code of conduct and the staff handbook to keep unpublished inside information strictly confidential.

The Board has also considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function.

During the year under review, the Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group through discussion with the Audit Committee on audit findings and control issues at least annually. These procedures provide reasonable, but not absolute, assurance against material errors, losses and fraud, and manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

Based on Deloitte Advisory (Hong Kong) Limited (the "Deloitte")'s findings, there are weaknesses in Group management and certain internal control systems inside the Group.

Refer to the Independent Investigation Committee report, there are several recommendation issues in relation to the implementation of the internal control review. The details of scope and procedures are expected to be established shortly to take into account upon any recommendations, which is expected to take place in June 2018.

內部監控

本集團之主要的物業、建造工程及相關建造營運，以及旗下附屬公司之物業及設施管理營運因其不同的業務性質而擁有不同的內部審核職能，藉以持續致力提高效率及迅速回應管理層所關注可能出現問題的領域。內部審核採納以風險及監控為基礎之審核方法。附屬公司物業及設施管理營運之內部審核工作計劃會交集團內部審核檢討，而其審核報告及後續行動亦將呈交集團內部審核參考。各審核委員會負責檢討／進一步檢討及批准內部審核之工作計劃，並對本集團業務營運及企業職能之內部監控流程、常規與程序作出定期查核。載有審核結果及改善建議之內部審核報告會提交各自的審核委員會審閱。

本集團全面知悉其於上市規則及證券及期貨條例（香港法例第571章）（「證券及期貨條例」）項下處理及發佈內幕消息的義務。本集團設有一系列程序及控制措施以保證有關本集團之內幕消息的機密性。因彼等之於本集團的職位或僱傭關係而可能知悉本集團內幕消息的全體董事會成員及高級管理層受標準守則規限。此外，每名僱員均須遵守行為守則及員工手冊之指引對未公佈的內幕消息嚴格保密。

董事會亦已考慮本集團會計及財務匯報職能之資源、員工資格及經驗、培訓計劃及預算是否足夠。

於回顧年度內，董事會透過與審核委員會討論審核結論及監控事宜，從而至少每年對本集團風險管理及內部監控系統之成效作出檢討。該等程序旨在可合理但非絕對確保本集團不會出現重大失誤、虧損及欺詐，並可管理而非消除本集團營運制度失靈及業務未能達標之風險。

根據德勤諮詢（香港）有限公司（「德勤」）的調查結果，本集團內部的集團管理及若干內部監控系統存在不足。

獨立調查委員會報告就實施內部監控檢討提出若干推薦建議。我們預期將於2018年6月盡快根據任何推薦建議確定範圍及程序的詳情。

Connected transactions

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

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

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

Details of the connected transactions with respect to the provision of financial assistance by the Company mentioned above are set out in the announcements of the Company dated 30 March 2017, 24 April 2017, 28 June 2017, 28 August 2017, 30 October 2017, 28 December 2017, 28 February 2018 and 2 May 2018 in respect of the delay in despatch of the circular in relation to the aforesaid connected transaction.

The Issues of the Independent Investigations Report

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

- (1) multiple uncertainties relating to going concern ("Audit Issue 1");
- (2) transactions and balances relating to Mr. Zhou and his related entities ("Audit Issue 2");
- (3) payments made to a construction company ("Audit Issue 3"); and
- (4) payments made to certain financial consultancy companies ("Audit Issue 4", together with Audit Issue 1, Audit Issue 2, Audit Issue 3, collectively referred to as "Audit Issues").

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

關連交易

據於2016年公司年報提及，本集團已訂立一系列交易及向與一名前任執行董事周煒先生有關聯的實體提供財務資助，構成本公司於上市規則第14A章項下的關連交易。

本公司由於疏忽過失未能遵守上市規則第14A.35條項下的報告、公告及獨立股東批准規定，亦未能於簽立相關協議的重要時刻公佈向關連實體提供財務資助。

由於需要額外時間編製及落實通函及獨立財務顧問意見函件，本公司預期將延後寄發通函的日期。

有關上述本公司提供財務資助的關連交易詳情載於本公司日期為2017年3月30日、2017年4月24日、2017年6月28日、2017年8月28日、2017年10月30日、2017年12月28日、2018年2月28日及2018年5月2日之公告，內容均有關延遲寄發上述關連交易相關的通函。

發佈獨立調查報告

誠如2016年獨立核數師報告所載，本公司當時的核數師羅兵咸永道會計師事務所（「羅兵咸永道」）並無就本集團截至2016年12月31日止年度的綜合財務報表發表審核意見，乃由若干事項所致，包括：

- (1) 有關持續經營的多項不明朗因素（「審核事項1」）；
- (2) 有關周先生及其關聯實體的交易及結餘（「審核事項2」）；
- (3) 向一間建造公司作出之付款（「審核事項3」）；及
- (4) 向若干財務諮詢公司作出之付款（「審核事項4」，連同審核事項1、審核事項2及審核事項3，統稱「審核事項」）。

就審核事項2、3及4而言，董事會已於2017年3月底成立獨立調查委員會並授權其就此開展獨立調查。

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

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

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

Independent Auditor’s Report on the Company’s Consolidated Financial Statements for the year ended 31 December 2017

As disclosed in sections headed “Basis for Disclaimer of Opinion” and “Disclaimer of Opinion” in independent auditor’s report contained on pages 83 to 88 of this report, the auditor of the Company did not express an audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2017 as a result of certain matters, including: (1) multiple uncertainties relating to going concern; and (2) transactions and balances relating to Mr. Zhou and his related entities.

Directors’ Responsibility for Financial Reporting

The Directors acknowledge their responsibility for preparing the consolidated financial statements which give a true and fair view of the state of affairs of the Company and the Group on a going concern basis. With the support of the accounting and finance functions led by Group Financial Controller of the Group, the Directors have ensured that the consolidated financial statements for the year ended 31 December 2017 have been prepared in accordance with appropriate accounting policies applied consistently save for those new and amended accounting standards, if any, as disclosed in the Notes to the consolidated financial statements.

In preparing the interim financial information and annual financial statements, announcements and other financial disclosures required under the Listing Rules, the Directors aim at presenting a balanced, clear and understandable assessment of the Group’s position and prospects. Financial information put before the Board for approval by management is accompanied by sufficient explanation to enable the Directors to make an informed assessment.

The independent auditor’s report, which contains the statement of the external auditor about its reporting responsibilities on the Group consolidated financial statements, is set out on pages 83 to 88 of this annual report.

獨立調查委員會由三名獨立非執行董事組成，其委聘胡百全律師事務所就獨立調查向獨立非執行董事提供相關法律意見。其後胡百全律師事務所委聘德勤諮詢（香港）有限公司（「德勤」）分別就審核事項2、3及4進行獨立調查。

於2018年1月10日，德勤發佈調查報告。有關主要的發現及相應的建議概要，以及上述事項的詳細資料分別載於本公司日期為2018年1月9日及2018年1月19日之公告。

獨立調查委員會接納德勤於調查報告記錄的事實發現，據此，獨立調查委員會已於2018年1月15日發佈其報告，其中就解決審核事項2、3及4向董事會提供一系列推薦建議。有關推薦建議及實施情況的詳情載於本公司日期為2018年1月19日之公告。

獨立核數師對本公司截至2017年12月31日止年度的綜合財務報表之報告

誠如本報告第83頁至第88頁所載獨立核數師報告「無法表示意見的基準」及「無法表示意見」所披露，本公司的核數師並無就本集團截至2017年12月31日止年度的綜合財務報表發表審核意見，乃由若干事項所致，包括(1)有關持續經營的多項不明朗因素；及(2)有關周先生及其關聯實體的交易及結餘。

董事之財務匯報責任

董事明白彼等有責任以持續營運之基準編製真實且公平地反映本公司及本集團經營狀況之綜合財務報表。在本集團首席財務總監負責之會計及財務職能提供協助下，董事確保截至2017年12月31日止年度之綜合財務報表已按貫徹應用之適當會計政策編製，惟綜合財務報表附註所披露之新訂及經修訂會計準則（如有）除外。

在編製中期財務資料及年度財務報表、公告及根據上市規則須予披露之其他財務資料時，董事力求就本集團之狀況及前景呈一個相稱、清晰且易於明白之評估。由管理層提交董事會批准之財務資料均附有充分說明，以供董事作出有根據之評估。

載有外聘核數師就其對本集團綜合財務報表之匯報責任所作聲明之獨立核數師報告載於本年報第83頁至88頁。

Auditor's Remuneration

The fees paid/payable to BDO Limited, the Company's external auditor, for services rendered for the year ended 31 December 2017 are set out as follows:

Services rendered 所提供服務	Fees paid/payable 已付／應付費用 HK\$'000 港幣千元
Audit services 審核服務	7,680
Non-audit services* 非審核服務*	805

* including advisory services for compliance with regulatory requirements and potential transactions and interim review of financial information etc.

核數師酬金

截至2017年12月31日止年度，就本公司外聘核數師香港立信德豪會計師事務所有限公司提供之服務已付／應付之費用載列如下：

* 包括有關符合法規要求及潛在交易以及中期財務資料審閱等的顧問服務。

Company Secretary

The Company Secretary is responsible for facilitating the Board process, as well as communications among Board members. The Company Secretary complied with all the qualifications under the Listing Rules.

公司秘書

公司秘書負責協助董事會按照規程運作，以及董事會成員間之溝通。公司秘書符合上市規則下的所有資格要求。

Shareholders' Rights, Investor Relations and Communications with Shareholders

In addition to publishing interim and annual reports, announcements, circulars, quarterly business updates, and press releases, updates on the Group's developments are also provided on the Company's website which is updated on a timely manner.

股東權利、投資者關係及與股東之溝通

除透過刊發中期報告與年報、公告、通函、季度業務更新及新聞稿外，有關本集團最新發展情況之信息亦載列於本公司網站並按時予以更新。

Comments, suggestions and enquiries from shareholders or investors to the Board are welcome through the following channels to the Company:

股東或投資者如須向董事會作出任何意見、建議及查詢，歡迎透過下列途徑提交予本公司：

- (i) by post to the Company's Hong Kong principal place of business at Hsin Chong Center, 107-109 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
- (ii) by facsimile transmission to (852) 2516 6596
- (iii) by telephone at (852) 2579 8238
- (iv) by email at info@hcg.com.hk
- (v) on the Company's website at www.hsinchong.com under "IR Contact" of "Investor Relations"

- (i) 郵寄至本公司之香港主要營業地點，地址為香港九龍觀塘偉業街107-109號新昌中心
- (ii) 傳真至(852) 2516 6596
- (iii) 致電(852) 2579 8238
- (iv) 發送電郵至info@hcg.com.hk
- (v) 於本公司網站www.hsinchong.com內「投資者關係」之「投資界查詢」一欄

Shareholders' Rights, Investor Relations and Communications with Shareholders (continued)

An annual general meeting is deemed as a forum for shareholders to communicate directly with the Board members. Notice of 20 clear business days together with detailed agenda is given to shareholders for the annual general meeting of the Company and ten clear business days for all special general meetings of the Company. Separate resolution is proposed at an annual general meeting on each substantially separate issue, including the election of each individual director.

In accordance with the Bye-laws, any shareholder holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at a general meeting shall have the right, by written requisition served to the Board or the Company Secretary, to require a special general meeting to be convened by the Board for transaction of any business specified in such requisition. Any vote of shareholders at a general meeting must be taken by poll. The chairman of meeting will explain the poll voting procedures at the relevant general meeting.

Continuous Corporate Governance Enhancement

The Board is committed to continuous corporate governance enhancement including giving closer attention to any regulatory changes with a view to maintaining a corporate culture built on ethics and integrity and increasing shareholder value as a whole.

股東權利、投資者關係及與股東之溝通 (續)

股東周年大會被視為股東與董事會成員直接進行溝通之場合。召開本公司股東周年大會須最少於20個營業日前向股東寄發載有詳細會議議程之通告，而所有股東特別大會之通告則須最少於10個營業日前寄發。於股東周年大會上，就各項重要之獨立事項（包括推選每位個別董事）會提呈獨立決議案。

根據細則，持有本公司附帶權利可於股東大會上投票之繳足股本不少於十分之一之任何股東有權向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求列明任何事項之交易。於股東大會上任何股東的投票均以投票表決方式進行。大會主席將會於有關股東大會上說明投票表決之程序。

不斷提升企業管治水平

董事會承諾將不斷提升企業管治水平，包括密切留意任何法規變動，旨在維持道德和誠信之企業文化，並提升股東之整體價值。

The Board have pleasure in presenting their report and the consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2017 to the shareholders.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are building construction, civil engineering, electrical and mechanical installation, interiors and special projects, property development and investment. Particulars of the Company's principal subsidiaries are set out in Note 45 to the consolidated financial statements and particulars of its joint operations are set out in Note 22 to the consolidated financial statements.

Segment Information

Details of segment information are set out in Note 5 to the consolidated financial statements.

Business Review

Details of the business review information are set out in the section headed "Management Discussion and Analysis" on pages 7 to 21 of this annual report.

Environmental Policies and Performance

We consider environmental protection is essential to the long-term development of the Group and will constantly improve management practices so as to minimise waste, maximise efficiencies and reduce our negative environmental impact on the environment.

Compliance with Laws and Regulations

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations.

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong and the mainland China while the Company itself was incorporated in Bermuda and listed on the Stock Exchange in Hong Kong. Our establishment and operations accordingly shall comply with relevant laws and regulations in Hong Kong, Bermuda and the mainland China. A review was undertaken of procurement processes, procedures and practices for compliance with the new Competition Ordinance that came into force in December 2015. No significant amendments were required as the preexisting approach was already consistent with the ethos and requirements of the Ordinance.

To ensure compliance with the new Competition Ordinance, the Group has conducted trainings for our staff. We also step up measures to increase safety awareness amongst our management and staff to prevent accidents in contravention with safety regulations.

董事會欣然向各股東提呈其報告連同本公司及其附屬公司（統稱「本集團」）截至2017年12月31日止年度之綜合財務報表。

主要業務

本公司之主要業務為投資控股。本公司附屬公司之主要業務為樓宇建造、土木工程、機電安裝工程、室內裝飾及特殊項目以及物業發展及投資。本公司主要附屬公司之詳情載於綜合財務報表附註45，而其共同經營業務之詳情載於綜合財務報表附註22。

分類資料

分類資料詳情載於綜合財務報表附註5。

業務回顧

業務回顧資料詳情載於本年報第7頁至21頁「管理層討論及分析」一節。

環境政策及表現

我們認為環境保護對本集團的長遠發展至關重要並將持續優化管理，致力最大程度減少廢棄物、最大化效益及減少我們對環境產生的負面影響。

遵守法律及法規

本集團深明遵守監管規定的重要性及違反該等規定的風險。本集團持續投入系統及人手資源，確保一直遵守規則及法規。

本集團的營運主要由本公司位於香港及中國內地的附屬公司進行，而本公司本身乃於百慕達註冊成立並於香港聯交所上市。因此，我們的成立及營運須遵守香港、百慕達及中國內地的有關法律及法規。本公司已對採購流程、程序及常規進行審閱以遵守於2015年12月生效之新競爭條例。由於原有之方法與該條例之原則及規定一致，因而毋須進行重大修訂。

為確保遵守新競爭條例，本集團已對員工進行培訓。我們亦採取措施提升管理人員及員工安全意識，以防止發生違反安全法規之事故。

Risks and Uncertainties

Various risks that the Company may face have been disclosed in the Corporate Governance Report and the Notes to the Consolidated Financial Statements of this Report.

Relationships with Employees, Customers and Suppliers

The Group ensures all staff are reasonably remunerated and we regularly review and improve our policies on remuneration and benefits, training, occupational health and safety.

The Group maintains a good relationship with its customers. A customer complaint handling mechanism is in place to receive, analyse and study complaints and make recommendations on remedies with the aim of improving service quality.

The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers.

Results and Appropriations

The results of the Group for the year ended 31 December 2017 are set out in the consolidated income statement on page 89; the consolidated statement of comprehensive income on page 90 and the state of affairs of the Group and of the Company as at 31 December 2017 are set out in the consolidated balance sheet on pages 91 to 92 and in Note 44 to the consolidated financial statement respectively.

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2017 (2016: nil). To preserve funds for the expansion and development of the Company, the Board does not recommend the payment of final dividend for the year ended 31 December 2017 (2016: Nil). Accordingly, total dividends for the financial year of 2017 is nil (2016: nil).

風險及不確定因素

本公司可能面臨的各類風險已於本報告之企業管治報告及綜合財務報表附註披露。

與僱員、顧客及供應商之關係

本集團確保給予所有員工合理待遇，並定期檢討和完善我們的薪酬福利、培訓、職業健康與安全政策。

本集團與顧客關係良好。本集團已制定客戶投訴處理機制，收集、分析及研究投訴事件及提出改善意見，以不斷提高服務質素。

本集團與供應商關係良好，並會對供應商進行公平及嚴格審核。

業績及分派

本集團截至2017年12月31日止年度之業績載於第89頁之綜合收益表、第90頁之綜合全面收益表，而本集團及本公司於2017年12月31日之事務狀況分別載於第91至92頁之綜合資產負債表及綜合財務報表附註44。

董事會並不建議就截至2017年6月30日止六個月派付中期股息(2016年：無)。為儲備資金以供本公司進行擴張及發展，董事會並不建議就截至2017年12月31日止年度派付末期股息(2016年：無)。因此，2017年財政年度之股息總額為零(2016年：零)。

Reserves

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on pages 95 to 97 and in Note 44 to the consolidated financial statements respectively.

Five-Year Financial Summary

A summary of the operating results and of the assets and liabilities of the Group for the last 4 financial years and for the year ended 31 December 2017 is set out on page 200. This summary does not form part of the consolidated financial statements.

Property, Plant and Equipment and Leasehold Land

Details of movements in the property, plant and equipment and leasehold land of the Group during the year are set out in Note 17 to the consolidated financial statements.

Major Properties

A summary of the properties of the Group held for investment/own use/sale and properties under development as at 31 December 2017 is set out on pages 204 to 207.

Share Capital

Details of movements in the share capital of the Company during the year are set out in Note 36 to the consolidated financial statements.

Distributable Reserves

Distributable reserves of the Company as at 31 December 2017, calculated under the Companies Act 1981 of Bermuda (as amended), amounted to nil (2016: nil).

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Bye-laws although there is no restriction against such rights under the laws of Bermuda.

Permitted Indemnity Provisions

Pursuant to bye-law 177 of the Company's Bye-laws, every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his/her office or in relation thereto, provided that the Bye-laws shall only have effect in so far as its provisions are not avoided by the Bermuda Companies Act. The Company and its listed subsidiary have maintained Directors and officers liability insurance during the year.

儲備

本集團及本公司之儲備於年內之變動詳情分別載於第95頁至97頁之綜合權益變動表及綜合財務報表附註44。

五年財務摘要

本集團過去4個財政年度及截至2017年12月31日止年度之經營業績以及資產及負債摘要載於第200頁。此摘要並不構成綜合財務報表之一部份。

物業、機器及設備及租賃土地

本集團物業、機器及設備及租賃土地於年內之變動詳情載於綜合財務報表附註17。

主要物業

本集團於2017年12月31日之持作投資／自用／出售物業以及發展中物業摘要載於第204至207頁。

股本

本公司股本於年內之變動詳情載於綜合財務報表附註36。

可供分派儲備

根據百慕達1981年《公司法》(經修訂)計算,本公司於2017年12月31日之可供分派儲備為零(2016年:零)。

優先購股權

細則並無有關優先購股權之條文,惟百慕達法例亦無就該等權利設有任何限制。

獲准許彌償條文

根據本公司細則之細則第177條,本公司各董事或其他高級職員有權就履行其職務或在其他有關方面可能蒙受或產生之所有虧損或負債自本公司之資產中獲得彌償,且概無董事或其他高級職員須就履行職責或與此有關而使本公司可能蒙受或產生之任何虧損、損失或不幸事件負責,惟該公司細則僅在未被百慕達公司法廢止之情況下有效。本公司及其上市附屬公司於年內維持董事及高級職員責任保險。

Directors

The Directors during the year ended 31 December 2017 and up to the date of this report were:

Non-executive Chairman and Non-executive Director

Mr. LIN Zhuo Yan

Executive Directors

Ir Dr Joseph CHOI Kin Hung (*Chief Executive Officer*) (re-designated from Co-Chief Executive Officer to Chief Executive Officer with effect from 8 June 2017)
Mr. Wilfred WU Shek Chun (*Chief Risk Officer*)
Mr. Eric TODD (appointed with effect from 9 March 2017)
Mr. ZHOU Wei (resigned with effect from 8 June 2017)

Non-executive Directors

Mr. YAN Jie
Mr. CHEN Lei
Mr. CHUI Kwong Kau
Mr. LUI Chun Pong (re-designated with effect from 1 January 2017)

Independent Non-executive Directors

Mr. CHENG Sui Sang
Mr. George YUEN Kam Ho
Mr. LAI Chik Fan (appointed with effect from 8 June 2017)
Ms. LEE Jai Ying (resigned with effect from 13 March 2018)
Mr. KWOK Shiu Keung Ernest (resigned with effect from 5 May 2017)

The Profiles of Directors who are in office as at the date of this report are set out on pages 22 to 33 of this annual report.

In accordance with bye-law 98(A) of the Bye-laws, Mr. LIN Zhou Yan, Mr. Wilfred WU Shek Chun, Mr. LUI Chun Pong and Mr. YAN Jie shall retire by rotation but, being eligible, have offered themselves for re-election at the forthcoming 2018 annual general meeting. Save for the aforesaid, the other remaining directors of the Company would continue in office.

The Company has received from each Independent Non-executive Director an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and considers that all the Independent Non-executive Directors are independent in accordance with the terms of the independence guidelines set out in Rule 3.13 of the Listing Rules.

董事

於截至2017年12月31日止年度內及截至本報告日期止，董事如下：

非執行主席及非執行董事

林卓延先生

執行董事

蔡健鴻博士工程師 (*行政總裁*) (自2017年6月8日起由聯席行政總裁調任為行政總裁)
鄔碩晉先生 (*首席風險官*)
達振標先生 (自2017年3月9日起獲委任)
周煒先生 (自2017年6月8日起辭任)

非執行董事

閻傑先生
陳磊先生
崔光球先生
呂振邦先生 (自2017年1月1日起調任)

獨立非執行董事

鄭瑞生先生
袁金浩先生
賴焯藩先生 (自2017年6月8日起獲委任)
李嘉音女士 (自2018年3月13日起辭任)
郭少強先生 (自2017年5月5日起辭任)

於本報告日期在任董事之履歷簡介載於本年報第22頁至33頁。

根據細則之細則第98(A)條，林卓延先生、鄔碩晉先生、呂振邦先生及閻傑先生須於即將舉行之2018年股東周年大會輪值退任，惟彼等符合資格並願意膺選連任。除以上所述者外，本公司其餘董事將繼續留任。

本公司已接獲每位獨立非執行董事根據上市規則第3.13條就其獨立性作出之年度確認書，並認為所有獨立非執行董事根據上市規則第3.13條所載之獨立指引條款均為獨立人士。

Directors' Service Contracts

None of the Directors offering themselves for re-election at the 2018 annual general meeting of the Company has entered into a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Transactions, Arrangements and Contracts

Save as disclosed in the connected transactions section, there were no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, or any of its subsidiaries, fellow subsidiaries or holding companies was a party and in which a Director and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year.

Directors' Emoluments

Details of directors' emoluments are set out in Note 11 to the consolidated financial statements.

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 December 2017, the interests and short positions of the Directors and chief executive of the Company and their associates 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 (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix 10 of the Listing Rules, were as follows:

董事之服務合約

於本公司之2018年股東周年大會上膺選連任之董事概無與本公司或其任何附屬公司簽訂不可於1年內終止而毋須支付賠償(法定賠償除外)之服務合約。

董事於交易、安排及合約之權益

除關連交易一節所披露者外，於年度末或年內之任何時間，本公司、或其任何附屬公司、同系附屬公司或控股公司概無就本集團之業務訂立或存續董事及董事之關連方直接或間接於其中擁有重大權益之重大交易、安排及合約。

董事酬金

董事酬金之詳情載於綜合財務報表附註11。

董事及行政總裁於本公司及其相聯法團之股份、相關股份及債券中擁有之權益及淡倉

於2017年12月31日，本公司各董事及行政總裁及彼等之聯繫人於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)之股份、相關股份及債券中擁有根據證券及期貨條例第352條本公司須予存置之登記冊所記錄之權益及淡倉，或根據上市規則附錄十所載有關標準守則須通知本公司及聯交所之權益及淡倉如下：

Long positions in the shares and underlying shares of the Company 於本公司股份及相關股份之好倉

Name of Directors 董事姓名	Capacity 身份	Number of shares held/ involved 持有／涉及 之股份數目	Number of underlying shares held 持有之相關 股份數目	Total 總計	Approximate percentage of interest in the issued share capital 佔已發行股本之權益概約百分比 (Note 4) (附註4)
LIN Zhuo Yan 林卓延	Interest of spouse 配偶權益	1,466,858,789 (Note 1) (附註1)	–	1,466,858,789	25.70%
	Interest of controlled corporations 受控法團權益	–	2,704,166,666 (Note 2) (附註2)	2,704,166,666	47.39%
Joseph CHOI Kin Hung 蔡健鴻	Beneficial owner 實益擁有人	–	1,334,000 (Note 3) (附註3)	1,334,000	0.023%
ZHOU Wei 周煒	Beneficial owner 實益擁有人	48,932,000	–	48,932,000	0.86%
LUI Chun Pong 呂振邦	Beneficial owner 實益擁有人	–	750,000 (Note 3) (附註3)	750,000	0.013%

Notes:

1 475,816,993 ordinary shares are held by Neo Summit Limited ("Neo Summit"), which is owned by (a) Pinnacle State Real Estate Limited as to 28.89%; (b) Summit View Holdings Limited ("Summit View") as to 13.33%; (c) Jones Capital Investments Limited as to 28.89%; and (d) Becl World Holding Ltd as to 28.89%. Jones Capital Investments Limited is wholly-owned by Ms. MA Kwing, Pony ("Ms. MA"). As such, Neo Summit is deemed to be a controlled corporation of Ms. MA under the SFO.

991,041,796 ordinary shares are held by Summit View, which is owned as to 50% by Dr. Wilfred WONG Ying Wai and 50% by Ms. MA. As such, Summit View is deemed to be a controlled corporation of Ms. MA under the SFO.

Mr. LIN Zhuo Yan is the spouse of Ms. MA Kwing, Pony and is deemed to be interested in the aforesaid 1,466,858,789 shares under the SFO.

附註:

1 新峰有限公司(「新峰」)持有475,816,993股普通股,並由以下各方擁有:(a)峻炫地產有限公司擁有28.89%;(b)峰景控股有限公司(「峰景」)擁有13.33%;(c) Jones Capital Investments Limited擁有28.89%;及(d) Becl World Holding Ltd擁有28.89%。Jones Capital Investments Limited由馬焯女士(「馬女士」)全資擁有。因此,根據證券及期貨條例,新峰被視為馬女士之受控法團。

峰景持有991,041,796股普通股,並由王英偉博士及馬女士各自擁有50%。因此,根據證券及期貨條例,峰景被視為馬女士之受控法團。

林卓延先生為馬焯女士之配偶,故根據證券及期貨條例被視為於上述1,466,858,789股股份中擁有權益。

- 2 As disclosed in (i) the announcement of the Company dated 15 May 2014, Hsin Chong Property Holdings Limited (a wholly-owned subsidiary of the Company) as the Purchaser entered into the Acquisition Agreement with Rich Century Development Limited (a company wholly-owned by the Non-executive Chairman of the Company, Mr. LIN Zhuo Yan) ("Rich Century") as the Vendor and Mr. LIN Zhuo Yan as the warrantor regarding a very substantial acquisition in relation to the acquisition of a property development project in the PRC; and (ii) the announcement of the Company dated 4 November 2014, a Supplemental Agreement was entered into amongst the same parties. As part of the consideration of the Acquisition Agreement, the Company may issue to Rich Century convertible preference shares ("CPSs") which can be converted into Shares in the Company. As such, Rich Century being a company wholly owned by Mr. LIN Zhuo Yan is deemed to be a controlled corporation of Mr. LIN Zhuo Yan under the SFO.

As disclosed in the announcement of the Company dated 8 January 2015 in relation to the issuance of CPSs as part of the consideration, the total number of CPSs (issued or which may be issued) to Rich Century and which can be converted into Shares of the Company is 6,253,829,151. Upon issue of certain number of CPSs to Rich Century on 8 January 2015, it then disposed 1,855,563,322 CPSs on the same date. Therefore, as of 30 June 2015, Rich Century held 4,398,265,830 CPSs (rounding difference included).

As further disclosed in the announcements of the Company dated 30 June 2015, 15 January 2016 and 26 April 2016 respectively in relation to the issuance of CPSs as part of the consideration, Rich Century was further allotted by the Company 1,095,042,146 CPSs, 259,263,039 CPSs and 295,833,333 CPSs on 8 July 2015, 15 January 2016 and 26 April 2016 respectively. Rich Century then disposed 1,095,042,146 CPSs, 43,960,645 CPSs, 259,263,039 CPSs, 280,000,000 CPSs and 15,833,333 CPSs on 15 July 2015, 15 January 2016, 19 January 2016, 29 April 2016 and 31 May 2016 respectively. Therefore, as at 31 December 2017, Rich Century held 2,704,166,666 CPSs.

- 3 As at 31 December 2017, the interests in the underlying shares held by the Directors represented share options granted pursuant to the share option scheme adopted by the Company on 22 May 2008. Details of share options granted were set out below:

Name of Directors 董事姓名	Date of grant 授出日期 (dd/mm/yyyy) (日/月/年)	Number of share options held 持有認股權數目	Exercise price per share 每股行使價 (HK\$) (港幣元)	Exercisable period 行使期 (dd/mm/yyyy) (日/月/年)
Joseph CHOI Kin Hung 蔡健鴻	04/12/2009	1,334,000 (i)	1.02	04/12/2010 – 03/12/2019
LUI Chun Pong 呂振邦	01/09/2011	750,000 (ii)	1.29	30/09/2012 – 31/08/2021

- i. Share options were vested in three portions on 4 December 2010, 2011 and 2012 respectively, and became exercisable for a period from the respective dates and ending on 3 December 2019.
- ii. Share options were vested in three portions on 30 September 2012, 2013 and 2014 respectively, and became exercisable for a period from the respective dates and ending on 31 August 2021.

- 4 There were 5,706,670,104 ordinary shares of the Company in issue as at 31 December 2017.

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

- 2 誠如(i)本公司日期為2014年5月15日之公告所披露，新昌地產控股有限公司(本公司一間全資擁有附屬公司)(作為買方)與利世發展有限公司(一間由本公司非執行主席林卓延先生全資擁有之公司)(「利世發展」)(作為賣方)及林卓延先生(作為擔保人)就有關收購一項位於中國之物業發展項目之非常重大收購事項訂立收購協議；及(ii)本公司日期為2014年11月4日之公告所披露，相同之訂約方訂立補充協議。作為收購協議代價之一部份，本公司可向利世發展發行可轉換優先股(「可轉換優先股」)，其可轉換為本公司股份。因此，根據證券及期貨條例，利世發展(林卓延先生全資擁有之公司)被視為林卓延先生之受控法團。

誠如本公司日期為2015年1月8日內容有關發行可轉換優先股作為部份代價之公告所披露，已向或可向利世發展發行之可轉換優先股總數為6,253,829,151股，均可轉換為本公司股份。於2015年1月8日向利世發展發行若干數目之可轉換優先股後，其於同日出售1,855,563,322股可轉換優先股。因此，於2015年6月30日，利世發展持有4,398,265,830股可轉換優先股(四捨五入之差異)。

誠如本公司日期分別為2015年6月30日、2016年1月15日及2016年4月26日內容有關發行可轉換優先股作為部份代價之公告所進一步披露，利世發展分別於2015年7月8日、2016年1月15日及2016年4月26日獲本公司進一步配發1,095,042,146股可轉換優先股、259,263,039股可轉換優先股及295,833,333股可轉換優先股。利世發展其後分別於2015年7月15日、2016年1月15日、2016年1月19日、2016年4月29日及2016年5月31日出售1,095,042,146股可轉換優先股、43,960,645股可轉換優先股、259,263,039股可轉換優先股、280,000,000股可轉換優先股及15,833,333股可轉換優先股。因此，於2017年12月31日，利世發展持有2,704,166,666股可轉換優先股。

- 3 於2017年12月31日，董事持有之相關股份之權益指根據本公司於2008年5月22日採納之認股權計劃授出之認股權。授出之認股權詳情載列如下：

- i. 認股權分別於2010年、2011年及2012年12月4日按3部份歸屬，並於各自日期起至2019年12月3日止期間可予行使。
- ii. 認股權分別於2012年、2013年及2014年9月30日按3部份歸屬，並於各自日期起至2021年8月31日止期間可予行使。

- 4 本公司於2017年12月31日之已發行普通股為5,706,670,104股。

除上文所披露者外，於2017年12月31日，本公司各董事及行政總裁或彼等之聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有任何權益或淡倉而記錄於根據證券及期貨條例第352條本公司須予存置之登記冊內，或根據標準守則須通知本公司及聯交所。

Share Option Scheme 2008 Option Scheme

A share option scheme was adopted by the shareholders of the Company on 22 May 2008 (the "2008 Option Scheme"). Pursuant to the 2008 Option Scheme, the directors may, at their absolute discretion, make an offer to grant share options to eligible persons (as defined in the rules of the 2008 Option Scheme) who might include, inter alia, any employee, executive director, non-executive director and independent non-executive director of the Company or its subsidiaries. A summary of the rules of the 2008 Option Scheme is set out below:

(1) Summary of the 2008 Option Scheme

(a) Purpose of the 2008 Option Scheme

The purpose of the 2008 Option Scheme is to provide an Eligible Person (as defined below) with the opportunity to acquire equity securities in the Company, thus enabling them to participate in the prosperity of the Company and/or its subsidiaries and/or any invested entity (which refers to any entity in which the Company or any of its subsidiaries holds any equity interest) ("Invested Entity") and consequently such opportunity is an incentive for such Eligible Person to contribute further to the success of the Company and/or its any subsidiary and/or any Invested Entity.

(b) Participants of the 2008 Option Scheme

The Board (or a duly authorised committee thereof) shall, at its absolute discretion, make an offer to grant option to any person ("Eligible Person") belonging to any of the following classes of participants to subscribe for the shares of the Company (the "Shares"):

- (i) any employee (whether full time or part time) of the Company, any of its subsidiary or any Invested Entity, including any executive director of the Company, its subsidiary or any Invested Entity and for the avoidance of doubt, including any employee employed or to be employed by the Company, any of its subsidiary or any Invested Entity in The People's Republic of China;
- (ii) any non-executive director (including any independent non-executive director) of the Company, any of its subsidiary or any Invested Entity; or
- (iii) the trustee of any trust pre-approved by the Board, the beneficiary (or in case of discretionary trust, the discretionary objects) of which includes any of the persons mentioned in subparagraphs (i) and (ii) above.

(c) Maximum number of Shares available for issue under the 2008 Option Scheme

As at 18 April 2017, the total number of shares available for issue was 18,584,000 shares, representing 0.33% of the total issued share capital of the Company.

認股權計劃

2008年認股權計劃

一項認股權計劃乃由本公司股東於2008年5月22日採納（「2008年認股權計劃」）。根據2008年認股權計劃，董事可行使絕對酌情權向合資格人士（定義見2008年認股權計劃之規則）提呈授出認股權要約，合資格人士應包括（當中包括）本公司或其附屬公司之任何僱員、執行董事、非執行董事及獨立非執行董事。2008年認股權計劃之規則摘要載列如下：

(1) 2008年認股權計劃之摘要

(a) 2008年認股權計劃之目的

2008年認股權計劃旨在為合資格人士（定義見下文）提供購買本公司股本證券之機會，使其可分享本公司及／或其附屬公司及／或任何投資實體（指本公司或其任何附屬公司於當中持有任何股本權益之任何實體）（「投資實體」）取得之豐碩成果，從而令上述機會最終能激勵該合資格人士進一步為本公司及／或其任何附屬公司及／或任何投資實體取得成功而作出貢獻。

(b) 2008年認股權計劃之參與者

董事會（或其正式授權之委員會）可行使絕對酌情權向屬於下列任何參與者類別之任何人士（「合資格人士」）提呈授出可認購本公司股份（「股份」）之認股權要約：

- (i) 本公司、其任何附屬公司或任何投資實體之任何僱員（不論全職或兼職），包括本公司、其附屬公司或任何投資實體之任何執行董事，且為免產生疑問，前述者包括本公司、其任何附屬公司或任何投資實體於中華人民共和國僱用或將僱用之任何僱員；
- (ii) 本公司、其任何附屬公司或任何投資實體之任何非執行董事（包括任何獨立非執行董事）；或
- (iii) 經董事會預先批准之任何信託之受託人，其受益人（或倘為全權信託，則為受益對象）包括任何上文分段(i)及分段(ii)所述之人士。

(c) 根據2008年認股權計劃可予發行之股份數目上限

於2017年4月18日，可供發行之股份總數為18,584,000股股份，相當於本公司已發行股本總數之0.33%。

(d) Maximum entitlement of each Eligible Person under the 2008 Option Scheme

No option may be granted to any one Eligible Person in any 12-month period which, if exercised in full, would result in the total number of Shares already issued to such Eligible Person under all the options previously granted to him/her which have been exercised and, issuable to him/her under all the options previously granted to him/her which are for the time being subsisting and unexercised, exceeding 1% of the total number of issued Shares on the last date of such 12-month period unless approval by the shareholders in a general meeting with such Eligible Person and his/her associates abstaining from voting has been obtained.

(e) Period for and consideration payable upon acceptance of an option

An offer for the grant of option must be accepted within the time period specified in the relevant offer letter. A sum of HK\$10.00 is payable as consideration upon acceptance of the offer. Such amount shall in no circumstances be refundable.

(f) Basic of determining the subscription price

The subscription price for Shares shall be a price to be determined by the Board and notified to each grantee but shall not be less than the highest of:

- (i) the nominal value of a Share;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date, which must be a business day; and
- (iii) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the offer date, which must be a business day,

provided that in the event of fractional prices, the subscription price shall be rounded upwards to the nearest whole cent.

(g) Minimum period for holding an option before exercise

There is no minimum holding period for which an option must be held before exercise pursuant to the 2008 Option Scheme. The commencement date of the period during which an option may be exercised shall be determined by the Board and specified in the offer letter in respect of the option.

(h) Remaining life

The 2008 Option Scheme shall remain in effect for a period of 10 years commencing from 22 May 2008, its date of adoption, unless otherwise terminated in accordance with the rules of the 2008 Option Scheme.

(d) 根據2008年認股權計劃每位合資格人士最多可享有之權利

倘於任何12個月期間內可向任何一位合資格人士授出之認股權獲悉數行使時，將導致該合資格人士因行使其所有過往獲授之認股權而已獲發行之股份，加上其過往獲授及於當時仍有效且尚未行使之所有認股權可獲發行之股份，合共之總數將超過於該12個月期間最後一天已發行股份總數之1%，則不可向該合資格人士授出認股權，除非經股東於股東大會上批准且該合資格人士與其聯繫人已於會上放棄投票。

(e) 接納認股權之期限及接納時之應付代價

授出認股權之要約須於有關要約函件所訂明之期限內予以接納。於接納要約時須繳付港幣10.00元之金額作為代價。該金額在任何情況下均不予退還。

(f) 釐定認購價之基準

股份之認購價將為董事會所釐定及通知各承授人之價格，惟其將不得低於下列三者中之最高者：

- (i) 股份之面值；
- (ii) 於緊接要約日期（必須為營業日）前五個營業日股份在聯交所每日報價表所載之平均收市價；及
- (iii) 於要約日期（必須為營業日）當日股份在聯交所每日報價表所載之收市價，

惟倘出現零碎價格時，認購價將向上湊合至最接近之一整仙。

(g) 認股權行使前須持有之最短期限

根據2008年認股權計劃，認股權於行使前並無必須持有之最短期限。認股權可予行使之期間之開始日期將由董事會決定並於有關認股權之要約函件內訂明。

(h) 剩餘之有效期

除根據2008年認股權計劃之規則另行予以終止外，2008年認股權計劃將由2008年5月22日（即其採納日期）起計十年期內維持有效。

Movements under the 2008 Option Scheme

Details of movements in the share options under the 2008 Option Scheme, and the options outstanding as at the beginning and the year ended 31 December 2017 are as follows:

2008年認股權計劃下之變動

於2008年認股權計劃下認股權之變動及於年初及截至2017年12月31日止年度之未行使認股權詳情如下：

Name of grantee(s) 承授人姓名	Date of grant 授出日期 (dd/mm/yyyy) (日/月/年)	Number of share options held as at 1 January 2017 於2017年1月1日持有之認股權數目	Changes during the year 年內變動				Number of share options held as at 31 December 2017 於2017年12月31日持有之認股權數目	Exercise price per share 每股行使價 (HK\$) (港幣元)	Exercisable period 行使期 (dd/mm/yyyy) (日/月/年)	Closing price per share immediately before date of grant of share options 緊接認股權授出日前的每股收市價 (HK\$) (港幣元)
			Granted 授出	Exercised 行使	Lapsed 失效	Cancelled 註銷				
Directors 董事										
Joseph CHOI Kin Hung 蔡健鴻	04/12/2009	1,334,000 ⁽¹⁾	-	-	-	-	1,334,000	1.02	04/12/2010 – 03/12/2019	1.02
LUI Chun Pong 呂振邦	01/09/2011	750,000 ⁽²⁾	-	-	-	-	750,000	1.29	30/09/2012 – 31/08/2021	1.27
Employees (in aggregate) 僱員 (總計)	23/05/2008	14,000,000 ⁽³⁾	-	-	-	-	14,000,000	2.13	01/01/2009 – 22/05/2018	2.04
	04/12/2009	1,000,000 ⁽¹⁾	-	-	(1,000,000) ⁽⁴⁾	-	-	1.02	04/12/2010 – 03/12/2019	1.02
	01/09/2011	1,500,000 ⁽²⁾	-	-	-	-	1,500,000	1.29	30/09/2012 – 31/08/2021	1.27
Total 總計		18,584,000	-	-	(1,000,000)	-	17,584,000			

Notes:

- Share options were vested in three portions on 4 December 2010, 2011 and 2012 respectively, and became exercisable for a period from the respective dates and ending on 3 December 2019.
- Share options were vested in three portions on 30 September 2012, 2013 and 2014 respectively, and became exercisable for a period from the respective dates and ending on 31 August 2021.
- Share options were vested in three portions on 1 January 2009, 2010 and 2011 respectively, and became exercisable for a period from the respective dates and ending on 22 May 2018.
- These 1,000,000 share options lapsed on 30 June 2017.

附註：

- 認股權分別於2010年、2011年及2012年12月4日按三部份歸屬，並於各自日期起至2019年12月3日止期間可予行使。
- 認股權分別於2012年、2013年及2014年9月30日按三部份歸屬，並於各自日期起至2021年8月31日止期間可予行使。
- 認股權分別於2009年、2010年及2011年1月1日按三部份歸屬，並於各自日期起至2018年5月22日止期間可予行使。
- 該等1,000,000份購股權已於2017年6月30日失效。

Directors' Right to Acquire Shares or Debentures

During the year, the Company operated a share option scheme pursuant to which options may be granted, inter alia, to the directors of the Company. Details of such scheme and the movements in options are set out in the paragraphs entitled "Share Option Schemes" above. Further details of options granted and/or shares allotted or transferred to the directors of the Company are disclosed in the paragraph entitled "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" and Note 36 to the consolidated financial statements.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interests in Competing Business

During the year ended 31 December 2017, Mr. YAN Jie (a Non-executive Director) was the board chairman of 天津物產置業發展有限公司 ("Tewoo Property") engaging in property development in the PRC (the "Tewoo Business"). Based on Tewoo Group's website, in recent years, it has developed and is developing projects of approximately 1.4 million sqm GFA in total. Tewoo Property is a wholly-owned subsidiary of Tewoo Group, which is a substantial shareholder of the Company.

For the purposes of the Listing Rules, Mr. YAN Jie is considered to have interests (by way of directorship) in competing businesses (i.e. property development and investment in the PRC). The operations of Tewoo Property and the Group and their respective management are totally separate and independent. Therefore, the Company has been and continues to carry on its business, management and operation independently of, and at arm's length from, the Tewoo Business.

As disclosed in page 78 and page 79, Mr. Zhou Wei (an Executive Director), has interests in Zhong Wu Xin He which engaging in property development in the PRC.

For the purposes of the Listing Rules, Mr. Zhou Wei is considered to have interests (by way of shareholding) in competing businesses (i.e. property development and investment in the PRC). The operations of Zhong Wu Xin He and the Group and their respective management are totally separate and independent. Therefore, the Company has been and continues to carry on its business, management and operation independently of, and at arm's length from, the Zhong Wu Xin He.

Save as disclosed above, none of the Directors (excluding Independent Non-executive Directors) were interested in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year ended 31 December 2017.

董事認購股份或債券之權利

於年內，本公司設有一項購股權計劃，據此，可向（其中包括）本公司董事授予購股權。有關該等計劃及購股權變動之詳情載於上文「購股權計劃」之段落。向本公司董事授出的購股權及／或配發或轉讓的股份之進一步詳情披露於「董事及行政總裁於本公司及其相聯法團之股份、相關股份及債券中擁有之權益及淡倉」之段落及綜合財務報表附註36。

除上文所披露者外，本公司或其任何附屬公司於年內任何時間概無訂立任何安排，致使本公司董事可透過購買本公司或任何其他法人團體之股份或債券而從中獲取利益。

董事於競爭業務之權益

於截至2017年12月31日止年度，閻傑先生（非執行董事）為天津物產置業發展有限公司（「天津物產置業」）之董事長，該公司於中國從事物業發展業務（「天津物產置業業務」）。根據天津物產集團之網站，其近年來一直發展及正在發展建築總面積共約1,400,000平方米之項目。天津物產置業為天津物產集團（其為本公司之主要股東）之全資附屬公司。

就上市規則而言，閻傑先生被視為透過董事職務方式於競爭業務（即於中國之物業發展及投資）中擁有權益。天津物產置業之營運與本集團及彼等各自之管理乃完全分開及獨立。因此，本公司一直及繼續獨立於天津物產置業業務且與天津物產置業業務按公平原則開展其業務、管理及營運。

誠如第78頁及第79頁所披露，周煒先生（執行董事）於中物信和（於中國從事物業發展）擁有權益。

就上市規則而言，周煒先生被視為（透過持股）於競爭業務（即於中國從事物業發展及投資）中擁有權益。中物信和之營運與本集團及彼等各自的管理完全分離及獨立。因此，本公司一直及繼續獨立於中物信和且與中物信和按公平原則開展其業務、管理及營運。

除上文所披露者外，於截至2017年12月31日止年度，董事（不包括獨立非執行董事）概無於本集團業務以外之任何與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益。

Convertible Securities, Options, Warrants or Similar Rights

Issuance of convertible preference shares

On 8 January 2015 and 8 July 2015, the Company issued a total of 5,654,772,134 CPSs as the consideration (excluding the holdback amount) to acquire the entire issued share capital of Goleman International Limited. On 15 January 2016, the Company further issued 259,263,039 CPSs to settle the holdback amount which was pending the determination of the aggregate amount of fee, fine or penalty (if any) charged under the relevant land grant contract or applicable People's Republic of China ("PRC") laws at any time after completion but on or before 31 December 2015 in respect of any delay in the development of certain acquired parcels of land. On 26 April 2016, the Company lastly issued 295,833,333 CPSs to settle the remaining holdback amount after the issue of land use rights certificates in respect of the remaining land.

3-year senior notes

In January 2016, the Company issued a 3-year senior notes with principal amounts of USD150 million due on 22 January 2019 bearing interest of 8.5% per annum which is payable semi-annually (the "Senior Notes 2019"). The Senior Notes 2019 achieved at a lower coupon than the Senior Notes 2018 which was issued in May 2015 reflects certain market interests in our 3-year USD notes. The Senior Notes 2019 are also listed on The Stock Exchange of Hong Kong Limited.

Redemption by holders of 6.0% Convertible Bonds due 2017

On 25 October 2016, the Company has received notices for the exercise of the put option in respect of USD94,700,000 in principal amount of the Convertible Bonds (the "Redemption Principal"), representing approximately 97.33% in principal amount of the Convertible Bonds outstanding as at that date. In November 2016, the Company settled the Redemption Principal together with interest accrued.

On 11 August 2017, the Company redeemed all outstanding US\$100 million 6% convertible bonds due 2017 ("2017 Convertible Bonds") in full at the redemption price equal to 100% of the outstanding principal amount of US\$2,600,000 plus accrued and unpaid interest of US\$30,758. The total redemption price paid by the Company on the redemption date was US\$2,630,758. There are no outstanding 2017 Convertible Bonds in issue after the redemption.

Upon completion of the above redemptions, the 2017 Convertible Bonds have been cancelled and delisted from the Stock Exchange upon the close of business on 25 August 2017.

Save as above, the option scheme mentioned under "Share Option Scheme" above and in Note 36 to the consolidated financial statements, the Company had no other outstanding convertible securities, options, warrants or similar rights as at 31 December 2017. Other than those disclosed above and in Note 36 to the consolidated financial statements, there was no issue or exercise of any convertible securities, options, warrants or similar rights during the year ended 31 December 2017.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2017.

Retirement Schemes

The Group participated defined contribution retirement schemes during the year. Particulars of the retirement schemes are set out in Note 2(u)(i) to the consolidated financial statements.

可換股證券、認股權、認股權證或類似權利

發行可轉換優先股

於2015年1月8日及2015年7月8日，本公司發行合共5,654,772,134股可轉換優先股作為代價（不包括扣留金額）收購Goleman International Limited之全部已發行股本。於2016年1月15日，本公司進一步發行259,263,039股可轉換優先股，以清償有關扣留金額，惟該金額有待於完成後但於2015年12月31日或之前任何時間就延遲開發若干幅已收購的土地而釐定根據有關土地出讓合約或中華人民共和國（「中國」）適用法律扣取之費用、罰款或罰金（如有）的總金額而釐定。於2016年4月26日，本公司最後發行295,833,333股可轉換優先股，以於簽發有關餘下地塊的土地使用權證後清償餘下扣留金額。

3年優先票據

於2016年1月，本公司發行本金額150,000,000美元於2019年1月22日到期的3年期利率8.5厘，每半年支付利息的優先票據（「2019年優先票據」）。2019年優先票據較於2015年5月發行的2018年優先票據的票息更低，反映市場對我們的3年期美元票據有一定的興趣。2019年優先票據亦已於香港聯合交易所有限公司上市。

持有人贖回於2017年到期之6.0厘可換股債券

於2016年10月25日，本公司已接獲行使有關本金額為94,700,000美元之可換股債券（「贖回本金」，相當於該日期尚未行使之可換股債券本金額之約97.33%）之認沽期權的通知。於2016年11月，本公司已結清贖回本金及應計利息。

於2017年8月11日，本公司悉數贖回全部未行使1億美元於2017年到期之6厘可換股債券（「2017年可換股債券」），贖回價相等於其全部未行使本金額2,600,000美元加應計及未付利息30,758美元。本公司於贖回日期支付之贖回總價為2,630,758美元。於贖回後概無未行使已發行的2017年可換股債券。

於上述贖回完成後，2017年可換股債券已註銷，並於2017年8月25日營業時間結束時從聯交所退市。

除上述者，於上文「認股權計劃」項下及綜合財務報表附註36所述之認股權計劃外，於2017年12月31日，本公司概無其他尚未行使之可換股證券、認股權、認股權證或類似之權利。除上述已披露者及綜合財務報表附註36所披露者外，於截至2017年12月31日止年度內概無任何可換股證券、認股權、認股權證或類似之權利獲發行或行使。

管理合約

於截至2017年12月31日止年度內概無就本公司全部或任何主要業務部份訂立或訂有任何管理及行政合約。

退休計劃

於年內本集團參與界定供款退休計劃。該等退休計劃詳情已載於綜合財務報表附註2(u)(i)。

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2017, the interests or short positions of the following substantial shareholders (other than a director and the chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Long positions in the shares and underlying shares of the Company
主要股東於本公司股份及相關股份中擁有之權益及淡倉

於2017年12月31日，根據證券及期貨條例第336條本公司須予存置之登記冊所記錄，下列主要股東（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有之權益或淡倉如下：

於本公司股份及相關股份之好倉

Name of Shareholder 股東名稱	Capacity 身份	Number of shares held/ involved 所持／涉及之 股份數目	Number of underlying shares 相關股份數目	Approximate percentage of interest in the issued share capital 佔已發行 股本權益之 概約百分比 (Note 3) (附註3)
(1) Tewoo Group Co., Ltd.* 天津物產集團有限公司	Interests of controlled corporation 受控法團權益	513,861,240	3,000,000,000	61.57%
(2) Tewoo Investment Co., Limited 天物投資有限公司	Beneficial owner 實益擁有人	137,940,000	–	2.42%
(3) Riant Investment Co., Limited 瑞安投資有限公司	Interests of controlled corporation 受控法團權益	375,921,240	3,000,000,000	59.16%
(4) Neo Summit 新峰	Beneficial owner 實益擁有人	375,921,240	3,000,000,000	59.16%
(5) Summit View 峰景	Beneficial owner 實益擁有人	475,816,993 (Note 1(a)) (附註1(a))	–	8.34%
(6) MA Kwing, Pony 馬炯	Beneficial owner 實益擁有人	991,041,796 (Note 1(b)) (附註1(b))	–	17.37%
(7) Wilfred WONG Ying Wai 王英偉	Interests of controlled corporation 受控法團權益	1,466,858,789 (Note 1) (附註1)	–	25.70%
	Interests of spouse 配偶權益	–	2,704,166,666 (Note 2) (附註2)	47.39%
(8) Rich Century Development Limited 利世發展有限公司	Beneficial owner 實益擁有人	26,000,000	–	0.46%
	Interests of controlled corporation 受控法團權益	1,466,858,789 (Note 1) (附註1)	–	25.70%
	Beneficial owner 實益擁有人	–	2,704,166,666 (Note 2) (附註2)	47.39%

* For identification purposes only

* 僅供識別

Name of Shareholder	Capacity	Number of shares held/ involved	Number of underlying shares	Approximate percentage of interest in the issued share capital
股東名稱	身份	所持／涉及之 股份數目	相關股份數目	佔已發行 股本權益之 概約百分比 (Note 3) (附註3)
(9) China Merchants Securities Co., Ltd. 招商證券股份有限公司	Interests of controlled corporation 受控法團權益	276,855,000 (long position) (好倉)	–	4.85%
		83,100,000 (short position) (淡倉)	–	1.46%
(10) China Merchants Securities International Company Limited 招商證券國際有限公司	Interests of controlled corporation 受控法團權益	276,855,000 (long position) (好倉)	–	4.85%
		83,100,000 (short position) (淡倉)	–	1.46%
(11) China Merchants Securities Investment Management (HK) Co., Limited 招商證券投資管理(香港)有限公司	Beneficial owner 實益擁有人	193,755,000 (long position) (好倉)	–	3.40%
(12) Cheng Yu Tung Family (Holdings) Limited	Interests of controlled corporation 受控法團權益	400,000,000 (Note 4) (附註4)	–	7.01%
(13) Cheng Yu Tung Family (Holdings II) Limited	Interests of controlled corporation 受控法團權益	400,000,000 (Note 4) (附註4)	–	7.01%
(14) Chow Tai Fook Capital Limited	Interests of controlled corporation 受控法團權益	400,000,000 (Note 4) (附註4)	–	7.01%
(15) Chow Tai Fook (Holding) Limited	Interests of controlled corporation 受控法團權益	400,000,000 (Note 4) (附註4)	–	7.01%
(16) Chow Tai Fook Nominee Limited 周大福代理人有限公司	Beneficial owner 實益擁有人	400,000,000 (Note 4) (附註4)	–	7.01%
(17) MAK Siu Hang Viola 麥少嫻	Interests of controlled corporation 受控法團權益	434,484,000	–	7.61%
(18) VMS Holdings Limited	Interests of controlled corporation 受控法團權益	434,484,000	–	7.61%
(19) VMS Investment Group Ltd.	Beneficial owner 實益擁有人	434,484,000	–	7.61%

Notes:

1. (a) 475,816,993 Shares are held by Neo Summit, which is owned by (a) Pinnacle State Real Estate Limited as to 28.89%; (b) Summit View Holdings Limited ("Summit View") as to 13.33%; (c) Jones Capital Investments Limited as to 28.89%; and (d) Becl World Holding Ltd as to 28.89%. Pinnacle State Real Estate Limited is indirectly wholly-owned by Dr. Wilfred WONG Ying Wai. Jones Capital Investments Limited is wholly-owned by Ms. MA Kwing, Pony ("Ms. MA"). As such, Neo Summit is deemed to be a controlled corporation of Dr. Wilfred WONG Ying Wai and Ms. MA under the SFO.
- (b) 991,041,796 ordinary shares are held by Summit View, which is owned as to 50% by Dr. Wilfred WONG Ying Wai and 50% by Ms. MA. As such, Summit View is deemed to be a controlled corporation of Dr. Wilfred WONG Ying Wai and Ms. MA under the SFO.

2. As disclosed in (i) the announcement of the Company dated 15 May 2014, Hsin Chong Property Holdings Limited (a wholly-owned subsidiary of the Company) as the Purchaser entered into the Acquisition Agreement with Rich Century (a company wholly-owned by Mr. LIN Zhuo Yan) as the Vendor and Mr. LIN Zhuo Yan as the warrantor regarding a very substantial acquisition in relation to the acquisition of a property development project in the PRC; and (ii) the announcement of the Company dated 4 November 2014, a Supplemental Agreement was entered into amongst the same parties. As part of the consideration of the Acquisition Agreement, the Company may issue to Rich Century CPs which can be converted into Shares in the Company. As such, Rich Century being a company wholly owned by Mr. LIN Zhuo Yan is deemed to be a controlled corporation of Mr. LIN Zhuo Yan under the SFO. MA Kwing, Pony is the spouse of Mr. LIN Zhuo Yan and is deemed to be interested under the SFO.

As disclosed in the announcement of the Company dated 8 January 2015 in relation to the issuance of CPs as part of the consideration, the total number of CPs (issued or which may be issued) to Rich Century and which can be converted into Shares of the Company is 6,253,829,151. Upon issue of certain number of CPs to Rich Century on 8 January 2015, it then disposed 1,855,563,322 CPs on the same date. Therefore, as of 30 June 2015, Rich Century held 4,398,265,830 CPs (rounding difference included).

As further disclosed in the announcements of the Company dated 30 June 2015, 15 January 2016 and 26 April 2016 respectively in relation to the issuance of CPs as part of the consideration, Rich Century was further allotted by the Company 1,095,042,146 CPs, 259,263,039 CPs and 295,833,333 CPs on 8 July 2015, 15 January 2016 and 26 April 2016 respectively. Rich Century then disposed 1,095,042,146 CPs, 43,960,645 CPs, 259,263,039 CPs, 280,000,000 CPs and 15,833,333 CPs on 15 July 2015, 15 January 2016, 19 January 2016, 29 April 2016 and 31 May 2016 respectively. Therefore, as at 31 December 2017, Rich Century held 2,704,166,666 CPs.

3. There were 5,706,670,104 ordinary shares of the Company in issue as at 31 December 2017.
4. As of 31 December 2017, 400,000,000 shares are held by Chow Tai Fook Nominee Limited, which is owned by Chow Tai Fook (Holding) Limited as to 99.80%. Chow Tai Fook (Holding) Limited is owned by Chow Tai Fook Capital Limited as to 78.58%. Chow Tai Fook Capital Limited is in turn owned by (i) Cheng Yu Tung Family (Holdings) Limited as to 48.98% and (ii) Cheng Yu Tung Family (Holdings II) Limited as to 46.65%.

Save as disclosed above, as at 31 December 2017, the Company had not been notified of any other persons (other than a director and the chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

附註:

1. (a) 新峰持有475,816,993股股份，並由以下各方擁有：(a)峻炫地產有限公司擁有28.89%；(b)峰景控股有限公司（「峰景」）擁有13.33%；(c) Jones Capital Investments Limited擁有28.89%；及(d) Becl World Holding Ltd擁有28.89%。峻炫地產有限公司由王英偉博士間接全資擁有。Jones Capital Investments Limited由馬炯女士（「馬女士」）全資擁有。因此，根據證券及期貨條例，新峰被視為王英偉博士及馬女士之受控法團。
- (b) 峰景持有991,041,796股普通股，並由王英偉博士及馬女士各自擁有50%。因此，根據證券及期貨條例，峰景被視為王英偉博士及馬女士之受控法團。

2. 誠如(i)本公司日期為2014年5月15日之公告所披露，新昌地產控股有限公司（本公司一間全資擁有附屬公司）（作為買方）與利世發展（一間林卓延先生全資擁有之公司）（作為賣方）及林卓延先生（作為擔保人）就有關收購一項位於中國之物業發展項目之非常重大收購事項訂立收購協議；及(ii)本公司日期為2014年11月4日之公告所披露，收購協議之訂約方訂立收購協議之補充協議。作為收購協議代價之一部份，本公司可向利世發展發行可轉換優先股，其可轉換為本公司股份。因此，根據證券及期貨條例，利世發展（林卓延先生全資擁有之公司）被視為林卓延先生之受控法團。馬炯女士為林卓延先生之配偶，故根據證券及期貨條例被視為擁有權益。

誠如本公司日期為2015年1月8日內容有關發行可轉換優先股作為部份代價之公告所披露，已向或可向利世發展發行之可轉換優先股總數為6,253,829,151股，均可轉換為本公司股份。於2015年1月8日向利世發展發行若干數目之可轉換優先股後，其於同日出售1,855,563,322股可轉換優先股。因此，於2015年6月30日，利世發展持有4,398,265,830股可轉換優先股（四捨五入之差異）。

誠如本公司日期分別為2015年6月30日、2016年1月15日及2016年4月26日內容有關發行可轉換優先股作為部份代價之公告所進一步披露，利世發展分別於2015年7月8日、2016年1月15日及2016年4月26日獲本公司進一步配發1,095,042,146股可轉換優先股、259,263,039股可轉換優先股及295,833,333股可轉換優先股。利世發展其後分別於2015年7月15日、2016年1月15日、2016年1月19日、2016年4月29日及2016年5月31日出售1,095,042,146股可轉換優先股、43,960,645股可轉換優先股、259,263,039股可轉換優先股、280,000,000股可轉換優先股及15,833,333股可轉換優先股。因此，於2017年12月31日，利世發展持有2,704,166,666股可轉換優先股。

3. 於2017年12月31日，本公司之已發行普通股為5,706,670,104股。
4. 於2017年12月31日，周大福代理人有限公司持有400,000,000股股份，其99.80%屬周大福（控股）有限公司持有。而Chow Tai Fook Capital Limited則於周大福（控股）有限公司持有78.58%權益，而Chow Tai Fook Capital Limited由以下各方擁有：(i) Cheng Yu Tung Family (Holdings) Limited擁有48.98%及(ii) Cheng Yu Tung Family (Holdings II) Limited擁有46.65%。

除上文所披露者外，於2017年12月31日，本公司並無獲悉任何其他人士（本公司董事及行政總裁除外）於本公司股份或相關股份中擁有權益或淡倉而記錄於根據證券及期貨條例第336條本公司須予存置之登記冊內。

Connected Transactions

Provision of financial assistance to Zhong Wu Xin He

On 24 August 2016, Hsin Chong Finance Lease (China) Company Limited (the "Finance Lease Company") and Zhong Wu Xin He Property Development Company Limited ("Zhong Wu Xin He") is an associate of Mr. Zhou Wei ("Mr. Zhou") who is an Executive Director, entered into a Sale and Leaseback Agreement, pursuant to which, (i) the Finance Lease Company shall purchase the Properties from Zhong Wu Xin He at a consideration of RMB500,000,000; and (ii) upon the settlement of the first instalment of the purchase price of the Properties of RMB130,000,000 by the Finance Lease Company, the Finance Lease Company shall lease the Properties back to Zhong Wu Xin He for a period of 8 years commencing from 24 August 2016, for an aggregate lease consideration of approximately RMB203,485,214.31 payable semi-annually. The interest rate is calculated on the basis of 12% per annum.

On 25 August 2016, the Finance Lease Company has paid Zhong Wu Xin He RMB129,000,000 (after deducting RMB1,000,000 as security money) as the first instalment of the purchase price of the Properties.

On 15 December 2016, the Finance Lease Company, Zhong Wu Xin He, Hsin Chong Holdings (China) Limited ("Hsin Chong China"), an indirect wholly-owned subsidiary of the Company, and Tianjin Jiu Ding Ke Mao Company Limited entered into the Confirmation Letter, pursuant to which it was confirmed among the parties that (i) the Sale and Leaseback Agreement (including the pledges of the equity interest in Zhong Wu Xin He and the mortgage of the Properties by Zhong Wu Xin He) shall be terminated; (ii) the first instalment of the RMB129,000,000 paid by the Finance Lease Company to Zhong Wu Xin He under the Sale and Leaseback Agreement shall be treated as an unsecured loan provided by the Finance Lease Company to Zhong Wu Xin He; and (iii) the rights of the Finance Lease Company under such loan shall be assigned to Hsin Chong China, a fellow subsidiary of the Finance Lease Company. On the same day, the Finance Lease Company, Hsin Chong China and Zhong Wu Xin He entered into an agreement, pursuant to which, the parties agreed that Zhong Wu Xin He shall repay the loan of RMB129,000,000 which was originally received from the Finance Lease Company under the Sale and Leaseback Agreement to Hsin Chong China before 21 August 2024. The interest rate for the loan of RMB129,000,000 shall be 12% per annum which shall be paid by Zhong Wu Xin He semi-annually.

關連交易

向中物信和提供財務資助

於2016年8月24日，新昌融資租賃(中國)有限公司(「融資租賃公司」)與北京中物信和房地產開發有限公司(「中物信和」)為執行董事周煒先生(「周先生」)之一名聯繫人)訂立售後租回協議，據此(i)融資租賃公司須以人民幣500,000,000元之代價向中物信和購買該等物業；及(ii)於融資租賃公司支付該等物業購買價的首期款項人民幣130,000,000元後，融資租賃公司須於2016年8月24日起的8年期間內將該等物業租回給中物信和，租賃總代價約為人民幣203,485,214.31元，須每半年支付一次。相關利率按年息12%計算。

於2016年8月25日，融資租賃公司已向中物信和支付人民幣129,000,000元(經扣除人民幣1,000,000元作為保證金)作為該等物業購買價之首期款項。

於2016年12月15日，融資租賃公司、中物信和、本公司的一間間接全資附屬公司新昌控股(中國)有限公司(「新昌中國」)及天津九鼎科貿有限公司訂立確認函，據此各方確認：(i)售後租回協議(包括中物信和質押中物信和之股權及抵押該等物業)將告終止；(ii)融資租賃公司根據售後租回協議已向中物信和支付的人民幣129,000,000元首期款項應被視為融資租賃公司向中物信和提供的無抵押貸款；及(iii)融資租賃公司於該筆貸款下的權利應轉讓給融資租賃公司的同系附屬公司新昌中國。同日，融資租賃公司、新昌中國及中物信和訂立一份協議，據此，各方同意中物信和應於2024年8月21日之前向新昌中國償還最初由融資租賃公司根據售後租回協議提供之人民幣129,000,000元之貸款。該筆人民幣129,000,000元之貸款之利率為年息12%，應由中物信和每半年支付一次。

Provision of financial assistance to Beijing Xuan He

On 27 December 2016, Beijing Xuan He, Hsin Chong China and Zhong Wu Xin He entered into the Loan Agreement, pursuant to which Hsin Chong China agreed to advance a loan to Beijing Xuan He in the sum of RMB247,500,000 for a term of period from 28 December 2016 to 12 November 2018. The interest rate for the loan shall be 0.91667% per month payable in four instalments during the term of the loan. The loan together with the unpaid interest may be prepaid in full after the expiry of six months from the commencement date of the term of the loan by giving ten working days notice to Hsin Chong China. Pursuant to the Loan Agreement, Zhong Wu Xin He shall act as the guarantor for Beijing Xuan He.

Listing rules implications

As Zhong Wu Xin He is an associate of Mr. Zhou who is an Executive Director, Zhong Wu Xin He is a connected person of the Company, and Beijing Xuan He is a deemed connected person of the Company within the meaning under the Listing Rules, the entering into of each of the Sale and Leaseback Agreement, the Confirmation Letter, the Cooperation Agreement and the Loan Agreement constitutes connected transaction and the transactions as contemplated thereunder constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios in respect of the Sale and Leaseback Agreement, the Confirmation Letter, the Cooperation Agreement and the Loan Agreement, on an aggregated basis, exceed 5% and the total value of the financial assistance plus the monetary advantage to the connected person is more than HK\$10,000,000, the transactions thereunder constitutes a non-exempt connected transaction for the Company and is therefore subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

For details of the connected transactions mentioned above, please refer to the Company's announcement dated 30 March 2017.

For the relevant 2016 audit issues, the Board established the Independent Investigation Committee in late March 2017 and authorised it to conduct independent investigations thereon.

The Independent Investigation Committee comprises three independent non-executive Directors and it engages P. C. Woo & Co. to provide the independent non-executive Directors with relevant legal advice in respect of the independent investigations. Subsequently, P. C. Woo & Co. engaged Deloitte Advisory (Hong Kong) Limited ("Deloitte") to conduct independent investigations on the audit issues.

向北京宣和提供財務資助

於2016年12月27日，北京宣和、新昌中國及中物信和訂立貸款協議，據此新昌中國同意向北京宣和提供人民幣247,500,000元之貸款，期限為2016年12月28日至2018年11月12日之期間。該貸款之利率為月息0.91667%，於貸款期限內分四期支付。於貸款期限開始日期起滿六個月後可透過向新昌中國發出十個工作日之通知，提前悉數償還貸款連同未支付利息。根據貸款協議，中物信和將擔任北京宣和之擔保人。

上市規則之涵義

由於中物信和為執行董事周先生之聯繫人，中物信和為本公司之關連人士，及北京宣和為本公司之視作關連人士（定義見上市規則），根據上市規則第14A章，訂立各售後租回協議、確認函、合作協議及貸款協議構成關連交易，其項下擬進行之交易構成本公司之關連交易。

由於售後租回協議、確認函、合作協議及貸款協議合併計算之相關適用百分比率超過5%且向關連人士提供之財務資助總值加上金錢利益超過港幣10,000,000元，該等協議項下之交易構成本公司之不獲豁免關連交易，因此須遵守上市規則第14A章之申報、公告及獨立股東批准之規定。

本公司由於疏忽過失未能遵守上市規則第14A.35條項下的申報、公告及獨立股東批准規定，亦未能於簽立相關協議的重要時刻公佈向關連實體提供財務資助。

有關上述關連交易之詳情，謹請參閱本公司日期為2017年3月30日之公告。

就2016年相關審核事項而言，董事會已於2017年3月底成立獨立調查委員會並授權其就此開展獨立調查。

獨立調查委員會由三名獨立非執行董事組成，其委聘胡百全律師事務所就獨立調查向獨立非執行董事提供相關法律意見。其後胡百全律師事務所委聘德勤諮詢（香港）有限公司（「德勤」）就審核事項進行獨立調查。

On 10 January 2018, Deloitte issued the investigation report. For the summary of their main findings and the corresponding recommendations, please refer to the Company's announcements dated 9 January 2018 and 19 January 2018.

The Independent Investigation Committee accepted the factual findings made by Deloitte as documented in the investigation report, based on which the Independent Investigation Committee have issued its report on 15 January 2018 and in which it has made a number of recommendations to the Board for resolving the audit issue.

Refer to the Independent Investigation Committee report, one of the recommendation issue is the termination of the duties and powers of Mr. Zhou within the Group. The Company has resolved to remove Mr. Zhou from his positions as directors in the subsidiaries of the Group and terminated his employment as Chief Strategic Officer with the Group. The employment of Mr. Zhou as the Chief Strategic Officer with the Group was terminated immediately and Mr. Zhou has already tendered resignation as director of the relevant subsidiaries of the Group, which will become effective upon the completion of the registration with the relevant local authorities.

Continuing Connected Transactions

Smart Lane, an indirect wholly-owned subsidiary of the Company has already sold all its shareholding in Synergis Holdings Limited ("Synergis") to Champ Key, the transaction of which was completed on 21 November 2016 ("Completion"). As such, since Synergis is no longer a subsidiary of the Company, the transactions between Synergis and the Company are no longer regarded as connected transactions since 21 November 2016.

於2018年1月10日，德勤發佈調查報告。有關主要的發現及相應的建議概要，請參閱本公司日期為2018年1月9日及2018年1月19日之公告。

獨立調查委員會接納德勤於調查報告記錄的事實發現，據此，獨立調查委員會已於2018年1月15日發佈其報告，其中就解決審核事項向董事會提供一系列推薦建議。

根據獨立調查委員會報告，推薦建議之一是免除周先生於集團內的職責及權力。本公司已決議罷免周先生作為本集團附屬公司董事的職位，並終止僱傭其於本集團擔任首席策略官。本集團立即免去周先生首席策略官的職位，周先生已辭任本集團相關附屬公司的董事職務，並於完成向有關地方當局登記後生效。

持續關連交易

本公司之一間間接全資附屬公司Smart Lane已出售其於新昌管理集團有限公司（「新昌管理」）的全部股權予Champ Key，有關交易已於2016年11月21日完成（「完成」）。因此，由於新昌管理不再為本公司的附屬公司，自2016年11月21日起，本公司與新昌管理之間的交易不再被視為關連交易。

Major Customers and Suppliers

The five largest customers of the Group accounted for 66% (2016: 52%) of the Group's total revenue and the largest customer of the Group accounted for 23% (2016: 19%) of the Group's total revenue for the year.

The 5 largest suppliers of the Group accounted for less than 30% (2016: less than 30%) of the Group's total purchase for the year.

None of the Directors, any of their associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had an interest in any of the Group's five largest customers.

Senior Notes, Bank Loans and Other Borrowings

The particulars of senior notes, bank and other borrowings of the Group as at 31 December 2016 and 31 December 2017 are set out in Notes 30, 32 and 33 to the consolidated financial statements respectively.

Convertible Bonds

On 11 August 2017, the company redeemed all outstanding US\$100 million 6% convertible bonds due 2017 (the "2017 Convertible Bonds") in full at the redemption price equal to 100% of the outstanding principal amount thereof being the outstanding principal amount of US\$2,600,000 of the existing 2017 Convertible Bonds, plus accrued and unpaid interest of US\$30,758. The total redemption price paid by the Company on the redemption date was US\$2,630,758. Further details on redemption of the 2017 Convertible Bonds had been disclosed in the Company's announcement dated 21 August 2017.

主要客戶及供應商

於年內，本集團最大5位客戶佔本集團總收益之66%（2016年：52%），而本集團最大客戶則佔本集團總收益之23%（2016年：19%）。

於年內，本集團最大5位供應商佔本集團之總採購額少於30%（2016年：少於30%）。

董事、任何彼等之聯繫人或股東（據董事所知擁有本公司已發行股本超過5%者）概無於本集團最大5位客戶中擁有任何權益。

優先票據、銀行貸款及其他借貸

本集團於2016年12月31日及2017年12月31日之優先票據、銀行及其他借貸詳情分別載於綜合財務報表附註30、32及33。

可換股債券

於2017年8月11日，本公司已悉數贖回全部尚未償還且於2017年到期的100,000,000美元6厘可換股債券（「2017年可換股債券」），贖回價為該可換股債券尚未償還本金額的100%（即現存2017年可換股債券的未償還本金額2,600,000美元）加應計及未付利息30,758美元。本公司於贖回日期已支付之贖回價總額為2,630,758美元。有關贖回2017年可換股債券之詳情披露於本公司日期為2017年8月21日之公告。

Donations

During the year, donations made by the Group for charitable and other purposes amounted to HK\$35,018 (2016: HK\$157,000).

Purchase, Sale or Redemption of the Company's Listed Securities

Save for disclosed in the "Convertible Bonds" section above, the Company has not purchased, sold or redeemed any of its listed securities during the year ended 31 December 2017.

Related Party Transactions

Significant related party transactions of the Group are set out in Note 38 to the consolidated financial statements. In relation to those related party transactions that also constituted connected transaction or continuing connected transactions of the Group as defined in the Listing Rules, if any, the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with except for the connected transaction disclosed in pages 85 to 87.

Public Float

At the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and to the best of knowledge of its directors.

Auditor

BDO Limited have been appointed as the auditor of the Company with effect from 14 August 2017 to fill the casual vacancy following the retirement of PricewaterhouseCoopers as auditor of the Company which took effect from the conclusion of the annual general meeting of the Company held on 2 June 2017 and did not offer themselves for re-appointment. Save for the above, there has been no other change in the auditors of the Company in any of the preceding three years.

The consolidated financial statements for the year ended 31 December 2017 were audited by BDO Limited who will retire at the forthcoming annual general meeting and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of BDO Limited as auditor of the Company will be proposed in the forthcoming annual general meeting of the Company.

On behalf of the Board

LIN Zhuo Yan

Non-executive Chairman and Non-executive Director

Hong Kong, 23 March 2018

捐款

於年內，本集團為慈善及其他目的所作之捐款為港幣35,018元（2016年：港幣157,000元）。

購買、出售或贖回本公司之上市證券

除上文「可換股債券」一節披露者外，本公司於截至2017年12月31日止年度並無購買、出售或贖回其任何上市證券。

關聯方交易

本集團之重大關聯方交易載於綜合財務報表附註38。如該等關聯方交易亦構成上市規則所界定之本集團關連交易或持續關連交易（如有），本集團已遵守根據上市規則第14A章之相關披露規定，惟第85至87頁所披露的關連交易除外。

公眾持股量

於本報告日期，據本公司所獲得之公開資料及其董事所知悉，本公司已維持上市規則所訂明之公眾持股量。

核數師

香港立信德豪會計師事務所有限公司已獲委任為本公司之核數師，自2017年8月14日起生效，以填補羅兵咸永道會計師事務所退任本公司核數師（自2017年6月2日舉行的本公司股東周年大會結束後生效）且無意膺選連任後之臨時空缺。除上文所述外，於過往三年，本公司之核數師並無其他變動。

截至2017年12月31日止年度的綜合財務報表已由香港立信德豪會計師事務所有限公司審核，而香港立信德豪會計師事務所有限公司將於應屆股東周年大會上退任並合資格且願意膺選連任。續聘香港立信德豪會計師事務所有限公司為本公司核數師的決議案將於本公司應屆股東周年大會上提呈。

代表董事會

非執行主席及非執行董事

林卓延

香港，2018年3月23日



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To the Shareholders of Hsin Chong Group Holdings Limited
(incorporated in Bermuda with limited liability)

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Hsin Chong Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 89 to 199, which comprise the consolidated balance sheet as at 31 December 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Disclaimer of Opinion

(1) Multiple uncertainties relating to going concern

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

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

致新昌集團控股有限公司之股東
(於百慕達註冊成立之有限公司)

無法表示意見

吾等獲委聘審核載於第89頁至199頁的新昌集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,其中包括於2017年12月31日的綜合資產負債表,截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

由於有關持續經營之多項不明朗因素之間的潛在相互影響及其對綜合財務報表可能構成之累計影響,且由於我們如本報告「無法表示意見的基準」一節所述未能取得充分及適當之審核證據,我們不對 貴集團綜合財務報表發表意見。至於所有其他方面,我們認為綜合財務報表已遵照香港公司條例披露規定妥為擬備。

無法表示意見的基準

(1) 有關持續經營的多項不明朗因素

誠如綜合財務報表附註2所述, 貴集團於截至2017年12月31日止年度錄得 貴公司擁有人應佔虧損淨額港幣774,000,000元,以及經營現金流出淨額約港幣2,636,000,000元。於同日, 貴集團借款總額為港幣13,860,000,000元,其中港幣10,582,000,000元分類為流動負債,而其不受限制現金及等同現金項目則僅有港幣784,000,000元。

於2017年12月31日及直至本報告日期, 貴集團已逾期借貸總額分別為港幣1,167,000,000元及港幣1,932,000,000元,但 貴集團於本報告日期前並未取得償還該等結餘的延期。該等未延期逾期借貸須於貸款人要求時即時償還。此外,就 貴集團於2017年12月31日總額合共為港幣3,798,000,000元的借貸而言, 貴集團未達到相關借貸協議中契約所載的若干財務比率。倘上述情況根據相關借貸協議構成或成為違約事件(包括交叉違約條款項下者),則可能導致於2017年12月31日的總借貸金額港幣6,463,000,000元(其中總金額港幣3,256,000,000元原有合約還款日期為2018年12月31日之後)變為須立即償還,上述金額港幣3,256,000,000元可能被相應地劃分為流動負債。該等條件顯示存有重大不確定性,或會使 貴集團的持續經營能力存在重大疑問。

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

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

貴公司董事已採取多項措施，以改善 貴集團的流動性及財務狀況，並補救若干延後向金融機構還款的問題，有關資料載於綜合財務報表附註2。綜合財務報表乃按持續經營業務基準編製，其有效性取決於該等措施的結果，而有關結果受制於多項不確定事項，包括(i)就尚欠借款（包括已逾期償還本金及利息）與貸款人成功磋商達成重續或延展還款安排；(ii)於需要時成功獲得新的資金來源；(iii)成功實施及加快其物業、機器及設備及租賃土地、投資物業、發展中物業及持有待售已落成物業的出售計劃，包括及時簽立正式出售協議、及時收回出售所得款項及就 貴集團的尚未出售項目成功遞延資本開支；(iv)於佛山成功預售若干住宅單位以產生現金流入；(v)成功與 貴集團現有貸款人進行磋商，使相關貸款人不會因任何違反貸款契諾或任何違約，包括該等交叉違約條款，而採取行動要求即時償還所拖欠的借款；及(vi)成功與 貴集團供應商維持關係，尤其是有關 貴集團建造業務及物業發展項目的供應商，使該等供應商在 貴集團未能及時滿足所有還款責任的情況下不會對 貴集團採取行動。

貴公司的前核數師並無就 貴公司截至2016年12月31日止年度的綜合財務報表（「貴公司2016年財務報表」）發表審核意見，此乃由於上述多項有關持續經營的不明朗因素與 貴公司2016年財務報表的潛在累積影響的相互作用以及對核數師執行審計程序的範圍之其他限制所致。 貴集團截至2017年12月31日及截至本報告日期的財務狀況，以及 貴公司董事為改善 貴集團的財務狀況而採取的措施（於上文概述）與截至2016年12月31日及截至 貴公司2016年財務報表的核數師報告日期者大致相同。截至2017年12月31日，多項不明朗因素尚未解決，該等因素可能對綜合財務報表產生重大且全面的潛在累積影響。

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

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

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

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

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

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

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

倘若 貴集團未能實現上述計劃及措施，則未必能繼續按持續經營基準經營，將會作出調整以將 貴集團的資產的賬面值撇減至其可實現淨額，就可能產生的任何進一步負債計提撥備，及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響尚未在綜合財務報表內反映。

(2) 有關 貴公司前任執行董事周煒先生及其關聯實體的交易及結餘

在回應以下事宜方面，我們在審核截至2017年12月31日止年度之綜合財務報表的過程中遇到了各種限制。

(i) 有關若干北京物業的融資安排

貴集團全資附屬公司（「附屬公司A」）、周煒先生（「周先生」）與由周先生及其關聯方間接擁有的一間中華人民共和國（「中國」）註冊成立公司（「周先生公司A」）訂立一組協議（「協議A」），該等協議尚未完整及全面執行。根據協議A，周先生公司A須向 貴集團按代價人民幣500,000,000元出售若干於中國北京的物業（「北京物業」）。根據協議A， 貴集團須於滿足若干條件後作出第一期分期付款人民幣130,000,000元，其中人民幣129,000,000元已於2016年8月由附屬公司A向周先生公司A支付。

附屬公司A、周先生及周先生公司A已訂立另一組協議（「完整協議A」），與協議A相同並已完整及全面執行。根據附屬公司A、 貴集團另一全資附屬公司（「附屬公司B」）與周先生公司A簽訂的其他文件（「其他文件」），由於附屬公司A並無根據協議A提供剩餘資金人民幣370,000,000元，故協議A獲終止。此外，附屬公司A已墊付之人民幣129,000,000元之結餘被視作向周先生公司A所作的無抵押貸款，按年利率12%計息並須於2024年8月21日前償付。

該餘款人民幣129,000,000元已於 貴集團2016年12月31日之綜合資產負債表入賬為非流動資產項下之「應收賬款及預付金」。

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

(ii) Cooperation agreement in relation to the BJ Properties

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

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

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

於2017年12月31日，貸款人民幣129,000,000元已結轉至 貴集團之綜合資產負債表入賬為非流動資產項下之「應收賬款及預付金」。利息收入人民幣16,000,000元已於 貴集團截至2017年12月31日止年度之綜合收益表入賬。應收利息人民幣16,000,000元已於 貴集團2017年12月31日之綜合資產負債表入賬為流動資產項下之「應收賬款及預付金」。

(ii) 有關若干北京物業的合作協議

貴集團另一全資附屬公司（「附屬公司C」）與由周先生關聯方所擁有的另一中國註冊成立公司（「周先生公司B」）簽訂合作協議（連同由附屬公司C、周先生公司A及周先生簽訂的擔保協議統稱「協議B」）。根據協議B，作為周先生公司B提供若干服務的代價，附屬公司C須向周先生公司B支付總額人民幣247,500,000元。附屬公司C分別於2016年12月29日及2017年1月13日支付人民幣126,200,000元及人民幣121,300,000元予周先生間接擁有的另一公司，該等款項由一間中國金融機構於2016年12月28日向 貴集團所提供的長期貸款融資人民幣420,000,000元進行撥付。根據相關貸款協議，周先生公司A已同意向該金融機構質押北京物業作為提供給附屬公司C的貸款融資人民幣420,000,000元之抵押。

根據另一項協議（「協議C」），協議B隨後被終止及貸款協議（「協議D」）已獲訂立，據此，依據協議B於2017年1月13日作出的付款總額人民幣247,500,000元被視為附屬公司C授予周先生公司B的貸款：貸款期限由2016年12月28日至2018年11月12日，按月利率0.91667%計息。

於2016年12月31日，第一筆付款人民幣126,200,000元已於 貴集團2016年12月31日之綜合資產負債表入賬為非流動資產項下之「應收賬款及預付金」。截至2016年12月31日止年度並無於綜合收益表確認任何損益。

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

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

- (i) ascertain the business rationale and commercial substance, occurrence, accuracy, completeness and presentation of these transactions and the related balances as at and during the year ended 31 December 2017; and
- (ii) whether the effects of these transactions have been properly accounted for and disclosed, including the accuracy and completeness of any related party transaction disclosures.

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

Directors' Responsibilities for the Consolidated Financial Statements

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

於2017年12月31日，付款總額人民幣247,500,000元已於貴集團之綜合資產負債表入賬為流動資產項下之「應收賬款及預付金」。利息收入人民幣27,000,000元已於貴集團截至2017年12月31日止年度之綜合收益表確認。應收利息人民幣27,000,000元已於貴集團2017年12月31日之綜合資產負債表入賬為流動資產項下之「應收賬款及預付金」。

然而，貴公司董事無法向我們提供該等交易於交易日期或之前已獲適當批准之充分書面證明，且彼等未能提供有關該等交易商業理據及商業實質之令人信納之一致解釋。我們亦無法向對手方取得必要的佐證，以證實該等交易的性質及相關未償還結餘。由於上述範圍限制，我們並無可執行之替代審核程序，令我們無法信納以下各項：

- (i) 確定於2017年12月31日及截至該日止年度內該等交易及相關結餘之商業理據及商業實質、發生、準確性、完整性及呈報；及
- (ii) 該等交易之影響是否已妥為入賬及披露，包括任何關聯方交易披露之準確性及完整性。

貴公司前任核數師並無就貴公司之2016年財務報表發表審核意見，原因為彼等有關該等與周先生及其關聯實體之間的交易及結餘的審核程序存在範圍限制。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告》準則及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2016, were audited by another auditor who expressed a disclaimer of opinion on those statements on 18 April 2017.

BDO Limited

Certified Public Accountants

Au Yiu Kwan

Practising Certificate Number P05018

Hong Kong, 23 March 2018

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

董事亦須負責監督 貴集團的財務報告過程。審核委員會就此協助董事履行其職責。

核數師就審計綜合財務報表須承擔的責任

吾等之責任為根據香港會計師公會頒佈的香港核數準則對 貴集團的綜合財務報表進行審核並刊發核數師報告。吾等根據百慕達1981年《公司法》第90條僅向閣下（作為整體）報告，除此之外本報告別無其他目的。吾等並不就本報告的內容向任何其他人士負上或承擔任何責任。

然而，由於本報告「無法表示意見的基準」一節所述事項，吾等未能取得充分及適當之審計證據作為就該等綜合財務報表發表審計意見的基準。

根據香港會計師公會的「專業會計師道德守則」（「守則」），吾等獨立於 貴集團，並已遵循守則履行其他道德責任。

其他事項

貴集團截至2016年12月31日止年度的綜合財務報表乃由另一名核數師審核，其於2017年4月18日就該等報表發表無法表示意見。

香港立信德豪會計師事務所有限公司

執業會計師

歐耀均

職業證書號碼P05018

香港，2018年3月23日

Consolidated Income Statement

綜合收益表

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

		Notes 附註	2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Continuing operations	持續經營業務			
Revenue	收益	5	6,302,374	9,823,216
Cost of sales	銷售成本	10	(6,137,310)	(9,366,767)
Gross profit	毛利		165,064	456,449
Other losses, net	其他虧損淨額	7	(20,278)	(1,106,159)
Fair value gain/(loss) on investment properties	投資物業公允值收益/(虧損)	18	707,268	(883,925)
Provision for impairment of properties under development	發展中物業減值撥備	8	(361,383)	(1,924,025)
Net exchange loss	匯兌虧損淨額		(25,978)	(101,899)
Selling and general administrative expenses	銷售及一般行政開支		(600,031)	(507,182)
Amortisation of intangible assets	無形資產攤銷	19	(21,040)	(12,340)
Interest income	利息收入		48,845	12,101
Interest expenses	利息開支	9	(369,999)	(154,465)
Share of loss of an associated company	應佔一間聯營公司虧損	21	(477,532)	(4,221,445)
			-	(52,015)
Loss before taxation	除稅前虧損	10	(477,532)	(4,273,460)
Taxation	稅項	14	(93,206)	1,350,866
Loss for the year from continuing operations	來自持續經營業務的本年度虧損		(570,738)	(2,922,594)
Discontinued operation	已終止經營業務			
Gain on disposal of a subsidiary	出售一間附屬公司之收益	6	-	185,915
Profit for the year from discontinued operation	來自已終止經營業務的本年度溢利	6	-	24,493
			-	210,408
Loss for the year	本年度虧損		(570,738)	(2,712,186)
(Loss)/profit attributable to: Equity holders of the Company	應佔(虧損)/溢利: 本公司權益持有人		(774,382)	(2,733,500)
Non-controlling interests	非控股權益		203,644	21,314
			(570,738)	(2,712,186)
(Loss)/profit attributable to equity holders of the Company: Continuing operations	本公司權益持有人應佔(虧損)/溢利: 持續經營業務		(774,382)	(2,936,129)
Discontinued operation	已終止經營業務		-	202,629
			(774,382)	(2,733,500)
Loss per share from continuing operations (HK cents)	來自持續經營業務之每股虧損(港幣仙)			
Basic	基本	15	(13.6)	(52.6)
Diluted	攤薄	15	(13.6)	(52.6)
Earnings per share from discontinued operation (HK cents)	來自已終止經營業務之每股盈利(港幣仙)			
Basic	基本	15	-	3.6
Diluted	攤薄	15	-	3.6

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Loss for the year	本年度虧損	(570,738)	(2,712,186)
Other comprehensive income	其他全面收益		
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類為損益之項目：</i>		
Actuarial loss on retirement benefit obligations	退休福利責任之精算虧損	(666)	(101)
Fair value gain on leasehold land and building	租賃土地及樓宇之公允值收益	32,924	117,548
Deferred tax on fair value gain of leasehold land and building	租賃土地及樓宇公允值收益之遞延稅項	(5,432)	(19,395)
Release of deferred tax upon disposal of leasehold land and building	出售租賃土地及樓宇時撥回遞延稅項	108,711	-
<i>Items that may be subsequently reclassified to profit or loss:</i>	<i>其後可能重新分類為損益之項目：</i>		
Fair value loss on available-for-sale financial asset	可供出售財務資產之公允值虧損	(1,821)	(1,877)
Deferred tax on fair value loss of available-for-sale financial asset	可供出售財務資產公允值虧損之遞延稅項	455	469
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	1,034,878	(1,034,216)
Other comprehensive income for the year, net of tax	本年度經扣除稅項後之其他全面收益	1,169,049	(937,572)
Total comprehensive income for the year, net of tax	本年度經扣除稅項後之全面收益總額	598,311	(3,649,758)
Total comprehensive income attributable to:	應佔全面收益總額：		
Equity holders of the Company	本公司權益持有人	347,941	(3,631,959)
Non-controlling interests	非控股權益	250,370	(17,799)
		598,311	(3,649,758)

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2017
於2017年12月31日

		Notes 附註	2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Non-current assets	非流動資產			
Property, plant and equipment and leasehold land	物業、機器及設備及租賃土地	17	2,486,922	3,010,816
Investment properties	投資物業	18	11,317,718	9,597,022
Intangible assets	無形資產	19	186,018	194,200
Goodwill	商譽	20	–	–
Available-for-sale financial asset	可供出售之財務資產	23	27,964	29,785
Receivables and prepayments	應收賬款及預付金	26	534,203	661,070
Deferred tax assets	遞延稅項資產	29	5,044	9,056
			14,557,869	13,501,949
Current assets	流動資產			
Properties under development	發展中物業	24	15,916,556	13,429,518
Stocks and contracting work-in-progress	存貨及興建中工程	25	2,007,585	2,395,934
Receivables and prepayments	應收賬款及預付金	26	2,524,837	3,063,363
Amounts due from non-controlling interests	應收非控股權益款項	27	2,250	267
Amounts due from other partners of joint operations	應收共同經營之其他合作夥伴款項	22	8,369	8,041
Tax recoverable	可收回稅項		7,277	–
Deposits, cash and cash equivalents	存款、現金及等同現金項目	28	784,137	411,147
Restricted cash	受限制現金	28	395,454	627,416
			21,646,465	19,935,686
Current liabilities	流動負債			
Bank overdrafts	銀行透支		–	(25,216)
Bank loans	銀行貸款	30	(1,039,886)	(2,329,735)
Convertible bonds	可換股債券	34	–	(44,696)
Other borrowings	其他借貸	32	(7,224,732)	(4,151,612)
Senior notes	優先票據	33	(2,317,069)	–
Payables and accruals	應付賬款及應計費用	31	(5,583,736)	(6,011,998)
Amounts due to other partners of joint operations	應付共同經營之其他合作夥伴款項	22	(44,772)	(22,847)
Financial derivative liability	金融衍生工具負債	34	–	(183)
Current tax liabilities	當期稅項負債		(89,180)	(81,827)
			(16,299,375)	(12,668,114)
Net current assets	流動資產淨值		5,347,090	7,267,572
Total assets less current liabilities	總資產減流動負債		19,904,959	20,769,521

Consolidated Balance Sheet

綜合資產負債表

		Notes 附註	2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Non-current liabilities	非流動負債			
Other borrowings	其他借貸	32	(2,115,044)	(1,610,389)
Senior notes	優先票據	33	(1,141,161)	(3,417,715)
Private bonds	私募債券	32	(21,903)	–
Long service payment liabilities	長期服務金負債	35	(2,943)	(2,157)
Deferred tax liabilities	遞延稅項負債	29	(4,918,922)	(4,632,585)
Total non-current liabilities	非流動負債總計		(8,199,973)	(9,662,846)
Net assets	資產淨值		11,704,986	11,106,675
Equity	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔資本及儲備			
Share capital	股本	36	1,141,084	1,141,084
Other reserves	其他儲備		9,391,099	8,937,241
Retained profits	保留溢利		340,868	446,785
Proposed dividends	擬派股息	16	–	–
Non-controlling interests	非控股權益	46	10,873,051	10,525,110
			831,935	581,565
Total equity	權益總計		11,704,986	11,106,675

The financial statements on pages 89 to 199 were approved by the Board of Directors on 23 March 2018 and were signed on its behalf.

第89至199頁之財務報表已經由董事會於2018年3月23日批准並由下列董事代表簽署。

Joseph CHOI Kin Hung

蔡健鴻

Executive Director and Chief Executive Officer

執行董事兼行政總裁

Wilfred WU Shek Chun

鄔碩晉

Executive Director and Chief Risk Officer

執行董事兼首席風險官

Consolidated Statement of Cash Flows

綜合現金流量表

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

		Note	2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
		附註		
Operating activities	經營活動			
Net cash outflow from operations	經營之現金流出淨額	42	(730,097)	(310,800)
Interest received	已收利息		2,606	12,206
Interest paid	已付利息		(1,895,598)	(986,769)
Tax paid	已付稅項		(34,282)	(58,186)
Long service payment	長期服務金		(86)	(793)
Net advance from other partners of joint operations	共同經營之其他合作夥伴之墊款淨額		21,597	9,868
Net cash outflow from operating activities	經營活動之現金流出淨額		(2,635,860)	(1,334,474)
Investing activities	投資活動			
Acquisition of a non-wholly owned subsidiary	收購一間非全資附屬公司		–	249
Release of time deposit over three months	三個月以上定期存款之解除		449	316
Investment in an associate	於一間聯營公司之投資		–	(52,994)
Increase in amount due from a shareholder of an associate	應收一間聯營公司之一名股東之款項增加		–	(156,044)
Purchase of property, plant and equipment and leasehold land	購買物業、機器及設備及租賃土地		(96,543)	(42,838)
Purchase of intangible assets	購買無形資產		(217)	(544)
Additions of investment properties	添置投資物業		(242,538)	(740,986)
Deposits refunded/(paid)	已退還/(已付)按金		200,011	(528,415)
Increase in receivables	應收賬款之增加		(140,284)	(150,572)
Proceeds from disposal of property, plant and equipment and leasehold land	出售物業、機器及設備及租賃土地所得款項		752,567	319
Net cash receipt from disposal of a subsidiary	來自出售一間附屬公司收取之現金淨額		–	190,088
Net cash inflow/(outflow) from investing activities	投資活動之現金流入/(流出)淨額		473,445	(1,481,421)

Consolidated Statement of Cash Flows

綜合現金流量表

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Financing activities	融資活動		
Deposits paid	已付按金	(144,764)	(35,163)
Deposits refunded	已退還按金	23,711	-
Decrease/(increase) in receivables	應收賬款之減少／(增加)	529,954	(535,058)
Drawdown of bank loans	提取銀行貸款	329,636	1,400,606
Repayment of bank loans	償還銀行貸款	(1,620,267)	(2,627,871)
Proceeds from issuance of shares by Synergis to non-controlling interests upon exercise of share options	因行使認股權而新昌管理向非控股權益發行股份所得款項	-	389
Dividends paid to non-controlling interests	已派予非控股權益股息	-	(7,148)
Net proceeds from issuance of senior notes	來自發行優先票據之所得款項淨額	-	1,106,501
Net proceeds from issuance of private bonds	來自發行私募債券之所得款項淨額	21,357	-
Redemption of convertible bonds	贖回可換股債券	(20,151)	(733,943)
Repurchase of shares	購回股份	-	(7,583)
Drawdown of other borrowings	提取其他借貸	10,013,128	5,269,050
Repayment of other borrowings	償還其他借貸	(6,819,785)	(1,582,383)
(Decrease)/increase in bank overdrafts	銀行透支(減少)／增加	(25,216)	25,216
Decrease/(increase) in restricted deposits	受限制存款減少／(增加)	231,962	(500,604)
Net cash inflow from financing activities	融資活動之現金流入淨額	2,519,565	1,772,009
Increase/(decrease) in cash and cash equivalents	現金及等同現金項目增加／(減少)	357,150	(1,043,886)
Cash and cash equivalents at the beginning of the year	於年初之現金及等同現金項目	404,716	1,462,716
Exchange gain/(loss) on cash and cash equivalents	現金及等同現金項目之匯兌收益／(虧損)	16,289	(14,114)
Cash and cash equivalents at the end of the year	於年末之現金及等同現金項目	778,155	404,716
Analysis of the balances of cash and cash equivalents:	現金及等同現金項目結存之分析：		
Bank balances and cash – unrestricted	銀行結存及現金 – 不受限制	784,137	411,147
Less: Time deposit over three months	減：三個月以上定期存款	(5,982)	(6,431)
Cash and cash equivalents at the end of the year	於年末之現金及等同現金項目	778,155	404,716

Consolidated Statement of Changes In Equity

綜合權益變動表

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

		Share capital	Share premium	Exchange reserve	Capital redemption and general reserve	Special reserve	Revaluation reserve	Share options reserve	Convertible bonds and warrants equity reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	匯兌儲備	資本贖回及普通儲備	特別儲備	重估儲備	認股權儲備	可換股債券及認股權儲備	其他儲備	保留溢利	總計	非控股權益	權益總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2017	於2017年1月1日	1,141,084	9,906,163	(1,877,092)	15,864	332,046	537,351	13,035	9,874	-	446,785	10,525,110	581,565	11,106,675
(Loss)/profit for the year	本年度(虧損)/溢利	-	-	-	-	-	-	-	-	-	(774,382)	(774,382)	203,644	(570,738)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial loss on retirement benefit obligations	退休福利責任之精算虧損	-	-	-	-	-	-	-	-	-	(666)	(666)	-	(666)
Fair value gain on leasehold land and building	租賃土地及樓宇之公允價值收益	-	-	-	-	-	32,924	-	-	-	-	32,924	-	32,924
Deferred tax on fair value gain of leasehold land and building	租賃土地及樓宇公允價值收益之遞延稅項	-	-	-	-	-	(5,432)	-	-	-	-	(5,432)	-	(5,432)
Release of deferred tax upon disposal of leasehold land and building	出售租賃土地及樓宇時撥回遞延稅項	-	-	-	-	-	108,711	-	-	-	-	108,711	-	108,711
Fair value loss on available-for-sale financial assets	可供出售財務資產之公允價值虧損	-	-	-	-	-	(1,821)	-	-	-	-	(1,821)	-	(1,821)
Deferred tax on fair value loss of available-for-sale financial asset	可供出售財務資產公允價值虧損之遞延稅項	-	-	-	-	-	455	-	-	-	-	455	-	455
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	988,152	-	-	-	-	-	-	-	988,152	46,726	1,034,878
Total comprehensive income	全面收益總額	-	-	988,152	-	-	134,837	-	-	-	(775,048)	347,941	250,370	598,311
Transfer of revaluation reserve upon disposal of the leasehold land and building	於出售租賃土地及樓宇時轉撥重估儲備	-	-	-	-	-	(658,857)	-	-	-	658,857	-	-	-
Transfer upon maturity of convertible bonds	於可換股債券到期時轉撥	-	-	-	-	-	-	-	(9,874)	-	9,874	-	-	-
Transfer upon share options lapsing	因認股權失效而轉撥	-	-	-	-	-	-	(400)	-	-	400	-	-	-
		-	-	-	-	-	(658,857)	(400)	(9,874)	-	669,131	-	-	-
At 31 December 2017	於2017年12月31日	1,141,084	9,906,163	(888,940)	15,864	332,046	13,331	12,635	-	-	340,868	10,873,051	831,935	11,704,986

Consolidated Statement of Changes In Equity

綜合權益變動表

		Share capital	Share premium	Exchange reserve	Capital redemption and general reserve	Special reserve	Revaluation reserve	Share options reserve	Convertible bonds and warrants equity reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	匯兌儲備	資本贖回及普通儲備	特別儲備	重估儲備	認股權儲備	可換股債券及認股權儲備	其他儲備	保留溢利	總計	非控股權益	權益總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2016	於2016年1月1日	1,084,335	9,440,807	(881,989)	14,420	588,716	440,606	17,117	-	75,314	3,109,814	13,889,140	658,231	14,547,371
(Loss)/profit for the year	本年度(虧損)/溢利	-	-	-	-	-	-	-	-	-	(2,733,500)	(2,733,500)	21,314	(2,712,186)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial loss on retirement benefit obligations	退休福利責任之精算虧損	-	-	-	-	-	-	-	-	-	(101)	(101)	-	(101)
Fair value gain on leasehold land and building	租賃土地及樓宇之公允價值收益	-	-	-	-	-	117,548	-	-	-	-	117,548	-	117,548
Deferred tax on fair value gain of leasehold land and building	租賃土地及樓宇公允價值收益之遞延稅項	-	-	-	-	-	(19,395)	-	-	-	-	(19,395)	-	(19,395)
Fair value loss on available-for-sale financial assets	可供出售財務資產之公允價值虧損	-	-	-	-	-	(1,877)	-	-	-	-	(1,877)	-	(1,877)
Deferred tax on fair value loss of available-for-sale financial asset	可供出售財務資產公允價值虧損之遞延稅項	-	-	-	-	-	469	-	-	-	-	469	-	469
Exchange differences arising translation of foreign operations	換算海外業務產生之匯兌差額	-	-	(995,103)	-	-	-	-	-	-	-	(995,103)	(39,113)	(1,034,216)
Total comprehensive income	全面收益總額	-	-	(995,103)	-	-	96,745	-	-	-	(2,733,601)	(3,631,959)	(17,799)	(3,649,758)
Issue of consideration preference shares	發行代價優先股	55,510	446,702	-	-	(256,670)	-	-	-	-	-	245,542	-	245,542
Issue of shares upon conversion of convertible bonds	因轉換可換股債券而發行股份	2,683	18,654	-	-	-	-	-	-	-	-	21,337	-	21,337
Recognition of equity component upon issuance of convertible bonds	於發行可換股債券時 確認權益部分	-	-	-	-	-	-	-	9,874	-	-	9,874	-	9,874
Cancellation on repurchase of shares	購回股份之註銷	(1,444)	-	-	1,444	-	-	-	-	-	(7,583)	(7,583)	-	(7,583)
Issue of shares by Synergis to non-controlling interests upon exercise of share options	因行使認股權而新昌管理 向非控股權益發行股份	-	-	-	-	-	-	(110)	-	-	-	(110)	499	389
Acquisition of a non-wholly owned subsidiary	收購一間非全資附屬公司	-	-	-	-	-	-	-	-	-	-	-	249	249
Transfer upon share options lapsing	因認股權失效而轉撥	-	-	-	-	-	-	(4,043)	-	-	4,051	8	(8)	-
Equity settled share-based transactions	以股份為基礎之股權結算交易	-	-	-	-	-	-	71	-	-	-	71	(2)	69
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	-	-	-	-	(75,314)	75,307	(7)	(53,843)	(53,850)
Change in ownership interest in a subsidiary without loss of control	於一間失去控制權之附屬公司之 擁有權益變動	-	-	-	-	-	-	-	-	-	(1,203)	(1,203)	1,386	183
Dividends paid	已派股息	-	-	-	-	-	-	-	-	-	-	-	(7,148)	(7,148)
		56,749	465,356	-	1,444	(256,670)	-	(4,082)	9,874	(75,314)	70,572	267,929	(58,867)	209,062
At 31 December 2016	於2016年12月31日	1,141,084	9,906,163	(1,877,092)	15,864	332,046	537,351	13,035	9,874	-	446,785	10,525,110	581,565	11,106,675

Notes:

- (i) Capital redemption reserve was created during the repurchase of shares of HK\$1,444,000 and nil in 2016 and 2017 respectively. General reserve amounts to HK\$10,000,000.
- (ii) Special reserves comprise:
- (a) the difference between the fair value of the consideration, net of deferred taxation and fair value of acquiring land parcels in Tieling, the People's Republic of China (the "PRC"). This reserve will be recognised through the retained profits upon the earlier of the disposal of the subsidiaries or the disposal by the subsidiaries of the assets to which it relates, in proportion to the percentage the Group disposes.
- (b) the convertible preference shares issued on 15 January and 26 April 2016 for settling part of the consideration for acquiring the properties in Foshan, the PRC in 2016.
- (iii) Revaluation reserve comprises the fair value change, net of deferred tax, on leasehold land and building held for own use and available-for-sale financial asset.
- (iv) Other reserves were arisen from the Group's reorganisation and realignment of business activities.

On 30 November 2012, the Company completed the disposal of Interiors & Special Projects division to Driven Power Management Limited ("Driven Power"), a wholly owned subsidiary of Synergis Holdings Limited ("Synergis"), a separately listed subsidiary of the Company. The transaction was accounted for as a transaction with non-controlling interests.

As part of the settlement of the consideration, Synergis issued 58,666,667 convertible preference shares ("CPS") to the Company. In determining the Group's economic interest in Synergis after the transaction, management has taken into account the rights of the CPS holders, among other things, potential voting rights and the same entitlement to dividends and other distributions as the ordinary shareholders, and that a holder of the CPS is entitled to the return of capital in priority of ordinary shares in case of winding up of Synergis. Accordingly, the Group's economic interest in Synergis increased from 50.94% to 58.31% and the gain on disposals to non-controlling interests of HK\$77,664,000 was recognised in equity.

On 21 November 2016, the Group had disposed its subsidiary, Synergis, and the related other reserves had been transferred to retained profits.

附註：

- (i) 於2016年及2017年因購回股份而分別產生港幣1,444,000元及港幣零元之資本贖回儲備。普通儲備達港幣10,000,000元。
- (ii) 特別儲備包括：
- (a) 收購於中華人民共和國（「中國」）鐵嶺地塊的代價公允值（扣除遞延稅項）與取得地塊之公允值的差額。此儲備將於出售該等附屬公司時，或該等附屬公司出售所涉及的資產時（以較早者為準），按本集團出售的比例，透過保留溢利確認。
- (b) 就清償於2016年收購中國佛山之物業之部分代價於2016年1月15日及4月26日發行之可轉換優先股。
- (iii) 重估儲備包括持作自用之租賃土地及樓宇及可供出售財務資產經扣除遞延稅項後之公允值變動。
- (iv) 其他儲備因本集團重組及業務活動調整而產生。

於2012年11月30日，本公司完成向Driven Power Management Limited（「Driven Power」，為Synergis Holdings Limited（新昌管理集團有限公司*（「新昌管理」，本公司之獨立上市附屬公司）的全資擁有附屬公司）出售室內裝飾及特殊項目分部。該項交易入賬作為與非控股權益之交易。

作為償付代價的一部分，新昌管理向本公司發行58,666,667股可轉換優先股（「可轉換優先股」）。於完成交易後釐定本集團於新昌管理的經濟權益時，管理層已計及可轉換優先股持有人的權利，當中包括潛在投票權及與普通股持有人享有同等權利獲得股息及其他分派，而倘新昌管理清盤，可轉換優先股持有人相對普通股持有人有權優先取回資本。因此，本集團於新昌管理的經濟權益由50.94%增至58.31%，而出售予非控股權益的港幣77,664,000元收益則於權益中確認。

於2016年11月21日，本集團出售其附屬公司新昌管理，相關之其他儲備轉撥至保留溢利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1. General information

Hsin Chong Group Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") are engaged in building construction, civil engineering, electrical and mechanical installation, property development and investment.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The Company has its primary listing on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in thousands of Hong Kong dollars (HK\$'000), unless otherwise stated, and were approved for issue by the Board of Directors of the Company on 23 March 2018.

2. Summary of significant accounting policies

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

(a) Basis of preparation

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

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(i) Going concern basis

For the year ended 31 December 2017, the Group reported loss attributable to the owners of the Company of HK\$774 million (2016: HK\$2,734 million) and had a net operating cash outflow of HK\$2,636 million (2016: HK\$1,334 million). Total borrowings increased from HK\$11,580 million as at 31 December 2016 to HK\$13,860 million as at 31 December 2017, of which HK\$10,582 million (2016: HK\$6,551 million) were classified as current liabilities, while its unrestricted cash and cash equivalents amounted to HK\$784 million only.

1. 一般資料

新昌集團控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)從事樓宇建造、土木工程、機電安裝工程、物業發展及投資。

本公司為於百慕達註冊成立的有限責任公司。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda。本公司以香港聯合交易所有限公司(「聯交所」)主板作第一上市。

除另有列明外，綜合財務報表以港幣千元為單位列示，並已於2018年3月23日獲本公司董事會批准刊發。

2. 主要會計政策概要

編製該等綜合財務報表所採納之主要會計政策載列如下。除另有說明外，該等政策已於所有呈報年度貫徹應用。

(a) 編製基準

綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用的香港財務報告準則(「香港財務報告準則」)及歷史成本慣例編製，並已就按公允值列賬之投資物業重估、於香港之租賃土地及樓宇、可供出售之財務資產及金融衍生工具作出修訂。

在遵照香港財務報告準則編製財務報表時，須採用若干重大會計估計，管理層亦須在應用本集團會計政策之過程中作出判斷。涉及較高水平判斷或較複雜之範圍或對綜合財務報表屬重大之假設及估計範圍已於附註4披露。

(i) 持續經營基準

截至2017年12月31日止年度，本集團錄得本公司擁有人應佔虧損港幣774,000,000元(2016年：港幣2,734,000,000元)以及經營現金流出淨額港幣2,636,000,000元(2016年：港幣1,334,000,000元)。總借貸由2016年12月31日之港幣11,580,000,000元增加至2017年12月31日之港幣13,860,000,000元，其中港幣10,582,000,000元(2016年：港幣6,551,000,000元)分類為流動負債，而未受限制的現金及等同現金項目僅為港幣784,000,000元。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) Going concern basis (continued)

As at 31 December 2017 and up to the date of the approval of these consolidated financial statements, total borrowings of the Group in aggregate of HK\$1,167 million and HK\$1,932 million were overdue respectively but the Group has not been able to obtain extension of repayment of such balances prior to the date of approval of these consolidated financial statements. These overdue borrowings without extension would be immediately repayable if and when requested by the lenders.

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

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

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

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

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

(i) 持續經營基準 (續)

於2017年12月31日及直至批准該等綜合財務報表當日，本集團總額分別為港幣1,167,000,000元及港幣1,932,000,000元的借貸已逾期，但本集團於批准該等綜合財務報表當日前尚未取得償還該等結餘的延期。該等並無獲延期的逾期借貸將於貸款人要求時須即時償還。

此外，就本集團於2017年12月31日總額為港幣3,798,000,000元的借貸而言，本集團未能達到相關借貸協議中契約所載的若干財務比率。

倘上述情況根據相關借貸協議構成或成為違約事件（包括交叉違約條款項下者），則可能導致於2017年12月31日的最高總借貸金額港幣6,463,000,000元（其中總金額港幣3,256,000,000元原有合約還款日期為2018年12月31日之後）變為須立即償還，及所述金額港幣3,256,000,000元或因此須分類為流動負債。

所有上述條件顯示存有重大不確定性，或會對本集團的持續經營能力構成重大疑問。鑒於有關情況，本公司董事已審慎考慮本集團未來的流動資金及表現及其可用資金來源，以評估本集團是否擁有充足財務資源進行持續經營。本集團已採取若干措施減輕流動資金壓力及提升本集團之財務狀況，包括但不限於以下各項：

- (i) 本集團已積極與多間商業銀行及其他金融機構進行磋商，以重續及延長銀行及其他借貸以及信貸融資。具體而言，本集團正積極與貸款人協商延長逾期借貸的還款期，以及獲豁免遵守若干借貸的貸款協議所載的若干限制性契約；

2. Summary of significant accounting policies (continued)**(a) Basis of preparation** (continued)**(i) Going concern basis** (continued)

- (ii) In addition, the Group is identifying various options for financing the Group's working capital and commitments in the foreseeable future by obtaining facilities from shareholders, issuance of shares and debt instruments;
- (iii) The Group has accelerated its disposal plan of its property, plant and equipment and leasehold land, investment properties, properties under development and completed properties held for sale ("Group Properties"). Apart from selling the Group Properties, the Group expects to launch pre-sales of certain residential units in Foshan, which are expected to improve the Group's operating cash inflow in 2018; and
- (iv) The Group will continue to take active measures to control administrative costs through various channels including human resources optimisation and management remuneration adjustment and containment of capital expenditures.

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

2. 主要會計政策概要 (續)**(a) 編製基準** (續)**(i) 持續經營基準** (續)

- (ii) 此外，本集團正在透過從股東獲得融資、發行股份及債務工具物色各類本集團於可預見未來營運資金及承擔的融資選擇；
- (iii) 本集團已加快其物業、機器及設備及租賃土地、投資物業、發展中物業及持作出售之已落成物業（「本集團物業」）的出售計劃。除出售本集團物業外，本集團預期於預售佛山若干住宅單位後，本集團於2018年的經營現金流入將得到改善；及
- (iv) 本集團將繼續採取積極措施透過各種渠道控制行政成本（包括人力資源優化及管理層薪酬調整及節省資本開支）。

董事已審閱管理層編製之本集團現金流量預測。該現金流量預測涵蓋自2017年12月31日起計的不少於十二個月期間。彼等認為，經考慮上述計劃及措施，本集團於2017年12月31日起計十二個月內將擁有充足的營運資金為其經營業務撥資及滿足其到期的財務承擔。因此，董事信納按持續經營基準編製綜合財務報表屬適當。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) Going concern basis (continued)

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

- (i) Successful negotiations with the lenders for the renewal of or extensions for repayments of outstanding borrowings, including those with overdue principals and interests;
- (ii) Successful obtaining of additional new sources of financing as and when needed;
- (iii) Successful implementation and acceleration of its disposal plan of the Group Properties, including timely execution of definitive sales agreements and timely collection of the disposal proceeds, and the successful deferral of capital expenditures for the Group's unsold projects;
- (iv) Successful pre-sales of certain residential units in Foshan so as to general operating cash inflows;
- (v) Successful negotiation with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings in any breach of loan covenants or default, including those with cross-default terms; and
- (vi) Successful maintenance of relationship with the suppliers of the Group, in particular those in relation to the Group's construction business and the property development projects such that no actions will be taken by those suppliers against the Group should the Group not be able to meet all the payment obligations on a timely basis.

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

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

(i) 持續經營基準 (續)

儘管有以上所述，惟本公司管理層能否實現上述計劃及措施仍存有重大不確定性。本集團是否能持續經營將視乎本集團透過以下方式產生充足融資及經營現金流量的能力而定：

- (i) 與貸款人成功進行磋商，將未償還借貸（包括逾期本金及利息）重續或延長還款期；
- (ii) 於需要時成功獲得新的資金來源；
- (iii) 成功實施及加快本集團物業的出售計劃，包括及時簽訂最終銷售協議並及時收取出售所得款項，以及成功遞延本集團未出售項目之資本開支；
- (iv) 成功預售佛山的部分住宅單位，以產生充足的經營現金流入；
- (v) 成功與本集團之現有貸款人磋商，使相關貸款人將不會採取行動要求即時償還任何違反貸款契諾或違約的借貸，包括附帶交叉違約條款者；及
- (vi) 成功與本集團的供應商維持關係，尤其是該等與本集團之建造業務及物業發展項目有關者，使該等供應商在本集團未能按時履行付款責任的情況下將不會針對本集團採取行動。

倘若本集團未能實現上述計劃及措施，則未必能繼續按持續經營業務基準經營，並將會作出調整以將本集團資產的賬面值撇減至其可收回金額，以就可能產生的任何進一步負債作出撥備，及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響尚未在該等綜合財務報表內反映。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (ii) Adoption of new/revised HKFRSs – effective on 1 January 2017

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

Amendments to HKAS 7 – Disclosure initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the note supporting consolidated statement of cash flows, Note 43.

Amendments to HKAS 12 – Recognition of deferred tax assets for unrealised losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no impact on these financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

Annual improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 12, disclosure of interests in other entities

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 12, Disclosure of interests in other entities, to clarify that the disclosure requirements of HKFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity's interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5, Non-current assets held for sale and discontinued operations.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (ii) 採納新訂／經修訂香港財務報告準則—自2017年1月1日起生效

香港會計準則第7號 (修訂本)	披露計劃
香港會計準則第12號 (修訂本)	為未變現虧損確認遞延稅項資產
香港財務報告準則2014年-2016年週期的年度改進	香港財務報告準則第12號 (修訂本), 披露其他實體權益

香港會計準則第7號 (修訂本) – 披露計劃

有關修訂引入一項額外披露, 將使財務報表使用者能夠評價融資活動產生的負債變動。

採納有關修訂導致綜合現金流量表補充附註 (附註43) 呈列額外內容。

香港會計準則第12號 (修訂本) – 為未變現虧損確認遞延稅項資產

有關修訂乃與確認遞延稅項資產有關及澄清若干必要考慮, 包括如何將以公允值計量的債務工具相關的遞延稅項資產入帳。

由於澄清處理方法與本集團以往確認遞延稅項資產之方式一致, 故採納修訂並無對該等財務報表產生影響。

香港財務報告準則2014年-2016年週期的年度改進 – 香港財務報告準則第12號 (修訂本), 披露其他實體權益

年度改進過程中頒佈之修訂是對多項準則目前尚不明確的部分進行小幅的、非緊急之修訂。其中包括對香港財務報告準則第12號披露其他實體權益之修訂, 該修訂澄清, 除披露財務資料摘要的規定外, 香港財務報告準則第12號的披露規定亦適用於實體根據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被劃分為持作出售或已終止經營業務的於其他實體之權益。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (ii) Adoption of new/revised HKFRSs – effective on 1 January 2017 (continued)
Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 12, Disclosure of interests in other entities (continued)
The adoption of the amendments to HKFRS 12 has no impact on these financial performance and position of the Group as the amendments affect only disclosure. In addition, there is no interests in other entities classified as held for sale or discontinued operations at the end of the reporting period.
- (iii) New/revised HKFRSs that have been issued and are relevant to the Group but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted in preparing these consolidated financial statements

Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards ¹
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKAS 28, investments in associates and joint ventures ¹
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions ¹
HKFRS 9	Financial instruments ¹
HKFRS 15	Revenue from contracts with customers ¹
Amendments to HKFRS 15	Revenue from contracts with customers (clarifications to HKFRS 15) ¹
Amendments to HKAS 40	Transfers of investment property ¹

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (ii) 採納新訂／經修訂香港財務報告準則—自2017年1月1日起生效 (續)
香港財務報告準則2014年-2016年週期的年度改進—香港財務報告準則第12號 (修訂本)，披露其他實體權益 (續)
因為修訂僅影響披露內容，故採用香港財務報告準則第12號修訂本對該等財務表現及本集團之狀況並無影響。此外，概無於報告期末於分類為持作出售或已終止經營之其他實體內擁有權益。
- (iii) 已頒佈及與本集團相關，但尚未於2017年1月1日開始之財政年度生效且於編製此等綜合財務報表時並無提早採用之新訂／經修訂香港財務報告準則

香港財務報告準則 2014年-2016年週期的年度改進	香港財務報告準則第1號首次採用香港財務報告準則的修訂 ¹
香港財務報告準則 2014年-2016年週期的年度改進	香港會計準則第28號於聯營公司及合營企業之投資之修訂 ¹
香港財務報告準則第2號 (修訂本)	以股份支付交易的分類和計量 ¹
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	與客戶之合約收益 ¹
香港財務報告準則第15號 (修訂本)	與客戶之合約收益 (澄清香港財務報告準則第15號) ¹
香港會計準則第40號 (修訂本)	轉讓投資物業 ¹

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (iii) New/revised HKFRSs that have been issued and are relevant to the Group but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted in preparing these consolidated financial statements (continued)

HK(IFRIC)-Int 22	Foreign currency transactions and advance consideration ¹
Amendments to HKFRS 9	Prepayment features with negative compensation ²
Amendments to HKAS 28	Clarifies that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using HKFRS 9 Financial Instruments ²
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to: HKFRS 3, business combinations; HKFRS 11 joint arrangements; HKAS 12, income taxes; and HKAS 23 borrowing costs ²
HKFRS 16	Leases ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³

- 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 The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 已頒佈及與本集團相關，但尚未於2017年1月1日開始之財政年度生效且於編製此等綜合財務報表時並無提早採用之新訂／經修訂香港財務報告準則 (續)

香港 (國際財務報告 詮釋委員會) — 詮釋第22號	外幣交易及 預付代價 ¹
香港財務報告準則 第9號 (修訂本)	反向補償提前還款 特徵 ²
香港會計準則 第28號 (修訂本)	澄清根據香港財務 報告準則第9號 金融工具，公司 就聯營公司或 合營企業之長期 利益入賬不使用 權益法 ²
香港財務報告準則 2015年-2017年 週期的年度改進	以下各項的修訂 本：香港財務 報告準則第3號業 務合併；香港財 務報告準則第11 號合營安排；香 港會計準則第12 號所得稅；及香 港會計準則第23 號借貸成本 ²
香港財務報告準則 第16號	租賃 ²
香港 (國際財務報告 詮釋委員會) — 詮釋第23號	所得稅處理的不確 定性 ²
香港財務報告準則 第10號及香港會計 準則第28號 (修訂本)	投資者與其聯營公 司或合營企業之 間的資產出售或 注資 ³

- ¹ 2018年1月1日或之後開始之年度期間生效
² 2019年1月1日或之後開始之年度期間生效
³ 該等修訂本原訂於2016年1月1日或之後開始
的期間生效。生效日期現已延遲／刪除。有
關修訂繼續獲允許提前應用。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (iii) New/revised HKFRSs that have been issued and are relevant to the Group but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted in preparing these consolidated financial statements (continued)

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, removing transition provision exemptions relating to accounting periods that had already passed and were therefore no longer applicable.

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKAS 28, Investments in Associates and Joint Ventures

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 28, Investments in Associates and Joint Ventures, clarifying that a venture capital organisation's permissible election to measure its associates or joint ventures at fair value is made separately for each associate or joint venture.

Amendments to HKFRS 2 – Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

HKFRS 9 – Financial Instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial instruments: Recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 已頒佈及與本集團相關，但尚未於2017年1月1日開始之財政年度生效且於編製此等綜合財務報表時並無提早採用之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則2014年-2016年週期的年度改進 – 香港財務報告準則第1號首次採用香港財務報告準則的修訂

年度改進過程中頒佈的修訂是對多項準則目前尚不明確的部分進行小幅的、非緊急的修訂。其中包括對香港財務報告準則第1號首次採用香港財務報告準則的修訂，該修訂刪去了與已結束會計期間有關的因而不適用之過渡條文豁免。

香港財務報告準則2014年-2016年週期的年度改進 – 香港會計準則第28號於聯營公司及合營企業之投資之修訂

年度改進過程中頒佈的修訂是對多項準則目前尚不明確的部分進行小幅的、非緊急的修訂。其中包括對香港會計準則第28號於聯營公司及合營企業之投資之修訂，該修訂澄清風險資本組織可選擇按公允值計量聯營公司或合營企業，而該選擇以逐間聯營公司或合營企業為基礎作出。

香港財務報告準則第2號 (修訂本) – 以股份支付交易的分類和計量

該修訂對以下方面的會計處理作出規定：歸屬及非歸屬條件對以現金結算的以股份支付交易的計量的影響；具有以淨額結算代扣稅款義務特徵的以股份支付交易；以及對以股份支付交易的條款和條件的修改使交易的分類從以現金結算改為以權益結算的情況。

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號將取代有關金融工具會計處理的現有準則香港會計準則第39號，金融工具：確認及計量。香港財務報告準則第9號引進分類及計量財務資產、計算財務資產減值及對沖會計處理的新規定。另一方面，香港財務報告準則第9號納入且並無大幅改動香港會計準則第39號有關確認及終止確認金融工具及財務負債分類的規定。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (iii) New/revised HKFRSs that have been issued and are relevant to the Group but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted in preparing these consolidated financial statements (continued)

HKFRS 9 – Financial Instruments (continued)

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018.

Expected impacts of the new requirements on the Group's financial statements are as follows:

(a) Classification and measurement

Financial assets

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss ("FVTPL") and (3) fair value through other comprehensive income ("FVTOCI") as follows:

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then effective interest, impairments and gains/losses on disposal will be recognised in profit or loss.
- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

The Group has assessed that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 已頒佈及與本集團相關，但尚未於2017年1月1日開始之財政年度生效且於編製此等綜合財務報表時並無提早採用之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第9號—金融工具 (續)

香港財務報告準則第9號按追溯基準於2018年1月1日或之後開始的年度期間生效。本集團計劃使用重列比較資料的豁免，並將確認就於2018年1月1日的期初股權結餘作出的任何過渡調整。

新規定對本集團財務報表的預期影響如下：

(a) 分類及計量

財務資產

香港財務報告準則第9號載有三個主要財務資產分類類別：(1)以攤銷成本計量、(2)按公允值計入損益（「按公允值計入損益」）及(3)按公允值計入其他全面收益（「按公允值計入其他全面收益」），現載列如下：

- 債務工具的分類按實體管理財務資產的商業模式及該資產的合約現金流量特性釐定。倘債務工具分類為按公允值計入其他全面收益，則實際利息、減值及出售的收益／虧損將會於損益內確認。
- 就股本證券而言，其分類為按公允值計入損益（不論實體的業務模式）。唯一例外為倘股本證券並非持作買賣，則該實體不可撤回地選擇將該證券指定為按公允值計入其他全面收益。倘股本證券指定為按公允值計入其他全面收益，則僅有該證券的股息收入將會於損益內確認。該證券的收益、虧損及減值將會在其他全面收益內確認（不可轉回）。

本集團已評估其目前按攤銷成本計量及按公允值計入損益的財務資產將會於採納香港財務報告準則第9號後繼續沿用彼等各自的分類及計量。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (iii) New/revised HKFRSs that have been issued and are relevant to the Group but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted in preparing these consolidated financial statements (continued)

HKFRS 9 – Financial Instruments (continued)

- (a) Classification and measurement (continued)

Financial assets (continued)

With respect to the Group's financial assets currently classified as "available-for-sale", these are investments in equity securities which the Group may classify as either FVTPL or irrevocably elect to designate as FVTOCI (without recycling) on transition to HKFRS 9.

At 31 December 2017, the Group held available-for-sale equity investments at FVTOCI amounted to HK\$27,964,000 (Note 23). The Group plans to recognise any fair value changes in respect of all the available-for-sale equity investments in profit or loss (i.e. FVTPL) as they arise.

For those available-for-sale are measured at FVTOCI, this change in policy will have no impact on the Group's net assets and total comprehensive income, but will increase volatility in profit or loss in 2018.

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. While the Group is in the process of assessing the extent of impact on the impairment provisions under HKFRS 9, it is expected that the application of the expected credit loss model may result in earlier recognition of credit losses which are not yet incurred in relation to the Group's trade and other receivables. The directors of the Company anticipate that the adoption of HKFRS 9 would not have material impact on the results and financial position of the Group based on management's assessment performed so far.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 已頒佈及與本集團相關，但尚未於2017年1月1日開始之財政年度生效且於編製此等綜合財務報表時並無提早採用之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第9號 – 金融工具 (續)

- (a) 分類及計量 (續)

財務資產 (續)

就本集團目前分類為「可供出售」的財務資產而言，其為本集團可能分類為按公允值計入損益或在過渡到香港財務報告準則第9號時不可撤回地選擇指定為按公允值計入其他全面收益（不可轉回）的於股本證券的投資。

於2017年12月31日，本集團持有按公允值計入其他全面收益計的可供出售股本投資為港幣27,964,000元（附註23）。本集團計劃於可供出售股本投資出現任何公允值變動時，於損益確認所有可供出售股本投資的公允值變動（即按公允值計入損益）。

就該等按公允值計入其他全面收益計量的可供出售項目而言，此項政策改變將不會對本集團的資產淨值及全面收益總額造成影響，但將會增加2018年損益的波動性。

香港財務報告準則第9號的新減值模式以「預期信貸虧損」模式取代香港會計準則第39號的「已產生虧損」模式。根據預期信貸虧損模式，其將不再需要在確認減值虧損前發生虧損事件。相反，一間實體須確認並計量為十二個月的預期信貸虧損或可使用年期內的預期信貸虧損，惟視乎資產、事實及情況而定。本集團現正評估根據香港財務報告準則第9號對減值撥備的影響程度，預期應用預期信貸虧損模式可能會導致提早確認尚未發生且與本集團的貿易及其他應收賬款有關之信貸虧損。根據管理層目前所進行的評估，本公司董事預期應用香港財務報告準則第9號將不會對本集團的業績及財務狀況產生重大影響。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (iii) New/revised HKFRSs that have been issued and are relevant to the Group but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted in preparing these consolidated financial statements (continued)

HKFRS 9 – Financial Instruments (continued)

- (a) Classification and measurement (continued)

Financial liabilities

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of an financial liability designated at FVTPL that is attributable to changes of that financial liability's credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement will not have any impact on the Group on adoption of HKFRS 9.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 已頒佈及與本集團相關，但尚未於2017年1月1日開始之財政年度生效且於編製此等綜合財務報表時並無提早採用之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第9號 – 金融工具 (續)

- (a) 分類及計量 (續)

財務負債

香港財務報告準則第9號項下財務負債的分類及計量規定與香港會計準則第39號無重大變化，惟香港財務報告準則第9號規定除外：指定為按公允值計入損益的財務負債的公允值變動，倘該變動乃因財務負債本身的信貸風險變化所引致，則須於其他全面收益確認，而不得重新分類至損益。本集團目前並無任何指定為按公允值計入損益的財務負債，故於採納香港財務報告準則第9號時，此項新規定可能不會對本集團產生任何影響。

香港財務報告準則第15號 – 與客戶之合約收益

有關新訂準則設立單一收益確認框架。框架的主要原則為實體應確認收益，以說明實體按反映交換商品及服務預期所得代價的金額向客戶轉讓所承諾商品或服務。香港財務報告準則第15號取代現有收益確認指引，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。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (iii) New/revised HKFRSs that have been issued and are relevant to the Group but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted in preparing these consolidated financial statements (continued)

HKFRS 15 – Revenue from Contracts with Customers (continued)

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

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

The Group has assessed that its contracts with customers fulfil the criteria for recognising revenue over time under HKFRS 15. Methods that can be used under HKFRS 15 to measure the Group's progress towards complete satisfaction of a performance obligation satisfied over time include (i) output method (i.e. recognise revenue on the basis of direct measurement of the value to the customer of the entity's performance to date); and (ii) input method (i.e. recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation).

In measuring the work progress under the new revenue standard, the Group considers that an output method with reference to progress certificates issued by customers and any adjustment, where it is necessary and can be objectively determined, on the work progress would appropriately depict the transfer of control of goods or services to customers for individual projects under the new standard. So far as the measurement of progress for the Group's typical contracts is concerned, the Group does not expect the adoption of HKFRS 15 would significantly affect the financial position and performance based on the assessment performed so far.

While the Group continues to assess the potential impact of the new revenue standard, our management currently does not expect the adoption of HKFRS 15 would have a significant impact on how it recognises revenue and costs from contracts with reference to the Group's typical contracts. The extent of impact on the Group's financial position and performance upon initial adoption of HKFRS 15 would depend on the progress of and facts specific to the Group's individual contracts. The Group expects that the adoption of HKFRS 15 will result in additional disclosures in the Group's financial statements.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 已頒佈及與本集團相關，但尚未於2017年1月1日開始之財政年度生效且於編製此等綜合財務報表時並無提早採用之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第15號 – 與客戶之合約收益 (續)

香港財務報告準則第15號規定確認收入所應用的五個步驟：

- 第1步：識別與客戶所訂立的合約
- 第2步：識別合約的履約責任
- 第3步：釐定交易價格
- 第4步：分配交易價格至各履約責任
- 第5步：於履行各履約責任時確認收益

本集團已評估其與客戶的合約達致根據香港財務報告準則第15號隨著時間確認收益的標準。香港財務報告準則第15號項下用於計量本集團進度直至履約責任達致完全滿意時的方法包括(i)產量法(即按直接計量迄今為止實體履約客戶之價值的基準確認收益)；及(ii)投入法(即按實體達至履約責任的盡力或投入基準確認收益)。

於根據新收益標準計量工程進度時，本集團認為產量法(經參考客戶發出的進展證書及對工程進度的任何調整(倘其必要及可客觀地釐定))可根據新標準就個別項目適當描述客戶的貨品或服務的轉移。就本集團代表性合約的進度計量而言，根據迄今為止進行的評估，本集團預計採納香港財務報告準則第15號不會影響我們的財務狀況及業績。

當本集團繼續評估新收益準則的潛在影響時，我們的管理層經參考本集團的一般合約後，目前預期採用香港財務報告準則第15號不會對確認收益及合約成本之方式產生重大影響。初步採用香港財務報告準則第15號對本集團財務狀況及表現的影響程度將取決於本集團個別合約的進度及特定情況。本集團預期採用香港財務報告準則第15號將導致本集團之財務報表作出額外披露。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (iii) New/revised HKFRSs that have been issued and are relevant to the Group but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted in preparing these consolidated financial statements (continued)

Amendments to HKFRS 15 – Revenue from Contracts with customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

Amendments to HKAS 40 – Transfers of Investment Property

The amendments clarify that to transfer to or from investment properties there must be a change in use and provides guidance on making this determination. The clarification states that a change of use will occur when a property meets, or ceases to meet, the definition of investment property and there is supporting evidence that a change has occurred.

The amendments also re-characterise the list of evidence in the standard as a non-exhaustive list, thereby allowing for other forms of evidence to support a transfer.

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

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 已頒佈及與本集團相關，但尚未於2017年1月1日開始之財政年度生效且於編製此等綜合財務報表時並無提早採用之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第15號 (修訂本) – 與客戶之合約收益 (澄清香港財務報告準則第15號)

香港財務報告準則第15號的修訂本包括澄清對履約責任的識別；應用委託人及代理人的比較；知識產權許可；及過渡規定。

香港會計準則第40號 (修訂本) – 轉讓投資物業

該修訂本澄清投資物業的轉入及轉出都必須存在用途改變，並就釐定用途有否改變提供指引。澄清述明，倘物業符合或不再符合投資物業之定義及有證據證明用途改變，則出現用途改變。

該修訂本亦將該準則中的證據清單重新定性為非詳盡清單，因此，其他形式的證據亦可證明轉撥。

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

該詮釋對用於確定涉及以外幣支付或收取預付代價及確認非貨幣性資產或非貨幣性負債的交易匯率的交易日提供了指引。該詮釋指出，用於確定初始確認相關資產、費用或收益 (或其中一部分) 時的匯率的交易日，是實體由於支付或收取預付代價而初始確認非貨幣性資產或非貨幣性負債的日期。

香港財務報告準則第9號的修訂 – 反向補償提前還款特徵

該修訂澄清，在符合特定條件的情況下，具有反向補償提前還款特徵的財務資產可按攤銷成本或按公允值計入其他全面收益的方式計量，而不是按公允值計入損益的方式計量。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (iii) New/revised HKFRSs that have been issued and are relevant to the Group but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted in preparing these consolidated financial statements (continued)

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the consolidated statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As at 31 December 2017, the Group’s total future minimum lease payments under non-cancellable operating lease of HK\$105,028,000 as disclosed in Note 40. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding lease liability in respect of all the leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirement may result changes in measurement, presentation and disclosure as indicated above.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 已頒佈及與本集團相關，但尚未於2017年1月1日開始之財政年度生效且於編製此等綜合財務報表時並無提早採用之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第16號 – 租賃

香港財務報告準則第16號由生效日期起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人須就所有租賃期超過12個月的租賃確認資產及負債，除非相關資產為低值資產則作別論。具體而言，根據香港財務報告準則第16號，承租人須確認代表其有權使用相關租賃資產的權利的資產（即使用權資產）及代表其有責任支付租賃付項的負債（即租賃負債）。因此，承租人應確認使用權資產的折舊及租賃負債的利息，並將租賃負債的現金還款分類為本金部分及利息部分，並於綜合現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定將行使選擇權續租或行使選擇權終止租賃的情況下，將於選擇權期間內作出的付款。上述會計處理方法與原準則即香港會計準則第17號項下分類為經營租賃的租賃承租人的會計處理方法顯著不同。

就出租人會計處理而言，香港財務報告準則第16號大致繼承了香港會計準則第17號的出租人會計處理規定。因此，出租人將繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同的會計處理。

誠如附註40所披露，於2017年12月31日，本集團有根據不可撤銷經營租賃的未來最低租賃付款總額為港幣105,028,000元。初步評估顯示該等安排將符合香港財務報告準則第16號租賃的定義，因此，於採用香港財務報告準則第16號後，本集團將就所有租賃確認租賃的使用權資產及相應租賃負債，惟符合低值或短期租賃者除外。此外，應用新規定可能會導致上文所述之計量、呈列及披露出現變動。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (iii) New/revised HKFRSs that have been issued and are relevant to the Group but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted in preparing these consolidated financial statements (continued)

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. Except as described above, the directors of the Company anticipate that the application of other new and amendments to HKFRSs and an interpretation will have no material impact on the Group's financial performance and positions and/or the disclosures to the financial statements of the Group.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 已頒佈及與本集團相關，但尚未於2017年1月1日開始之財政年度生效且於編製此等綜合財務報表時並無提早採用之新訂／經修訂香港財務報告準則 (續)

香港 (國際財務報告詮釋委員會) – 詮釋第23號 – 所得稅處理的不確定性

該詮釋是針對香港會計準則第12號所得稅的規定，就如何反映所得稅會計處理中的不確定性影響提供指引。

根據該詮釋，實體必須確定是單獨考慮每項稅務處理的不確定性，還是結合一項或多項其他稅務處理的不確定性一併考慮，這取決於哪種方法能夠更好地預測不確定性的解決方式。實體還應假設稅務機關會核查其有權核查的金額並在核查時完全知悉所有相關資料。倘實體釐定稅務機關很可能會接受不確定的稅務處理，則實體應按與其稅務申報一致的方式計量即期及遞延稅項。否則，釐定稅項涉及的不確定性應採用「最可能金額」或「預期值」兩種方法中能更好地預測不確定性解決方式的方法來反映。

香港財務報告準則第10號及香港會計準則第28號 (修訂本) – 投資者與其聯營或合營企業之間的資產出售或注資

有關修訂澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認的收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務的資產，則僅須就不相關投資者於合營企業或聯營公司的權益確認收益或虧損。

本集團已開始評估採納上述準則及修訂本對本集團現有準則的影響。除上述者外，本公司董事預期應用其他新訂香港財務報告準則及其修訂本以及詮釋將不會對本集團的財務表現及狀況及／或本集團財務報表的披露資料有任何重大影響。

2. Summary of significant accounting policies (continued)

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2017.

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

(i) Business Combinations

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

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in consolidated income statement. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

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

2. 主要會計政策概要 (續)

(b) 綜合賬

綜合財務報表包括本公司及其所有附屬公司截至2017年12月31日止之財務報表。

附屬公司指本集團對其有控制權之所有實體(包括結構性實體)。當本集團因參與實體而面臨或有權享有可變回報,且能夠透過其對實體的控制權影響相關回報時,本集團控制著有關實體。附屬公司於其控制權轉移至本集團當日綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

(i) 業務合併

本集團應用收購會計法將業務合併入賬。收購附屬公司之收購轉讓代價為所轉讓之資產、被收購方前擁有人所產生之負債及本集團所發行之股本權益之公允值。轉讓代價包括或然代價安排所產生之任何資產或負債之公允值。在業務合併過程中所收購之可辨別資產,所承擔之負債及或然負債,均於收購當日按其公允值作出初步計量。於彌償項目確認為被收購方之負債的同時及按相同基準,彌償資產確認為收購方之資產。本集團可就個別收購基準按公允值或依據非控股權益應佔被收購方之已確認可辨別資產淨值之比例,確認任何於被收購方之非控股權益。

收購相關成本於產生時列支。

本集團所轉讓的任何或然代價按收購當日的公允值確認。被視為一項資產或負債的或然代價公允值後續變動,將按照香港會計準則第39號於綜合收益表確認。分類為權益的或然代價毋須重新計量,而其後結算於權益入賬。

所轉讓代價,於被收購方的任何非控股權益金額及任何先前於被收購方的股本權益於收購日期的公允值高於所收購可辨別資產淨值的公允值時,其差額以商譽列賬。就議價購買而言,如轉讓代價、已確認非控股權益及先前持有的權益總額低於所收購附屬公司資產淨值的公允值,其差額將直接在綜合收益表中確認為收益。

2. Summary of significant accounting policies (continued)**(b) Consolidation** (continued)**(i) Business Combinations** (continued)

For purchase of subsidiaries which constitutes a purchase of assets rather than a business combination, the assets and liabilities acquired are accounted for in accordance with the relevant accounting policies for the assets and liabilities rather than the acquisition method of accounting.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated unless the transaction provides evidence of an impairment of transferred asset. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) Changes in ownership interests in subsidiaries without change of control

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

(iii) Disposal of subsidiaries

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

2. 主要會計政策概要 (續)**(b) 綜合賬** (續)**(i) 業務合併** (續)

倘收購附屬公司構成收購資產而非業務合併，則所取得的資產及負債根據處理資產及負債的相關會計政策，而非收購會計法入賬。

公司間交易、集團公司間交易之結餘及未變現盈虧已對銷，除非交易提供證據證明所轉讓的資產出現減值。於必要時，附屬公司所呈報之金額已經作出調整，以符合本集團之會計政策。

(ii) 在不改變控制權的情況下，附屬公司之擁有權益變動

不導致失去控制權之非控股權益交易入賬列作權益交易—即以彼等為擁有人之身份與附屬公司擁有人進行交易。任何已付代價公允值與所收購相關應佔附屬公司資產淨值賬面值之差額列作權益。向非控股權益出售之盈虧亦列作權益。

(iii) 出售附屬公司

本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公允值重新計量，有關賬面值變動在綜合收益表確認。就其後入賬列作聯營公司、合資公司或財務資產的保留權益，其公允值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味著先前在其他全面收益確認的金額重新分類至綜合收益表。

2. Summary of significant accounting policies (continued)

(c) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures; depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. For the joint arrangements that specify that the parties to the joint arrangements have rights to the assets and obligations to the liabilities relating to the joint arrangements, they are classified as joint operations. For the remaining joint arrangements, they are classified as joint ventures.

(d) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to consolidated income statement where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the consolidated income statement.

2. 主要會計政策概要 (續)

(c) 共同安排

於共同安排之投資分類為共同經營業務或合營企業，乃根據各投資方之合約權利及責任（而非共同安排之法定架構）進行分類。就闡明共同安排訂約方對有關共同安排的資產擁有權利而對有關共同安排的負債負有義務的共同安排而言，其被分類為共同經營業務。就剩餘的共同安排而言，其被分類為合營企業。

(d) 聯營公司

聯營公司指本集團對其有重大影響力而無控制權的實體，通常附帶有20%-50%投票權的股權。聯營公司投資以權益會計法入賬。根據權益法，投資初步以成本確認，而賬面值會進行增加或調減以確認投資者應佔的被投資方在收購日期後的損益。本集團於聯營公司的投資包括收購時已識別的商譽。在收購聯營公司擁有權時，聯營公司成本與本集團應佔聯營公司可識別資產及負債的公允值淨額的差額確認為商譽。

如聯營公司的擁有權減少但仍保留重大影響力，則僅按比例將之前在其他全面收益中確認的數額重新分類至綜合收益表（如適當）。

本集團應佔的收購後損益於綜合收益表確認，而其應佔收購後的其他全面收益變動則於其他全面收益內確認，並相應調整投資賬面值。如本集團應佔一家聯營公司的虧損等於或超過其在該聯營公司的權益（包括任何其他無抵押應收款項），本集團不會確認進一步虧損，除非本集團已產生法律或推定責任或已代聯營公司作出付款。

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團會計算減值，數額為聯營公司可收回數額與其賬面值的差額，並在綜合收益表中於「使用權益法入賬的應佔投資溢利」旁確認。

2. Summary of significant accounting policies (continued)**(d) Associates** (continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK dollars"), which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in other comprehensive income.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each consolidated income statement are translated at average exchange rates; and
- all resulting currency translation differences are recognised in other comprehensive income.

2. 主要會計政策概要 (續)**(d) 聯營公司** (續)

本集團與其聯營公司之間的上下游交易產生的溢利及虧損於本集團財務報表確認，惟以非相關投資者於聯營公司的權益為限。除非交易能證明所轉讓資產已減值，否則未變現虧損將予對銷。聯營公司的會計政策已於必要時作出變動以確保與本集團採納之政策一致。

(e) 外幣換算**(i) 功能及呈報貨幣**

本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以本公司之功能貨幣及本集團之呈報貨幣港幣（「港幣」）呈列。

(ii) 交易及結餘

外幣交易均按交易當日之通行匯率換算為功能貨幣。因上述交易結算及以外幣計值之貨幣資產及負債按結算日之匯率兌換而產生之匯兌盈虧，均於綜合收益表確認。

非貨幣性財務資產（例如分類為可供出售之權益）之換算差額計入其他全面收益內。

(iii) 集團公司

集團旗下所有實體如持有與呈報貨幣不一致之功能貨幣，當中並無任何公司持有嚴重通脹之經濟體系貨幣，其業績和財務狀況均按以下方法換算為呈報貨幣：

- 每項資產負債表之資產及負債均按照該資產負債表結算日之收市匯率換算為呈報貨幣；
- 每項綜合收益表之收入和開支均按照平均匯率換算為呈報貨幣；及
- 所有產生之匯兌差額均於其他全面收益確認。

2. Summary of significant accounting policies (continued)**(e) Foreign currency translation (continued)****(iii) Group companies (continued)**

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

On consolidation, currency translation differences arising from the translation of the net investment in foreign entities, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

(f) Intangible assets**(i) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

(ii) Trademarks and trade names

Separately acquired trademarks and trade names are shown at historical cost. Trademarks and trade names acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks and trade names that have a finite useful life are carried at cost less accumulated amortisation.

Trademarks that have indefinite useful lives are not amortised. They are subject to impairment testing annually and whenever there is an indication that it may be impaired.

2. 主要會計政策概要 (續)**(e) 外幣換算 (續)****(iii) 集團公司 (續)**

因收購海外實體而產生之商譽及公允價值調整，均作為海外實體之資產與負債處理，並按收市匯率換算。所產生之匯兌差額乃於其他全面收益確認。

在綜合入賬時，換算海外實體投資淨額而產生之匯兌差額，均列入股東權益內。當出售海外業務時，此等匯兌差額將於綜合收益表內確認為出售收益或虧損之一部分。

(f) 無形資產**(i) 商譽**

商譽指收購成本高出收購日本集團所佔收購附屬公司之可辨認淨資產公允價值之金額。商譽每年進行減值測試，並按成本減累積減值虧損列賬。商譽之減值虧損不會撥回。計算出售實體之盈虧包括與該已出售實體相關之商譽賬面值。

就減值測試而言，商譽會被分配至現金產生單位，分配乃根據按營業分類所識別、預期可從有關業務合併中得益之現金產生單位或現金產生單位組別。

(ii) 商標及商號名稱

獨立購入之商標及商號名稱按歷史成本列賬。在業務合併中購入之商標及商號名稱按收購日之公允價值確認。

具有有限可使用年期之商標及商號名稱均按成本減累積攤銷列賬。

沒有指定可使用年期之商標不作攤銷。但每年或當有跡象顯示其可能減值時會進行減值測試。

2. Summary of significant accounting policies (continued)**(f) Intangible assets (continued)****(iii) Secured contracts**

Secured contracts acquired in a business combination are recognised at fair value at the acquisition date. The secured contracts have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the contracts of 5 years.

(iv) Client relationships

Client relationships acquired in a business combination are recognised at fair value at the acquisition date. The client relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the client relationships of 9 years.

(v) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and to use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

2. 主要會計政策概要 (續)**(f) 無形資產 (續)****(iii) 取得合約**

在業務合併中購入之取得合約按收購日之公允值確認。取得合約具有有限可使用年期，並按成本減累積攤銷列賬。攤銷乃根據預計5年可使用合約期以直線法計算。

(iv) 客戶關係

在業務合併中購入之客戶關係按收購日之公允值確認。客戶關係具有有限可使用年期，並按成本減累積攤銷列賬。攤銷乃根據客戶關係之預計9年可使用年期以直線法計算。

(v) 電腦軟件

與維修電腦軟件程式相關的成本已於產生時確認為開支。設計及測試由集團控制的、可識別及獨有軟件產品直接應佔之開發成本於符合下列條件時確認為無形資產：

- 在技術上完成該軟件產品以使其可供使用是可行的；
- 管理層有意完成及使用或出售該軟件產品；
- 有能力使用或出售該軟件產品；
- 可證實該軟件產品如何產生很有可能出現的未來經濟利益；
- 有足夠的技術、財務和其他資源完成開發及使用或出售該軟件產品；及
- 該軟件產品在開發期內應佔的開支能可靠地計量。

可資本化成為軟件產品一部分的直接應佔成本包括軟件開發的員工成本和適當比例的相關經常開支。

2. Summary of significant accounting policies (continued)

(f) Intangible assets (continued)

(v) Computer software (continued)

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

(vi) Operating right

Operating right of a property in Foshan is initially recognised at cost. The operating right has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the operating right of 10 years.

(g) Investment properties

Investment property is held for long-term rental yields or for capital appreciation or both, and is not occupied by the companies in the Group. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. A property interest that is held by a lessee under an operating lease may be classified and accounted for as investment property if the property would otherwise meet the definition of an investment property and the lessee uses the fair value model for the asset recognised.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at the end of the reporting period by independent professional qualified valuers.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets. If this information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections.

2. 主要會計政策概要 (續)

(f) 無形資產 (續)

(v) 電腦軟件 (續)

不符合以上條件的其他開發成本在產生時確認為開支。過往確認為開支的開發成本不會在往後期間確認為資產。

確認為資產的電腦軟件開發成本乃按估計不超過三年之可使用年期攤銷。

(vi) 經營權

一項於佛山之物業的經營權乃初步按成本確認。該經營權的使用年期有限，並按成本減累計攤銷列賬。攤銷乃使用直線法以經營權預期10年的年限計算。

(g) 投資物業

投資物業是指持有作為長期收取租金或為資本增值或為上述兩者之目的，而非由本集團內企業所佔用之物業。當投資物業之餘下定義均獲符合時，持作營運租約之土地入賬為投資物業。於此情況下，有關營運租約則被視為猶如融資租約入賬。倘有關物業能符合投資物業之其他定義及承租人以公允值模式作資產確認，則根據營運租約承租人所持之物業權益可能分類及入賬為投資物業。

投資物業初步按成本列賬，並包括相關之交易費用。於初步確認後，投資物業按獨立專業合資格估值師於報告期末根據公開市價釐定之公允值列賬。

公允值按活躍市價釐定，倘有需要，會就指定資產於性質、地點或狀況三方面之任何差異作出調整。倘並無有關資料，本集團將會採用其他估值方法，例如活躍程度稍遜市場之最近期價格或貼現現金流量預測。

2. Summary of significant accounting policies (continued)**(g) Investment properties (continued)**

Subsequent expenditure is recognised in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial year in which they are incurred.

Changes in fair values are charged in the consolidated income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and leasehold land. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

(h) Property, plant and equipment and leasehold land

(i) Property comprises leasehold land and building held for own use in Hong Kong and is stated at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation is performed with sufficient regularity by independent professional qualified valuers. Changes arising on the revaluation are dealt with in other comprehensive income and are accumulated in the revaluation reserve, except that, when a deficit arises on revaluation, it will be charged to the consolidated income statement to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to revaluation.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

When a revalued asset is sold, the amount included in the revaluation reserve is transferred to retained earnings.

Leasehold land in the PRC comprises prepaid operating lease payments. Leasehold land classified as operating lease commences amortisation from the time when land interest becomes available for its intended use. Amortisation on leasehold land classified as operating lease is calculated using straight-line method to allocated their cost to their residual value over their unexpired period of the lease.

2. 主要會計政策概要 (續)**(g) 投資物業 (續)**

其後開支只有在與有關項目相關之未來經濟利益有可能流入本集團，而相關項目之成本亦能可靠地衡量時，才確認於資產賬面值中。所有其他維修及保養成本在產生之財政年度內於綜合收益表支銷。

公允值之變動計入綜合收益表。

若投資物業變成業主自用，會被重新分類為物業、機器及設備及租賃土地。其於重新分類日期的公允值，就期後會計目的而言變為其成本。

(h) 物業、機器及設備及租賃土地

(i) 物業包括於香港自用之租賃土地及樓宇，並以公允值減其後任何累積折舊及其後累積減值虧損列賬，並由獨立專業合資格估值師定期進行物業重估。重估產生之變動於其他全面收益中處理，其累積變動反映於重估儲備中。若重估出現虧損時，就緊接重估前之同一項資產而言，超出計入儲備之金額，其超出部分於綜合收益表列支。

於重估日，任何累積折舊與該資產賬面總值對銷，該資產之賬面淨值因而重列至該資產之重估金額。

當出售一項已被重估之資產，其於重估儲備內之金額將轉撥至保留盈利。

於中國之租賃土地包括預付營運租賃付款。分類為營運租賃的租賃土地於土地權益能夠用於擬定用途時開始進行攤銷。分類為營運租賃的租賃土地攤銷乃使用直線法於其租約尚餘期間將其成本分配予其剩餘價值。

2. Summary of significant accounting policies (continued)

(h) Property, plant and equipment and leasehold land (continued)

- (i) (continued)
- Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as interest expense and exchange differences capitalised during the periods of construction. Capitalisation of these costs ceases and the construction in progress is transferred to respective category in property, plant and equipment and leasehold land when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.
- (ii) All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial year in which they are incurred.

Property, plant and equipment and leasehold land are depreciated at rates sufficient to write off their cost less accumulated impairment over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold land classified as finance lease	over the unexpired period of the lease
Building	5%
Leasehold land classified as operating lease	over the unexpired period of the lease
Leasehold improvements	over the unexpired period of the lease
Plant and machinery	10%-50%
Furniture, fixtures and equipment	10%-50%
Motor vehicles	25%-30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

2. 主要會計政策概要 (續)

(h) 物業、機器及設備及租賃土地 (續)

- (i) (續)
- 在建工程以成本扣除減值虧損列賬。成本包括直接建築成本，以及建造期間所資本化之利息開支及匯兌差異。當所有將資產可作擬定用途之活動大致地完成時，此成本之資本化便會終止，以及在建工程便會轉撥至相關組別之物業、機器及設備及租賃土地。在建工程不需要計提折舊，直至完成及可作擬定用途。
- (ii) 所有其他物業、機器及設備以歷史成本減累積折舊及累積減值虧損列賬。歷史成本包括直接歸屬於購置該等項目之開支。

僅當與有關項目相關之未來經濟利益可流入本集團，而項目之成本又能可靠計算時，其後之成本方計入該資產賬面值或確認為獨立資產（倘適用）。所有其他維修及保養費用於產生之財政年度於綜合收益表中支銷。

物業、機器及設備及租賃土地按資產預計可使用年期以直線法平均攤銷資產之成本減累積減值。主要年率如下：

分類為融資租約之租賃土地	按租約尚餘期間折舊
樓宇	5%
分類為營運租約之租賃土地	按租約尚餘期間折舊
租賃物業裝修	按租約尚餘期間折舊
機器及設備	10%-50%
傢俬、固定裝置及設備	10%-50%
汽車	25%-30%

於每個結算日均會檢討及調整（如適用）資產之餘值及其可使用年期。

倘資產之賬面值高於其估計可收回金額，則資產賬面值即時撇減至其可收回金額。

2. Summary of significant accounting policies (continued)**(h) Property, plant and equipment and leasehold land**

(continued)

(ii) (continued)

The gain or loss on disposal of property, plant and equipment and leasehold land is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated income statement.

(i) Properties under development

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

The costs of properties under development comprises costs of land use rights, construction costs, borrowing costs capitalised for qualifying assets and professional fees incurred during the development period.

If a property under development becomes an investment property under development when there is a change in use, any difference resulting between the fair value of the property at that date and its previous carrying amount is recognised in the consolidated income statement.

If a property under development becomes owner-occupied, it is reclassified as property, plant and equipment and leasehold land. Its carrying amount at the date of reclassification becomes its cost for subsequent accounting purposes.

(j) Stocks and contracting work-in-progress

Stocks are stated at the lower of the cost and net realisable value. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

Contracting work-in-progress is valued at cost incurred plus an appropriate proportion of profits after deducting progress payments and allowances for foreseeable losses. Cost comprises direct materials, labour and overheads expenses incurred in bringing the work-in-progress to its present condition.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within trade and retention receivables. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2. 主要會計政策概要 (續)**(h) 物業、機器及設備及租賃土地** (續)

(ii) (續)

物業、機器及設備及租賃土地之出售盈虧乃銷售所得款淨額與相關資產之賬面值差額，並於綜合收益表中確認入賬。

(i) 發展中物業

發展中物業以成本及可變現淨值之較低者列賬。可變現淨值經考慮最終預計可變現價格，減去適用可變動銷售開支及預期竣工成本予以估計。

發展中物業的成本包括土地使用權費用、合資格資產撥充資本之建築成本、借貸成本及在建期間產生的專業費用。

倘發展中物業於用途發生變動時成為發展中投資物業，該物業於該日期之公允值與其過往賬面值之所產生之任何差額乃於綜合收益表中確認。

若發展中物業變成業主自用，會被重新分類為物業、機器及設備及租賃土地。其於重新分類日期的賬面值，就期後會計目的而言變為其成本。

(j) 存貨及興建中工程

存貨是按其成本及可變現淨值兩者中之較低者列值。可變現淨值乃按預計銷售所得款項扣除估計營銷開支計算。

興建中工程則按成本加適當比例之應佔利潤減已收工程賬款及可預見虧損撥備列值。成本包括使興建中工程達致現況所需支付之直接物料、勞工及間接開支。

倘進行中合約所產生成本加上已確認溢利或減已確認虧損超出進度發票額，本集團按資產呈列為應收客戶之工程款項毛額。客戶尚未支付之進度發票額及保固金，計入貿易及保固金應收賬款。倘進行中合約之進度發票額超出所產生成本加上已確認溢利或減已確認虧損，本集團按負債呈列為應付客戶之工程款項毛額。

2. Summary of significant accounting policies (continued)

(k) Financial assets

The Group classifies its investment as available-for-sale financial asset.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting period.

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Changes in carrying amount are recognised in other comprehensive income.

The fair values of quoted financial assets are based on current bid prices. For financial assets that are not traded in an active market (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated income statement – is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2. 主要會計政策概要 (續)

(k) 財務資產

本集團分類其投資為可供出售之財務資產。

可供出售之財務資產即指定為這一類別或不屬於其他類別之非衍生財務資產。除非管理層有意於報告期起計十二個月內出售該等投資，否則該等項目入賬列為非流動資產。

一般之財務資產買賣於本集團承諾購買或出售該資產之交易日確認。所有非按照公允值計入損益之財務資產初步按公允值加交易成本確認。財務資產於收取現金流量之權利已屆滿或已轉讓，及本集團已將擁有權所涉之大部分風險與回報轉移時取消確認。

可供出售之財務資產其後按公允值入賬。賬面值之變動則計入其他全面收益內。

有報價之財務資產以其現時競價為公允值。倘財務資產並非於活躍市場作買賣（及就非上市證券而言），本集團會利用估值技術釐定公允值。有關技術包括參考近期之公平交易，參考其他大致上相同之投資工具，貼現現金流量分析及股權定價模式，並盡最大程度使用市場數據及在可能情況下越少依據實體之個別數據。

本集團將於每個報告期末評估財務資產或一組財務資產有否出現減值之客觀證據。若股票證券被劃分為可供出售之財務資產，在判斷該證券有否減值時，須考慮其公允值是否大幅或長期低於其成本。如可供出售之財務資產出現此等跡象，其累積虧損（收購成本與現時公允值之差額，減去該財務資產以前已計入綜合收益表之任何減值虧損）將從權益賬扣除，並計入於綜合收益表。已計入綜合收益表之股權工具減值虧損不會透過綜合收益表回撥。

2. Summary of significant accounting policies (continued)**(l) Operating leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases.

(i) The Group is the lessee

Payments made under operating leases net of any incentives received from the lessors are charged to the consolidated income statement on a straight-line basis over the lease periods.

(ii) The Group is the lessor

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income from an operating lease is recognised over the term of the lease on a straight-line basis.

(m) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturity of three months or less, and bank overdrafts.

2. 主要會計政策概要 (續)**(l) 營運租約**

資產擁有權之重大部分風險及回報由出租人保留之租約皆以營運租約方式入賬。

(i) 本集團為承租人

營運租約支出在扣除自出租人收取之任何獎勵金後，按租賃期於綜合收益表中以直線法平均支銷。

(ii) 本集團為出租人

根據營運租約出租之資產按其性質計入資產負債表內。來自營運租約之租賃收入以直線法，在租賃期內確認。

(m) 應收賬款

應收賬款初步按公允值確認，其後以實際利率法按攤銷成本扣除減值撥備計量。應收賬款之減值撥備於出現客觀證據表明本集團無法按應收賬款之原有條款收回所有金額時確立。債務人遇到重大之財務困難使其有可能面臨破產或財務重組及有可能違約或拖欠付款，均顯示應收賬款已出現減值。撥備金額為資產賬面值與估計未來現金流量現值（按實際利率貼現計算）之差額。撥備金額於綜合收益表內確認。當一項應收賬款被認為不可收回，其數額將從應收賬款撥備撇銷。其後收回已撇銷之應收賬款於綜合收益表中內抵免。

(n) 現金及等同現金項目

現金及等同現金項目包括庫存現金、銀行通知存款、其他原到期日為三個月或以下之短期高流通性投資以及銀行透支。

2. Summary of significant accounting policies (continued)

(o) Impairment of investments in subsidiaries, and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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

(p) Borrowings

Borrowings, including senior notes, are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(q) Trade payable

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

2. 主要會計政策概要 (續)

(o) 附屬公司及非財務資產投資之減值

沒有確定使用年期之資產(例如商譽)無需攤銷,但每年須進行減值測試。各項資產於有事件出現或情況改變顯示賬面值可能無法收回時,須就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允值扣除銷售成本或使用價值兩者之間較高者為準。資產按可分開識別現金流量(現金產生單位)之最低層次組合作分類進行減值評估。除商譽外,已蒙受減值之非財務資產在每個報告日均就減值是否可以撥回進行檢討。

當收到附屬公司投資之股息時,而股息超過附屬公司在股息宣派期間之全面收益總額,或在單獨財務報表中之投資賬面值超出被投資方資產淨值於綜合財務報表中之賬面值(包括商譽),則必須對有關投資進行減值測試。

(p) 借款

借款(包括優先票據)初期以公允值扣除交易成本後確認。借款其後按攤銷成本列賬,所得款項(扣除交易成本)與贖回價值之任何差額則於借款期內以實際利率法於綜合收益表內確認。

除非本集團有權無條件於結算日期後將負債之結算遞延至少十二個月,否則借款分類為流動負債。

(q) 應付賬款

應付賬款初步按公允值確認,其後以實際利率法按攤銷成本計量。

2. Summary of significant accounting policies (continued)**(r) Current and deferred tax**

The tax expense for the year comprises current and deferred tax.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and joint operations operate and generate taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred taxation liability is settled.

Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint operations, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. 主要會計政策概要 (續)**(r) 當期及遞延稅項**

本年度稅項開支包括當期及遞延稅項。

當期稅項支出以本公司及其附屬公司及共同經營業務營運及產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

遞延稅項採用負債法就資產及負債之稅基與它們在綜合財務報表之賬面值兩者之暫時差異作全數確認。然而，於非業務合併之交易中初次確認資產或負債而產生遞延稅項，而交易當時並無影響會計處理及應課稅溢利或虧損，則不會將遞延稅項入賬。遞延稅項按結算日前已頒佈或實際頒佈，並在變現有有關遞延稅項資產或清償遞延稅項負債時預期將會適用之稅率（及法例）而釐定。

稅項於綜合收益表中確認，但與在其他全面收益或直接在權益中確認之項目之相關稅項除外。在該情況下，有關稅項分別在其他全面收益或直接在權益中確認。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之暫時差異抵銷而確認。

遞延稅項乃就附屬公司及共同經營業務投資之暫時差異而撥備，但假若可以控制暫時差異撥回之時間，並有可能在可預見未來不會撥回則除外。

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延稅項資產和負債涉及由同一稅務機關對應同一應課稅實體或對應不同應課稅實體，並有意向以淨額基準結算稅項結餘時，則可將遞延稅項資產與負債互相抵銷。

2. Summary of significant accounting policies (continued)

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

(t) Contingent liabilities

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

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

(u) Employee benefits

(i) Retirement benefits

The Group participates in mandatory provident fund schemes in Hong Kong which are defined contribution plan generally funded through payments to trustee-administered funds. The assets of the scheme are held separately from those of the Group in independently administered funds.

2. 主要會計政策概要 (續)

(s) 撥備

當本集團因已發生之事件而產生現有之法律或推定責任，並很有可能需要資源流出以償付責任及金額已能可靠地估計時，即會確認撥備。未來經營虧損不確認撥備。

如有多項類似責任會根據責任之類別整體考慮是否需要在償付中流出資源。即使在同一責任類別所包含之任何一個項目之相關資源流出之可能性極低，仍需確認撥備。

撥備採用稅前率按照預期需償付有關責任之開支現值計量，該稅前率反映當時市場對金錢時間值和有關責任固有風險之評估。隨著時間過去而增加之撥備確認為利息開支。

(t) 或然負債

或然負債乃因過去事件而可能出現之責任，而僅視乎日後會否出現一項或多項非本集團可完全控制之事件而確認。或然負債也可能是因過去事件而產生之現有責任，但由於未必需要流出經濟資源或不能就該責任之數額作可靠估計而未有確認有關責任。

雖然或然負債不予確認，但須於綜合財務報表附註中披露。倘情況有變可能導致資源流出時，或然負債則確認為撥備。

(u) 僱員福利

(i) 退休福利

本集團參與香港強制性公積金計劃，該計劃為一項透過向信託人管理基金付款之界定供款計劃。該計劃之資產由獨立管理之基金持有，與本集團之資產分隔。

2. Summary of significant accounting policies (continued)**(u) Employee benefits** (continued)**(i) Retirement benefits** (continued)

Pursuant to the relevant regulations of the government in the People's Republic of China ("PRC"), the subsidiaries in the PRC participate in the municipal government contribution scheme whereby the subsidiaries are required to contribute to the scheme for the retirement benefit of eligible employees. The municipal government of the PRC is responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the scheme is to pay the ongoing contributions required by the scheme. The Group's contributions to the scheme are expensed as incurred.

(ii) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. It is the Group's policy to forfeit any untaken annual leave within a specific time period. Subject to regular assessment of staff turnover rate, a provision will be made or reversed. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(iii) Share-based compensation

The Group operates two equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares and the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2. 主要會計政策概要 (續)**(u) 僱員福利** (續)**(i) 退休福利** (續)

根據中華人民共和國(「中國」)政府之有關規例，中國國內之附屬公司須參與市政府之供款計劃，據此，附屬公司須就該計劃為合資格僱員提供退休福利供款。中國市政府負責支付予退休僱員所有福利承擔，本集團就該項計劃所承擔之唯一責任是根據該計劃規定持續作出供款。本集團對該計劃之供款於產生時列作開支。

(ii) 僱員應享假期

僱員應享之年假及長期服務假權利在僱員應該享有時確認。本集團截至結算日止已就僱員提供之服務就估計年假責任作出撥備。根據本集團政策，於指定時間內未曾動用之年假將被註銷。本集團定期評估員工的流失率，將計提或撥回撥備。僱員之病假及產假在僱員正式休假時確認。

(iii) 以股份為基礎之補償

本集團設有兩項以股份為基礎之股權結算補償計劃，根據該等計劃，實體收取僱員之服務作為本集團權益工具(認股權)之代價。僱員以獲取授予認股權而提供服務之公允值確認為開支。開支總金額乃參考授予之認股權公允值而釐定，但不包括任何非市場服務及表現歸屬條件(例如盈利能力、銷售增長目標和僱員在特定時期內留任實體)之影響。非市場歸屬條件包括在有關預期將予歸屬之認股權數目之假設中。開支總金額在歸屬期間內確認，歸屬期間指等待所有特定歸屬條件符合之期間。在每個結算日，本公司依據非市場歸屬條件修訂其對預期將予歸屬認股權數目的估計。對原估計修訂之影響(如有)在綜合收益表確認，並對權益作出相應調整。

當認股權獲行使時，本公司發行新股，而收取之所得款經扣除任何直接應計交易成本後，計入股本(面值)及股份溢價。

2. Summary of significant accounting policies (continued)

(u) Employee benefits (continued)

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(v) Long service payment liabilities

The Group's net obligation in respect of long service accounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine the present value and reduced by entitlements accrued under the Group's retirement plans. The obligation is calculated using the projected unit credit method by a qualified actuary. Actuarial gains or losses was credited/charged to other comprehensive income in the period in which they arise.

(vi) Bonus plans

Provisions for bonus are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(v) Borrowing costs

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

All other borrowing costs are recognised in consolidated income statement in the period in which they are incurred.

2. 主要會計政策概要 (續)

(u) 僱員福利 (續)

(iv) 終止服務費用

終止服務費用於僱員在正常退休日期前被本集團終止聘用或僱員接受自願遣散以換取此等福利時支付。本集團在能證明以下承諾時確認終止服務費用：根據一項詳細之正式計劃終止現有僱員之僱用而並無撤回之可能。在提出要約以鼓勵自願離職之情況下，終止服務費用乃根據預期接受要約之僱員人數計量。於報告期末之後超過12個月到期支付之福利應貼現為現值。

(v) 長期服務金負債

本集團根據香港《僱傭條例》須在若干情況下於終止僱用時支付之長期服務賬款負債淨額，為僱員於本期間及以往期間因提供服務所賺取之未來利益金額，在釐定現值時，該項利益須予以貼現計算，並扣減根據本集團之退休計劃累計之權益。有關責任由合資格精算師採用預計單位信貸法計算。精算收益或虧損於產生期間在其他全面收益計入／扣除。

(vi) 花紅計劃

當本集團因僱員已提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，花紅撥備即予以確認。

(v) 借貸費用

因收購、興建或生產合資格資產（即須相當長之時間方可作擬定用途或出售的資產）而直接產生之一般及特定借貸成本，乃資本化為該等資產之部分成本，直至當資產大體上可作擬定用途或出售時為止。

所有其他借貸成本在產生期間的綜合收益表中確認。

2. Summary of significant accounting policies (continued)**(w) Revenue recognition**

Contract costs are recognised when incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that they have been agreed with the customer and are capable of being reliably measured.

Revenue from contracting work is recognised based on the stage of completion of the contracts, provided that the stage of contract completion and the gross billing value of contracting work can be measured reliably. The stage of completion of a contract is established by reference to the gross billing value of contracting work to date as compared to the total contract sum receivable under the contracts.

Income from sale of stock of property is recognised when the risks and rewards of properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers and collectibility of related receivables is reasonably assured.

Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet as advanced proceeds received from customers under current liabilities.

Operating lease rental income is recognised on a straight-line basis over the term of the lease.

Plant and plant staff hire income, secondment fee income, consultancy fee income, services centre charges, building management fee and copying service income are recognised when the services are rendered.

Interest income on bank deposits is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Dividend income is recognised when the right to receive payment is established.

2. 主要會計政策概要 (續)**(w) 收益確認**

合約成本於產生時記賬。當工程合約之結果未能可靠估算，合約收益只按照有可能收回之已發生合約成本記賬。當建造合約之結果能可靠估算，且合約很大可能會產生利潤，合約收益將按合約期記賬為收入。當總合約成本有可能超過總合約收益，預期之虧損即時列為開支。

合約變更項目、索償和獎勵金計入合約收益內，以已與客戶協定且能可靠計量者為限。

合約工程收益是根據工程完工階段入賬，惟有關工程完工階段及已開單之合約工程總額必須能作出可靠之測算。工程完工階段是依據至現今已開單之合約工程總額及應收之合約總價兩者作比較而確定。

出售物業存貨所產生之收入於物業之風險及回報轉移到買家，即當有關物業之興建已完工及該等物業已交付予買家及相關應收款項可合理保證收回時確認。

就於收益確認日期前出售之物業所收到之按金及分期款項乃計入綜合資產負債表作為流動負債項下之已收客戶之預付所得款項。

營運租約之租金收入於租賃期以直線法確認。

機械設備租賃及機械技術員工之聘用收入、僱員借調服務收入、顧問費收入、服務中心收費、物業管理費及複印服務費均於服務提供時確認。

銀行存款利息收入依據未償還本金額及適用利率按時間比例確認。

股息收入在收取股息之權利確定後確認。

2. Summary of significant accounting policies (continued)

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and making strategic decisions.

(y) Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficial holder of the guarantee (i.e. the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

The Group does not recognise liabilities for financial guarantees at inception, but performs a liability adequacy test at each reporting date by comparing its carrying amount of the net liability from the financial guarantee with its present legal or constructive obligation amount. If the carrying amount of the net liability is less than its present legal or constructive obligation amount, the entire difference is recognised in the consolidated income statement immediately.

(z) Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the financial statements in the year in which the dividend is approved by the Company's shareholders.

(aa) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(ab) Convertible bonds, coupon bonds and warrants

Convertible bonds that can be converted to share capital at the option of the holders, where the conversion price is at a stipulated price that will be adjusted, subject to terms and formulae provided for in the agreement of the convertible bonds, to adjust for the dilutive effects of share split or consolidation, capital distribution, capitalisation of profit or reserves, issuance of new shares or share options or warrants, and etc, are accounted for as compound financial instruments which contain both a liability component and an embedded derivative component.

2. 主要會計政策概要 (續)

(x) 分類報告

營運分類報告方式與提供給予主要營運決策者之內部報告方式一致。主要營運決策者負責營運分類之資源分配與業績評估，並作出策略性決定。

(y) 財務擔保合約

財務擔保合約指發行人（即保證人）就擔保之受益人（即持有人）因指定之債務人未能根據債務工具的條款支付到期款項而蒙受損失時，向持有人償付指定款項的合約。

本集團未就財務擔保之負債作初始確認，但於每個報告日就其財務擔保之負債淨額賬面值與其現行法定或推定責任之數額進行負債撥備恰當測試。假若其負債淨額賬面值是低於其現行法定或推定責任之數額時，相差之數額將即時全數直接於綜合收益表中確認。

(z) 分派股息

向本公司權益持有人分派之股息在股息獲本公司股東批准之年度於財務報表中確認為負債。

(aa) 股本

普通股分類為權益。直接歸屬於發行新股份或認股權之新增成本於權益中列為所得款項之扣減項目（扣除稅項）。

(ab) 可換股債券、票息債券及認股權證

倘於轉換價列明價格可予調整（須根據可換股債券協議的條款及方案的規定，就股份分拆或合併、資本分派、溢利或儲備資本化、發行新股份、認股權或認股權證等的可攤薄影響而作出調整），則可供持有人選擇轉為股本之可換股債券作為附有負債成份及嵌入衍生工具成份之複合金融工具列賬。

2. Summary of significant accounting policies (continued)

(ab) Convertible bonds, coupon bonds and warrants (continued)

The liability component of convertible bonds is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component and embedded derivative component are recognised initially at the difference between the fair value of the convertible bonds as a whole and the fair value of the liability component.

Any directly attributable transaction costs of issuing convertible bonds are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of convertible bonds and is measured at amortised cost using the effective interest method. The derivative component of convertible bond is re-measured using fair value model.

If the bonds are converted, the convertible bonds equity reserve, together with the carrying amounts of the liability and derivative components at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bonds are redeemed, the convertible bonds equity reserve is released directly to retained profits, and any difference between the amount paid relating to the liability component and the fair value of the liability and derivative components is recognised in consolidated income statement.

3. Financial risk management

(a) Financial risk factors

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Market risk

(1) Foreign exchange risk

Foreign exchange risk exposure arising from the Group's operation in Macau and the Chinese Mainland are monitored by proper synchronisation of receipts and payments in different operating currencies, hedging of risk is not considered because of insignificant exposure to the Group's working capital. The Group has no outstanding forward exchange contract as at 31 December 2017 and 2016, but will consider hedging the foreign currency exposure by using forward exchange contracts if needed.

2. 主要會計政策概要 (續)

(ab) 可換股債券、票息債券及認股權證 (續)

可換股債券的負債部分初步按並無權益轉換選擇權的類似負債的公允值確認。權益部分及嵌入衍生工具部分初步按可換股債券的整體公允值與負債部分的公允值之間的差額確認。

發行可換股債券的任何直接歸屬交易成本，按其初始賬面值的比例分配至負債及權益部分。

於初步確認後，可換股債券的負債部分採用實際利率法按攤銷成本計量。可換股債券之衍生工具部分乃使用公允值模式重新計量。

倘債券被轉換，可換股債券權益儲備連同負債部分及衍生部分於轉換時之賬面值將轉撥至股本及股份溢價，作為已發行股份之代價。倘債券獲贖回，可換股債券權益儲備將直接撥回至保留溢利，而與債務部分相關的已付款額與負債部分及衍生部分公允值之差額將於綜合收益表中確認。

3. 財務風險管理

(a) 財務風險因素

本集團之整體風險管理計劃專注於財務市場之難預測性，並尋求儘量減低對本集團財務表現之潛在不利影響。

(i) 市場風險

(1) 外匯風險

就本集團在澳門及中國內地之業務產生之外匯風險而言，本集團將各種營運貨幣之收款及付款，透過適當地配合作出監察。對沖風險不予考慮，因為本集團營運資金面對之風險不重大。於2017年及2016年12月31日，本集團並無未償還遠期外匯合約，惟在有需要時，將考慮採用遠期外匯合約，對沖外匯風險。

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(i) Market risk (continued)

(1) Foreign exchange risk (continued)

As at 31 December 2017, if RMB had strengthened/weakened by 5% (2016: 5%) against Hong Kong dollars with all other variables held constant, the Group's loss for the year would have been approximately HK\$8,000 higher/(lower) (2016: HK\$23,000 higher/(lower), mainly as a result of net foreign exchange (losses)/gains on translation of foreign currency denominated trade and other receivables, deposit, cash and bank balances and trade and other payables.

(2) Interest rate risk

Financial instruments at fixed and variable rates expose the Group to fair value interest rate risk and cash flow interest rate risk respectively. The Group's interest rate risk arises mainly from bank borrowings, other borrowings, senior notes, private bonds and convertible bonds. Borrowings issued at variable rates expose the Group to cash flow interest rate risk due to fluctuation of HIBOR arising from the Group's Hong Kong dollar denominated borrowings.

At 31 December 2017, if interest rates on bank borrowings, which carried at floating interest rate, had been 50 basis points (2016: 50 basis points) higher or lower with all other variables held constant, the Group's loss for the year would have increased/decreased by approximately HK\$3.8 million (2016: HK\$9.1 million) as a result of higher or lower interest expenses on floating rate bank borrowings.

(3) Price risk

The Group is exposed to equity securities price risk through financial asset held by the Group classified as available-for-sale financial asset. The Group considers the price risk exposure is not material.

(ii) Credit risk

Credit risk of the Group mainly arises from deposits, cash and bank balances and receivables. The Group has no significant concentration of credit risk.

The credit risk associated with deposits and cash and bank balances is limited because the counterparties are banks with high credit rating.

3. 財務風險管理 (續)

(a) 財務風險因素 (續)

(i) 市場風險 (續)

(1) 外匯風險 (續)

於2017年12月31日，倘所有其他變動因素維持不變，若人民幣兌港幣之匯價升值／貶值5%（2016年：5%），本集團本年度虧損將增加／（減少）約港幣8,000元（2016年：增加／（減少）港幣23,000元）。主要由於換算以外幣計值之貿易及其他應收賬款、存款、現金及銀行結存及貿易及其他應付賬款所產生之外幣兌換淨（虧損）／收益所致。

(2) 利率風險

按固定利率及浮動利率計息之金融工具分別令本集團面對公允價值利率風險及現金流量利率風險。本集團利率風險主要源自銀行借貸、其他借貸、優先票據、私募債券及可換股債券。按浮動利率授出之本集團借貸，由於以港幣為單位，故受香港銀行同業拆息波動影響，致使本集團承受現金流量利率風險。

於2017年12月31日，假若浮動利率銀行借貸之利率上升或下跌50基點（2016年：50基點）而所有其他變動因素維持不變，本集團本年度虧損將會由以浮動利率計息之銀行借貸利息開支增加或減少而增加／減少約港幣3,800,000元（2016年：港幣9,100,000元）。

(3) 價格風險

本集團持有之財務資產被分類為可供出售之財務資產，使其承擔股本證券價格風險。惟本集團認為其價格風險承擔並不重大。

(ii) 信貸風險

本集團之信貸風險主要來自存款、現金及銀行結存及應收賬款。本集團並無重大集中信貸風險。

存款以及現金及銀行結存的相關信貸風險有限，此乃由於交易對方為具高信貸評級之銀行。

3. Financial risk management (continued)**(a) Financial risk factors** (continued)**(ii) Credit risk** (continued)

Before entering into construction contracts, assessment on the potential customers is carried out as part of the acceptance procedures for the new contracts.

To manage the credit risk associated with receivables, the Group adopts risk control to assess the credit quality of the customers and debtors, taking into account of their financial position, past experience and other factors. Aging analysis is performed and reviewed regularly by management of each operating segment and follow up action will be taken, as appropriate.

(iii) Liquidity risk

The Group adopts prudent liquidity risk management which includes maintaining sufficient bank balances and cash, and having available funding through an adequate amount of committed credit facilities. Relevant details are also set out in Note 2(a)(i).

Cash flow forecast is performed in the operating segments of the Group and aggregated by corporate finance team. Corporate finance team monitors forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. For bank loans containing a repayment on demand clause, after taking into account the Group's financial position, the directors do not consider that the bank will exercise its discretion to demand immediate repayment, and believe that the bank loans will be repaid in accordance with the scheduled repayment dates set out in Note 30. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payment.

3. 財務風險管理 (續)**(a) 財務風險因素** (續)**(ii) 信貸風險** (續)

於訂立建造合約前，本集團會對準客戶作出評估，作為接納新合約程序之一部分。

為管理應收賬款之相關信貸風險，本集團已採納風險控制，評估客戶及債務人之信貸質素，並考慮其財務狀況、過往經驗、以及其他因素。各營運分類之管理層定期進行及審閱賬齡分析，並於適當時候採取跟進行動。

(iii) 流動資金風險

本集團採用審慎之流動資金風險管理，包括維持充足銀行結存及現金，並透過取得充裕之承諾信貸融資獲得可動用資金。有關詳情謹請參閱附註2(a)(i)。

現金流量預測乃於本集團各營運分類內進行，並由企業財務團隊彙集。企業財務團隊監察本集團的預測流動資金需求，確保本集團有充足現金應付營運所需。

下表顯示本集團之財務負債，按照相關之到期組別，根據由結算日至合約到期日之剩餘期間進行分析。就包含按要求償還條文之銀行貸款而言，各董事已經考慮本集團之財務狀況，認為銀行不會行使其權利要求即時償還款項，並相信本集團將根據載列於附註30中之還款時間表償還銀行貸款。在表內披露之金額為合約性未貼現之現金流量及包括利息付款。

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(iii) Liquidity risk (continued)

However, for bank loans containing a repayment on demand clause, if the lenders were to invoke their unconditional rights to call the loans with immediate effect, including short term revolving loans of HK\$688 million which is subject to annual review by lenders and bank loans of HK\$352 million with scheduled repayment dates will be on demand for repayment immediately, excluding interest payments.

3. 財務風險管理 (續)

(a) 財務風險因素 (續)

(iii) 流動資金風險 (續)

然而，就附帶按要求還款條款之銀行貸款而言，倘貸款人動用其無條件即時追償貸款之權利，則須由貸款人按年進行檢討之港幣6.88億元之短期循環貸款及具有預設還款日期之港幣3.52億元之銀行貸款將須於要求時即時償還，惟不包括利息付款。

		Carrying amount	Total contractual undiscounted cash flow	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
		賬面值	現金流量	少於一年	一年至兩年	兩年至五年	五年以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 31 December 2017	於2017年12月31日						
Bank loans	銀行貸款						
– short term revolving	– 短期循環銀行貸款	688,022	708,212	708,212	–	–	–
– with repayment on demand clause	– 包含按要求償還條款之銀行貸款	351,864	363,992	234,260	85,844	43,888	–
Other borrowings	其他借貸	9,339,776	10,706,520	8,538,418	2,168,102	–	–
Payables	應付賬款	4,348,788	4,348,788	4,099,382	173,014	76,392	–
Amounts due to other partners of joint operations	應付共同經營之其他合作夥伴款項	44,772	44,772	44,772	–	–	–
Private bonds	私募債券	21,903	35,190	1,360	1,360	13,770	18,700
Senior notes	優先票據	3,458,230	3,737,438	2,525,532	1,211,906	–	–
Total	總計	18,253,355	19,944,912	16,151,936	3,640,226	134,050	18,700
At 31 December 2016	於2016年12月31日						
Bank overdrafts	銀行透支	25,216	25,216	25,216	–	–	–
Bank loans	銀行貸款						
– short term revolving	– 短期循環銀行貸款	1,204,416	1,240,319	1,240,319	–	–	–
– with repayment on demand clause	– 包含按要求償還條款之銀行貸款	1,125,319	1,151,108	943,146	78,121	129,841	–
Convertible bonds	可換股債券	44,696	55,359	55,359	–	–	–
Other borrowings	其他借貸	5,762,001	6,175,656	4,388,123	1,787,533	–	–
Payables	應付賬款	5,166,706	5,166,706	4,957,368	157,572	51,676	90
Amounts due to other partners of joint operations	應付共同經營之其他合作夥伴款項	22,847	22,847	22,847	–	–	–
Senior notes	優先票據	3,417,715	4,039,689	302,251	2,525,532	1,211,906	–
Total	總計	16,768,916	17,876,900	11,934,629	4,548,758	1,393,423	90

3. Financial risk management (continued)**(b) Capital risk management**

In managing capital, the Group's objectives are to safeguard its ability to continue operation as a going concern and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors capital on the basis of net debt-to-tangible-net-assets ratio. Net debt is the sum of deposits, cash and cash equivalents less bank loans, interest-bearing notes, convertible bonds, senior notes, private bonds, financial derivative liability and other borrowings. Tangible net assets include total net assets of the Group and exclude goodwill and intangible assets. The ratio is 114% at 31 December 2017 (2016: 102%). As a result of long-term funding raising activity to cope with rapid expansion of property development in the Chinese Mainland, the Group has a net debt position of HK\$13.1 billion as at 31 December 2017 (2016: HK\$11.1 billion).

(c) Fair value estimation

HKFRS 7 (Amendment) 'Financial Instruments – Disclosures' requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. These instruments are included in level 1. As at 31 December 2017 and 2016, the Group did not have financial instruments under this category.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 31 December 2017 and 2016, the Group did not have financial instruments under this category.

3. 財務風險管理 (續)**(b) 資本風險管理**

對於資本管理，本集團之目標為按持續經營之基準保障本集團有繼續營運之能力，並維持最佳之資本結構以減低資本成本。為保持或調整資本結構，本集團或會調整派發予股東之股息金額、退還股本予股東、發行新股份或出售資產以減低債務。

本集團按債務淨額對有形資產淨值比率監察資本。債務淨額乃指存款、現金及等同現金項目減銀行貸款、計息票據、可換股債券、優先票據、私募債券、金融衍生工具負債及其他借貸的總和。有形資產淨值包括本集團總資產淨值，但不包括商譽及無形資產。於2017年12月31日，比率為114%（2016年：102%）。由於為配合中國內地物業發展迅速增長而進行長期集資活動，本集團於2017年12月31日有債務淨額港幣131億元（2016年：港幣111億元）。

(c) 公允值估計

香港財務報告準則第7號（修改）「金融工具—披露」規定按下列公允值計量層級披露公允值計量：

- 相同資產或負債在活躍市場之報價（未經調整）（第一層）。
- 除第一層所包括之報價外，可就資產或負債直接（即例如價格）或間接（即源自價格）觀察之輸入（第二層）。
- 資產或負債並非依據可觀察市場數據之輸入（即非可觀察輸入）（第三層）。

在活躍市場買賣之金融工具公允值根據結算日之市場報價列賬，該等金融工具列入第一層。於2017年及2016年12月31日，本集團無任何此類別之金融工具。

沒有在活躍市場買賣之金融工具（例如場外衍生工具）之公允值利用估值技術釐定。該等估值技術盡量利用可觀察市場數據（如有），盡量少依賴主體之特定估計。如計算一金融工具之公允值所需之所有重大輸入皆為可觀察數據，則該金融工具列入第二層。於2017年及2016年12月31日，本集團並無擁有此類別的金融工具。

3. Financial risk management (continued)

(c) Fair value estimation (continued)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. As at 31 December 2017 and 2016, the Group had available-for-sale financial asset and financial derivative liability under this category.

There was no transfer of financial instruments between level 1, 2 and 3 during the year.

Movement of financial asset under level 3 measurements is as follows:

Available-for-sale financial asset	可供出售財務資產	2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
At 1 January	於1月1日	29,785	31,662
Fair value loss	公允值虧損	(1,821)	(1,877)
At 31 December	於12月31日	27,964	29,785

Movement of financial liability under level 3 measurements is as follows:

Financial derivative liability	金融衍生工具負債	2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
At 1 January	於1月1日	183	206,412
Fair value loss/(gain)	公允值虧損/(收益)	991	(194,168)
Conversion to ordinary shares	轉換至普通股	-	(5,573)
Early redemption	提早贖回	(1,174)	(6,488)
At 31 December	於12月31日	-	183

3. 財務風險管理 (續)

(c) 公允值估計 (續)

如一項或多項重大輸入並非根據可觀察市場數據得出，則該金融工具列入第三層。於2017年及2016年12月31日，本集團有列入此類別之可供出售之財務資產及金融衍生工具負債。

於本年度，並無金融工具於第一層、第二層及第三層之間進行轉撥。

按第三層計量的財務資產變動如下：

按第三層計量的財務負債變動如下：

4. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions having a significant effect on the carrying amounts of assets and liabilities are discussed below:

(a) Going concern consideration

In the process of applying the Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgement by the directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors consider that the Group has the capability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt upon the going concern assumption are set out in Note 2(a)(i) to the consolidated financial statements.

(b) Construction contracts

As explained in Note 2(w), revenue recognition on a project is dependent on management's estimation of the total outcome of the construction contract, as well as the work done to date. The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each construction contract as the contract progresses. Budgeted construction income is determined in accordance with the terms set out in the relevant contracts. Budgeted construction costs are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, the management conducts periodic reviews of the management budgets by comparing the budgeted amounts to the actual amounts incurred.

A considerable amount of judgement is required in estimating the total contract revenue, contract costs, variation orders and contract claims which may have an impact in terms of percentage of completion and job profit taken.

4. 重大會計估計及假設

本集團對未來作出估計及假設。按照定義，所得出之會計估計甚少與有關之實際結果相同。對資產及負債賬面值有重大影響之估計及假設在下文論述：

(a) 持續經營考慮

於應用本集團的會計政策時，除涉及作出估計外，管理層已按本集團將能夠於來年持續經營之假設編製綜合財務報表，此乃對綜合財務報表所確認金額會產生最重大影響的重大判斷。持續經營假設的評估涉及董事於特定時間點作出有關具有不確定性的事件或條件的未來結果的判斷。董事認為本集團有能力持續經營，而可能帶來業務風險並個別或共同可能對持續經營假設造成重大影響的主要事件或條件載於綜合財務報表附註2(a)(i)。

(b) 建造合約

如在附註2(w)中說明，工程收益確認取決於管理層就建造合約最終結果之估計，以及至現今已完成之工程額。隨著合約工程進度，本集團審查及修訂每一份建造合約之合約收益、合約成本、合約變更項目及合約索償之估計。建造收益預算是根據相關合約所載條款決定。建造成本預算由管理層根據所涉及主要承包商、供應商及售賣方不時提供之報價單加上管理層之經驗而編製。為確保預算準確及更新，管理層透過比較預算金額及實際產生金額之差別，對管理預算進行定期審查。

由於估計總合約收益、合約成本、合約變更項目及合約索償需運用相當程度的判斷，因而或會影響完工百分比及工程溢利之計算。

4. Critical accounting estimates and assumptions

(continued)

(c) Allowances for bad and doubtful debts

The allowances for bad and doubtful debts of the Group are based on the evaluation of collectability and aging analysis of account receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer.

(d) Impairment of non-financial assets other than properties under development

The Group tests annually whether goodwill and trademark have suffered any impairment in accordance with the accounting policy stated in Note 2(f). The recoverable amounts of goodwill and trademark are the higher of the assets' fair values less costs to sell and value in use.

A considerable amount of judgement and assumptions are required in estimating the recoverable amount of goodwill and trademark, including growth rate, gross margin and weighted average discount rate applied to the discounted cashflows.

The Group also assesses annually for intangible assets that are not being amortised, to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. For the trademarks held by the Group, management carries out the assessment by performing an analysis of all of the relevant factors, including the ability to hold and use the trademarks and the market environment of relevant industry, to consider whether there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amounts of cash-generating units have been determined based on the higher of fair value less cost to sell or value-in-use calculations. These value-in-use calculations require the use of estimates.

4. 重大會計估計及假設 (續)

(c) 呆壞賬撥備

本集團呆壞賬撥備以應收賬款可收回程度及其賬齡分析之評估，以及管理層判斷為基準作出。在評估該等應收賬款之最終變現值時，均須作出相當程度的判斷，包括各客戶之信貸狀況及過往收款記錄。

(d) 發展中物業以外之非財務資產之減值

根據附註2(f)所述的會計政策，本集團每年測試商譽和商標是否出現任何減值。商譽和商標之可收回金額以資產公允值扣除銷售成本及使用價值兩者之較高者為準。

在估計商譽和商標的可收回金額時，均須作出相當程度的判斷及假設，包括增長率、毛利率及應用於貼現現金流量之加權平均貼現率。

本集團亦每年評估未有攤銷之無形資產，釐定是否有任何事件及情況繼續支持評核該資產具無指定可使用的期限。就本集團持有之商標而言，管理層透過分析所有相關因素（包括持有及使用商標之能力及有關行業之市場環境）而作出評估，以考慮該資產預期產生現金流入淨額至本集團是否不存在可預見的期限。

其他資產之減值檢討於有事件或情況改變顯示有關資產之賬面值高於其可收回金額時進行。現金產生單位之可收回金額以公允值減銷售成本或使用價值計算方法兩者之較高者釐定。該等使用價值計算方法需要使用估計數據。

4. Critical accounting estimates and assumptions

(continued)

(e) Provision for impairment of properties under development

The Group assesses the carrying amounts of properties under development according to their recoverable amounts based on the realisability of these properties, taking into account estimated costs to completion based on past experience and committed contracts and estimated net sales/rental value based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of judgement and estimates.

During the year, provision amounting to HK\$361 million has been made in light of the delayed progress of development. Management assessed the net realisable value of its properties under development based on the latest market condition and latest Group's development plan. In view of the liquidity position of the Group, the Group has also been actively considering different potential development plans. Taking into consideration all these factors, the Group considered a decrease in net realisable value and accordingly concluded the provision of impairment as at 31 December 2017.

(f) Estimate of fair value of properties

The valuation of properties is performed in accordance with the 'The HKIS Valuation Standards (2017 Edition)' published by the Hong Kong Institute of Surveyors.

Details of the judgement and assumptions have been disclosed in Note 17 and Note 18.

If information on current or recent prices of properties is not available, the fair values of properties are mainly determined using income capitalisation valuation techniques.

The Group uses assumptions that are mainly based on market conditions existing at the end of reporting period.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

4. 重大會計估計及假設 (續)

(e) 就發展中物業之減值撥備

本集團根據發展中物業之可回收金額按該等物業之可變現程度評估其賬面值，當中計及根據過往經驗及已訂立合約計算之預期竣工成本以及根據現行市場條件計算之預期銷售／租賃淨值。倘有事件或情況變動表明該等賬面值可能無法變現，則會作出撥備。有關評估須採用判斷及估計。

於本年度，鑒於延遲發展進度，已計提撥備港幣3.61億元。管理層根據最新市場狀況及本集團最新發展計劃評估發展中物業之可變現淨值。鑒於本集團之流動資金狀況，本集團亦一直積極考慮不同的潛在發展計劃。經考慮所有該等因素，本集團認為可變現淨值減少並決定於2017年12月31日相應計提減值撥備。

(f) 物業公允值之估計

物業估值乃根據香港測量師學會刊發之「香港測量師學會估值準則(2017年版)」進行。

有關判斷及假設之詳情已披露於附註17及附註18。

如未能取得當時或近期物業價格之資料，物業之公允值主要利用收益資本化估值技術釐定。

本集團利用之假設主要根據報告期末當時之市場情況釐定。

有關管理層對公允值估計之主要假設涉及：合約租金之收取、預期未來市場租金、無效期、維修規定及適當之貼現率。此等估值定期與實際之市場收益數據以及本集團之實際交易及該等市場報告作出比較。

預期未來市場租金按照相類似物業在同一地點和狀況之當時市場租金釐定。

4. Critical accounting estimates and assumptions

(continued)

(g) *Income taxes*

The Group is subject to income taxes mainly in Hong Kong, Macau and the PRC. Significant judgement is required in determining the provision for PRC income taxes. There are a number of transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

(h) *PRC land appreciation taxes*

The Group is subject to land appreciation taxes in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its land appreciation taxes calculation and payments with any local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation taxes. The Group recognised these land appreciation taxes based on management's best estimates according to the interpretation of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and tax provisions in the periods in which such taxes have been finalised with local tax authorities.

4. 重大會計估計及假設 (續)

(g) *所得稅*

本集團須繳納主要香港、澳門及中國之所得稅。於釐定中國所得稅撥備時須作出重大判斷。在日常業務過程中存在大量導致最終稅項無法明確釐定之交易及計算。本集團根據是否須繳納附加稅項之估計而確認潛在稅項風險之負債。倘若該等事項之最終評稅結果與初步列賬之數額不同，則有關差額會影響釐定期間所得稅及遞延稅項之撥備。

(h) *中國土地增值稅*

本集團須支付中國之土地增值稅。然而，有關稅項之執行及結算在中國各城市不同稅務司法權區有異，而本集團尚未與任何中國地方稅務機關落實其土地增值稅之計算及付款方法。因此，於釐定土地增值稅之金額時須作出重大判斷。本集團根據管理層按其對稅務規則之理解作出之最佳估計，確認有關土地增值稅。最終稅務結果可能與初步記錄的金額有別，而有關差異將影響地方稅務機關落實有關稅項期間之所得稅開支及稅項撥備。

5. Segment information

(a) Operating segments

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

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

5. 分類資料

(a) 營運分類

收益包括已開單予第三方之合約工程總額、物業存貨之銷售所得款、物業存貨及投資物業之租金收入及與租賃相關之收入。

根據本集團提交予主要營運決策者（即執行委員會，由其負責分配資源、評估營運分類表現及作出策略性決定）之內部財務報告，須予呈報之營運分類為(1)樓宇建造；(2)土木工程；(3)機電工程；以及(4)物業發展及投資。

Year ended 31 December 2017		Continuing operations 持續經營業務					Total 總額	Discontinued operation 已終止經營業務
		Building construction 樓宇建造	Civil engineering 土木工程	Electrical and mechanical 機電工程	Property development and investment 物業發展及投資	Corporate and others (Note 1) 行政及其他 (附註1)		
截至2017年12月31日止年度		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Revenue (excluding NSC (Note 2))	收益(不包括NSC(附註2))	4,112,604	1,049,411	895,264	65,903	1,267	6,124,449	-
Gross profit	毛利	14,465	33,418	90,813	25,990	378	165,064	-
Other gains/(losses), net	其他收益/(虧損)淨額	9,283	65	83	(33,931)	4,222	(20,278)	-
Fair value gain on investment properties	投資物業公允價值收益	-	-	-	707,268	-	707,268	-
Provision for impairment of properties under development	發展中物業減值撥備	-	-	-	(361,383)	-	(361,383)	-
Net exchange gain/(loss)	匯兌收益/(虧損)淨額	558	-	9	(49,704)	23,159	(25,978)	-
Selling and marketing expenses	銷售及市場推廣開支	-	-	-	(24,732)	-	(24,732)	-
General and administrative expenses	一般行政開支	(96,403)	(36,037)	(23,972)	(268,201)	(150,686)	(575,299)	-
Operating (loss)/profit	經營(虧損)/溢利	(72,097)	(2,554)	66,933	(4,693)	(122,927)	(135,338)	-
Amortisation of intangible assets	無形資產攤銷	-	-	-	(20,893)	(147)	(21,040)	-
Interest income	利息收入	-	-	-	48,113	732	48,845	-
Interest expenses	利息開支	-	-	-	(241,009)	(128,990)	(369,999)	-
(Loss)/profit before taxation	除稅前(虧損)/溢利	(72,097)	(2,554)	66,933	(218,482)	(251,332)	(477,532)	-
Taxation	稅項	-	-	-	-	-	(93,206)	-
Loss for the year	本年度虧損	-	-	-	-	-	(570,738)	-
Capital expenditure	資本性開支	(138)	(98)	(118)	(464,365)	(380)	(465,099)	-
Depreciation	折舊	(7,712)	(90)	(214)	(77,367)	(7,498)	(92,881)	-
As at 31 December 2017	於2017年12月31日							
Deposits, cash and cash equivalents	存款、現金及等同現金項目	-	-	-	447,566	336,571	784,137	-
Bank loans	銀行貸款	-	-	-	(512,378)	(527,508)	(1,039,886)	-
Other borrowings	其他借貸	-	-	-	(8,507,457)	(832,319)	(9,339,776)	-
Senior notes	優先票據	-	-	-	-	(3,458,230)	(3,458,230)	-
Private bonds	私募債券	-	-	-	-	(21,903)	(21,903)	-

5. Segment information (continued)
(a) Operating segments (continued)

5. 分類資料 (續)
(a) 營運分類 (續)

		Continuing operations 持續經營業務					Total 總額	Discontinued operation 已終止 經營業務
		Building construction 樓宇建造 HK\$'000 港幣千元	Civil engineering 土木工程 HK\$'000 港幣千元	Electrical and mechanical 機電工程 HK\$'000 港幣千元	Property development and investment 物業發展及投資 HK\$'000 港幣千元	Corporate and others (Note 1) 行政及其他 (附註1) HK\$'000 港幣千元		
Year ended 31 December 2016 截至2016年12月31日止年度								
Revenue (excluding NSC (Note 2))	收益 (不包括NSC (附註2))	6,718,426	1,705,406	890,011	64,814	-	9,378,657	2,162,961
Gross profit	毛利	311,645	7,038	117,472	20,294	-	456,449	148,516
Other gains/(losses), net	其他收益/(虧損)淨額	1,380	-	38	(1,173,375)	65,798	(1,106,159)	4,193
Fair value loss on investment properties	投資物業公允價值虧損	-	-	-	(883,925)	-	(883,925)	-
Provision for impairment of properties under development	發展中物業減值撥備	-	-	-	(1,924,025)	-	(1,924,025)	-
Net exchange (loss)/gain	匯兌 (虧損)/收益淨額	(1,068)	-	16	(74,011)	(26,836)	(101,899)	(94)
Selling and marketing expenses	銷售及市場推廣開支	-	-	-	(14,620)	(132)	(14,752)	-
General and administrative expenses	一般行政開支	(74,725)	(30,194)	(26,484)	(192,921)	(168,106)	(492,430)	(110,223)
Operating profit/(loss)	經營溢利/(虧損)	237,232	(23,156)	91,042	(4,242,583)	(129,276)	(4,066,741)	42,392
Amortisation of intangible assets	無形資產攤銷	-	-	-	(10,111)	(2,229)	(12,340)	(7,238)
Interest income	利息收入	-	-	-	3,591	8,510	12,101	105
Interest expenses	利息開支	-	-	-	(94,300)	(60,165)	(154,465)	(2,874)
Share of loss of an associated company	應佔一間聯營公司虧損	237,232	(23,156)	91,042	(4,343,403)	(183,160)	(4,221,445)	32,385
		-	-	-	(52,015)	-	(52,015)	-
Profit/(loss) before taxation	除稅前溢利/(虧損)	237,232	(23,156)	91,042	(4,395,418)	(183,160)	(4,273,460)	32,385
Taxation	稅項						1,350,866	(7,892)
(Loss)/profit for the year	本年度 (虧損)/溢利						(2,922,594)	24,493
Gain on disposal of a subsidiary	出售一間附屬公司之收益							185,915
								210,408
Capital expenditure	資本性開支	(5,792)	-	(233)	(822,365)	(16,874)	(845,264)	(12,279)
Depreciation	折舊	(9,462)	(145)	(282)	(57,846)	(12,269)	(80,004)	(5,281)
As at 31 December 2016	於2016年12月31日							
Deposits, cash and cash equivalents	存款、現金及等同現金項目	-	-	-	40,258	370,889	411,147	
Bank overdrafts	銀行透支	-	-	-	-	(25,216)	(25,216)	
Bank loans	銀行貸款	-	-	-	(1,762,518)	(567,217)	(2,329,735)	
Convertible bonds	可換股債券	-	-	-	-	(44,696)	(44,696)	
Other borrowings	其他借貸	-	-	-	(4,494,073)	(1,267,928)	(5,762,001)	
Financial derivative liability	金融衍生工具負債	-	-	-	-	(183)	(183)	
Senior notes	優先票據	-	-	-	-	(3,417,715)	(3,417,715)	

Notes:

- Corporate mainly represents corporate and administrative activities, and shared services; others represent international infrastructure business and international real estate, hospitality business and retailing business.
- Nominated subcontractors' works of Macau Galaxy Resort Phase 2 project ("NSC").

附註:

- 行政主要為公司及行政活動，以及共享服務；其他指國際基建業務及國際房地產、旅遊發展業務及零售業務。
- 澳門銀河娛樂渡假村第二期項目的指定分判商工程 ("NSC")。

5. Segment information (continued)
(d) Reconciliation of reportable segment revenue

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Continuing operations	持續經營業務		
Reportable segment revenue	須予呈報分類收益	6,124,449	9,378,657
Revenue – NSC	收益 – NSC	177,925	444,559
		6,302,374	9,823,216
Discontinued operation	已終止經營業務		
Reportable segment revenue	須予呈報分類收益	–	2,162,961
		6,302,374	11,986,177

5. 分類資料 (續)
(d) 須予呈報分類收益之對賬

6. Discontinued operation

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

6. 已終止經營業務

已終止經營業務是指室內裝飾及特殊項目以及物業及設施管理業務，由於新昌管理集團有限公司已出售，該公司於2016年11月21日不再是本集團的附屬公司。因此，新昌管理集團有限公司由2016年1月1日至2016年11月20日止期間之業績呈列為已終止經營業務。

		2016 HK\$'000 港幣千元
Revenue	收益	2,162,961
Cost of sales and operating expenses	銷售成本及營運費用	(2,130,576)
Profit before taxation	除稅前溢利	32,385
Taxation	稅項	(7,892)
Profit for the year	本年度溢利	24,493
Gain on disposal of a subsidiary	出售一間附屬公司之收益	185,915
		210,408

6. Discontinued operation (continued)

6. 已終止經營業務 (續)

		2016 HK\$'000 港幣千元
Profit attributable to:	應佔溢利：	
Equity holders of the Company	本公司權益持有人	202,629
Non-controlling interests	非控股權益	7,779
		210,408
Operating cash flows	經營業務之現金流量	61,398
Investing cash flows	投資業務之現金流量	(31,121)
Financing cash flows	融資業務之現金流量	(71,195)
Net decrease in cash and cash equivalents	現金及等同現金項目減少淨額	(40,918)
Net assets disposed of:	已出售資產淨值：	
Intangible assets	無形資產	64,400
Stocks and contracting work-in-progress	存貨及興建中工程	414,942
Receivables and prepayments	應收賬款及預付金	479,015
Cash and cash equivalents	現金及等同現金項目	88,923
Other assets	其他資產	100,148
Bank loans	銀行貸款	(239,048)
Payables and accruals	應付賬款及應計費用	(734,623)
Other liabilities	其他負債	(45,563)
Non-controlling interests	非控股權益	(53,843)
Goodwill	商譽	18,753
Release of reserves upon disposal	於出售後變現儲備	(8)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	185,915
Total consideration	總代價	279,011
Net cash inflow in respect of the disposal:	有關出售的現金流入淨額：	
Cash and bank deposits disposed	已出售現金及銀行存款	(88,923)
Cash consideration received	已收現金代價	279,011
		190,088

7. Other losses, net

7. 其他虧損淨額

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Continuing operations	持續經營業務		
Net gain on disposal of property, plant and equipment and leasehold land	出售物業、機器及設備及租賃土地之收益淨額	112	31
Adjustment for tax indemnification asset (Note 41)	調整稅項彌償資產(附註41)	-	(983,861)
Gain on disposal of a leasehold land and building	出售租賃土地及樓宇之收益	167,333	-
Provision for impairment of amount due from a shareholder of an associate ¹	應收一間聯營公司股東款項之減值撥備 ¹	-	(156,044)
Provision for impairment of amount due from an associate	應收一間聯營公司款項之減值撥備	-	(11,179)
Provision for impairment of goodwill ²	商譽減值撥備 ²	-	(23,249)
Provision for impairment of property, plant and equipment and leasehold land	物業、機器及設備及租賃土地之減值撥備	(200,116)	-
Provision for impairment of stock	存貨減值撥備	(4,359)	-
Change in fair value in financial derivatives (Note 34)	衍生金融工具公允值變動(附註34)	(991)	194,168
Gain/(Loss) on redemption of convertible bonds	贖回可換股債券之收益/(虧損)	1,174	(129,976)
Government grant	政府補助	1,504	-
Miscellaneous	其他	15,065	3,951
		(20,278)	(1,106,159)
Discontinued operation	已終止經營業務		
Net gain on disposal of property, plant and equipment and leasehold land	出售物業、機器及設備及租賃土地之收益淨額	-	138
Provision for impairment of receivables	應收賬款減值撥備	-	(16)
Miscellaneous	其他	-	4,071
		-	4,193

Notes:

附註:

- The amount represented the registered capital injection paid by the Company on behalf of another shareholder of an associate. The amount of registered capital was used for a potential acquisition of property projects through an associate. As at 31 December 2016, the transaction was expired and the deposit paid was non-refundable pursuant to the sales and purchase agreement. Due to the absence of progress after repeated requests for settlement, management considered the recoverability of the balance from the shareholder of the associate was highly uncertain in the near future and therefore full provision of impairment had been made accordingly.
- The goodwill arose from Hsin Chong Property Development Limited in 2011 allocated to the "Property development and investment segment". Management carried out impairment assessment of the goodwill and concluded a full provision is required as at 31 December 2016.

- 此金額指本公司代表一間聯營公司之另一名股東支付的註冊資本。該註冊資本金額乃用於透過一間聯營公司潛在收購一處物業項目。於2016年12月31日，此交易已屆滿，及已支付按金根據買賣合同不予退還。由於重覆要求還款而沒有進展，管理層考慮到近期從聯營公司股東中收回餘額的高度不確定性，因此管理層考慮全數計提減值撥備。
- 於2011年，商譽是來自新昌地產發展有限公司，分配至「物業發展及投資分類」。於2016年12月31日，管理層對商譽進行減值評估，決定需要全數計提減值撥備。

8. Provision for impairment of properties under development

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

9. Interest expenses

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Interest on bank loans and overdrafts	銀行貸款及透支之利息	61,784	99,426
Interest expense on convertible bonds (Note 34)	可換股債券之利息開支 (附註34)	10,298	136,092
Interest expense on other borrowings	其他借貸之利息開支	1,808,752	695,039
Interest expense on senior notes	優先票據之利息開支	342,764	335,649
Interest expense on private bonds	私募債券之利息開支	1,372	-
Others	其他	3,172	-
		2,228,142	1,266,206
Less: amounts capitalised on qualifying assets	減：於合資格資產資本化之款項	(1,858,143)	(1,108,867)
		369,999	157,339
Representing:	代表：		
Continuing operations	持續經營業務	369,999	154,465
Discontinued operation	已終止經營業務	-	2,874
		369,999	157,339

The annual weighted average interest rates of bank loans and other borrowings are 4.5% (2016: 3.2%) and 25.3% (2016: 19.1%) respectively, of which the capitalised annual weighted average interest rates are nil (2016: 3.9%) and 32.9% (2016: 20.3%) respectively. The imputed effective capitalised weighted average interest rates of senior notes and convertible bonds are 10.0% and 23.7% respectively (2016: 10.0% for senior notes and 26.9% for convertible bonds).

8. 發展中物業減值撥備

管理層參考獨立外聘估值師保柏國際評估有限公司進行之估值，進行減值評估。本集團發展中物業之變現淨值估計取決於要求管理層作出重大判斷的若干主要假設，包括現時之項目計劃、承包商的工程進度、達致竣工的預計成本、擬定用途及管理層對未來物業市場的預計。按照部分物業項目之延遲發展、管理層發展計劃的潛在變動及預期售價之減少，管理層認為發展中物業之變現淨值會減少。於2017年12月31日，鑒於此延遲發展狀況及最新市場狀況，為於中國之部分物業項目作出港幣361,000,000元（2016年：港幣1,924,000,000元）之撥備。

9. 利息開支

銀行貸款及其他借貸的加權平均年利率分別為4.5%（2016年：3.2%）及25.3%（2016年：19.1%），其中資本化加權平均年利率分別為零（2016年：3.9%）及32.9%（2016年：20.3%）。優先票據及可換股債券的估算實際資本化之加權平均利率分別為10.0%及23.7%（2016年：優先票據為10.0%及可換股債券為26.9%）。

10. Loss before taxation

10. 除稅前虧損

		2017		2016	
		Continuing operations	Discontinued operation	Continuing operations	Discontinued operation
		持續	已終止	持續	已終止
		經營業務	經營業務	經營業務	經營業務
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Cost of sales	銷售成本				
Cost of construction	建造成本				
– Staff costs	– 員工成本	720,886	–	1,052,581	122,375
– Other construction costs	– 其他建造成本	5,375,622	–	8,269,666	1,331,128
		6,096,508	–	9,322,247	1,453,503
Cost of property and facility management services	物業及設施管理服務成本				
– Staff costs	– 員工成本	–	–	–	442,367
– Others	– 其他	–	–	–	118,575
		–	–	–	560,942
Cost of property development and investment	物業發展及投資成本				
– Staff costs	– 員工成本	6,534	–	3,758	–
– Stock of properties sold	– 已售物業存貨成本	7,950	–	12,906	–
– Others	– 其他	25,429	–	27,856	–
		39,913	–	44,520	–
Cost of retailing	零售成本				
– Others	– 其他	889	–	–	–
		6,137,310	–	9,366,767	2,014,445
Depreciation on property, plant and equipment and leasehold land	物業、機器及設備及租賃土地之折舊	92,881	–	80,004	5,281
Auditor's remuneration	核數師酬金	7,680	–	7,269	1,547
Operating lease rentals for land and buildings	土地及樓宇經營租賃租金	45,967	–	33,791	8,061
Outgoings in respect of	以下各項之費用				
– Investment properties	– 投資物業	22,356	–	19,995	–
– Owner occupied property	– 自用之物業	2,845	–	4,534	–
Staff costs, included in general administrative expenses	計入一般行政開支之員工成本	269,830	–	273,990	66,193

11. Directors' and chief executive's emoluments

The remuneration of the directors and chief executive officer for the year ended 31 December 2017 is set out below:

11. 董事及行政總裁酬金

董事及行政總裁於截至2017年12月31日止年度之酬金如下：

Names	姓名	2017				2016	
		Fees	Salaries, allowances and benefits in kind ¹	Bonus ¹	Contributions to retirement scheme ¹	Total	Total
		袍金	薪酬、津貼及實物收益 ¹	花紅 ¹	退休計劃供款 ¹	總額	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Joseph CHOI Kin Hung (Note v)	蔡健鴻 (附註v)	250	7,920	4,118	–	12,288	21,061
LUI Chun Pong (Note i)	呂振邦 (附註i)	310	–	–	–	310	3,625
Wilfred WU Shek Chun	鄔碩晉	215	2,312	400	18	2,945	2,774
Eric TODD (Note ii)	達振標 (附註ii)	163	487	–	23	673	–
ZHOU Wei (Note iii)	周焯 (附註iii)	87	1,879	–	–	1,966	2,079
LIN Zhuo Yan	林卓延	800	–	–	–	800	750
YAN Jie	閻傑	300	–	–	–	300	250
CHENG Sui Sang	鄭瑞生	510	–	–	–	510	340
GAO Jingyuan (Note viii)	高景遠 (附註viii)	–	–	–	–	–	1,266
LEE Jai Ying (Note ix)	李嘉音 (附註ix)	330	–	–	–	330	275
KWOK, Shiu Keung Ernest (Note vi)	郭少強 (附註vi)	96	–	–	–	96	280
CHEN Lei	陳磊	250	–	–	–	250	250
CHUI Kwong Kau	崔光球	340	–	–	–	340	280
LAI Chik Fan (Note iv)	賴焯藩 (附註iv)	270	–	–	–	270	–
George YUEN Kam Ho (Note vii)	袁金浩 (附註vii)	460	–	–	–	460	142
		4,381	12,598	4,518	41	21,538	33,372

¹ The amounts represented emoluments in respect of services provided in connection with management of the affairs of the Company or its subsidiaries undertaking.

¹ 該金額指就提供有關管理本公司或其附屬公司之事務之服務收取之酬金。

Notes:

- (i) Mr. LUI Chun Pong was redesignated as a Non-executive Director with effect from 1 January 2017.
- (ii) Mr. Eric TODD was appointed as an Executive Director with effect from 9 March 2017.
- (iii) Mr. ZHOU Wei resigned as an Executive Director with effect from 8 June 2017.
- (iv) Mr. LAI Chik Fan was appointed as an Independent Non-executive Director with effect from 8 June 2017.
- (v) Mr. Joseph CHOI Kin Hung was redesignated as a Chief Executive Officer with effect from 8 June 2017.
- (vi) Mr. KWOK, Shiu Keung Ernest was appointed as an Independent Non-executive Director with effect from 8 June 2017.
- (vii) Mr. George YUEN Kam Ho was appointed as an Independent Non-executive Director with effect from 12 July 2016.
- (viii) Mr. GAO Jingyuan resigned as an Independent Non-executive Director with effect from 12 July 2016.
- (ix) Ms. LEE Jai Ying resigned as an Independent Non-executive Director with effect from 13 March 2018.

附註：

- (i) 呂振邦先生已調任為非執行董事，由2017年1月1日起生效。
- (ii) 達振標先生獲委任為執行董事，自2017年3月9日起生效。
- (iii) 周焯先生已辭任執行董事，自2017年6月8日起生效。
- (iv) 賴焯藩先生獲委任為獨立非執行董事，自2017年6月8日起生效。
- (v) 蔡健鴻博士工程師已調任為行政總裁，自2017年6月8日起生效。
- (vi) 郭少強先生已獲委任為獨立非執行董事，自2017年6月8日起生效。
- (vii) 袁金浩先生已獲委任為獨立非執行董事，自2016年7月12日起生效。
- (viii) 高景遠先生已辭任獨立非執行董事，自2016年7月12日起生效。
- (ix) 李嘉音女士已辭任獨立非執行董事，自2018年3月13日起生效。

11. Directors' and chief executive's emoluments (continued)

No benefit arose on shares issued and allotted to directors of the Company under the employee share subscription scheme of the Company adopted on 23 August 2002 for both years as no such share allotment was made for both years. None of the directors have waived their rights to receive emoluments for both years.

There is no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities (2016: nil).

Except for the other receivables from related companies owned by a former director of the Company, who resigned on 8 June 2017, and/or close members of his family as set out in Note 26, these were no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

12. Five highest paid employees

There was one director (2016: one) whose emolument was among the five highest paid employees in the Group and included in the analysis set out in Note 11.

Details of the emoluments paid to the other four (2016: four) individuals, who are not directors of the Company but whose emoluments were among the five highest paid employees in the Group are as follows:

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Salaries and other allowances	薪酬及其他津貼	14,243	14,222
Bonus	花紅	6,818	7,062
Contributions to retirement scheme	退休計劃供款	348	216
		21,409	21,500

Emolument bands	酬金範圍	Number of Individuals in each band 各範圍之僱員人數	
		2017	2016
HK\$4,000,001 – HK\$4,500,000	港幣4,000,001元–港幣4,500,000元	2	1
HK\$4,500,001 – HK\$5,000,000	港幣4,500,001元–港幣5,000,000元	–	1
HK\$5,000,001 – HK\$5,500,000	港幣5,000,001元–港幣5,500,000元	–	–
HK\$5,500,001 – HK\$6,000,000	港幣5,500,001元–港幣6,000,000元	–	1
HK\$6,000,001 – HK\$6,500,000	港幣6,000,001元–港幣6,500,000元	2	–
HK\$6,500,001 – HK\$7,000,000	港幣6,500,001元–港幣7,000,000元	–	1
		4	4

11. 董事及行政總裁酬金 (續)

兩個年度內並無根據本公司於2002年8月23日採納之僱員認購股份計劃發行及配發股份予本公司董事，因此於兩個年度內並無就股份配發產生任何利益。兩個年度內，概無董事放棄彼等收取酬金之權利。

並無貸款、準貸款或其他以董事、該等董事的受控制的法人團體及關連實體為受益人之交易 (2016年：無)。

除了於附註26所披露之由本公司一名前任董事 (彼於2017年6月8日辭任) 及/或其近親擁有之關連公司之其他應收賬款外，於本年度末或於本年度任何時間，本集團並無存續與本集團業務有關，而本公司之董事於其中直接或間接擁有重大權益之交易、安排及合約。

12. 五位最高薪酬僱員

本集團五位最高薪酬僱員中包括一位董事 (2016年：一位)，其酬金已載於附註11之分析內。

其餘四位 (2016年：四位) 最高薪酬人士，其職位並非本公司董事但屬於本集團五位最高薪酬僱員，其酬金詳列如下：

13. Staff costs

13. 員工成本

		2017		2016	
		Continuing operations	Discontinued operation	Continuing operations	Discontinued operation
		持續經營業務	已終止經營業務	持續經營業務	已終止經營業務
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Wages, salaries and allowances (including directors' emoluments)	工資、薪酬及津貼 (包括董事酬金)	973,067	–	1,299,991	608,231
Provision for annual leave, net	年假撥備淨額	–	–	–	(190)
Termination benefits	終止服務費用	360	–	520	–
Long service payment	長期服務金費用	206	–	273	1,085
Contributions to defined contribution retirement schemes	界定供款退休計劃之供款	23,617	–	29,545	21,804
Share-based compensation	以股份為基礎之補償	–	–	–	5
		997,250	–	1,330,329	630,935
Charged to cost of sales (Note 10)	已列支在銷售成本中 (附註10)	(727,420)	–	(1,056,339)	(564,742)
		269,830	–	273,990	66,193

14. Taxation

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

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

14. 稅項

兩個年度的香港利得稅乃按有關年度之估計應課稅溢利扣除往年認可之稅損後依稅率16.5%撥備。本集團之海外溢利稅項是按本年度估計應課稅溢利以其經所在營國家之現行稅率計算。

在綜合收益表扣除/(計入)之稅項如下:

		2017		2016	
		Continuing operations	Discontinued operation	Continuing operations	Discontinued operation
		持續經營業務	已終止經營業務	持續經營業務	已終止經營業務
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Provision for the year	本年度撥備				
– Hong Kong profits tax	– 香港利得稅	29,252	–	34,136	9,067
– PRC income tax and Macau profits tax	– 中國所得稅及澳門利得稅	6,365	–	15,508	–
– Overseas profits tax	– 海外利得稅	144	–	2,851	–
(Over)/under provision in respect of prior years	過往年度(超額撥備)/撥備不足	(2,597)	–	12,999	–
Deferred tax charge/(credit) (Note 29)	遞延稅項扣除/(計入) (附註29)	60,042	–	(1,416,360)	(1,175)
		93,206	–	(1,350,866)	7,892

14. Taxation (continued)

Taxation on the Group's loss before taxation differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

14. 稅項 (續)

本集團除稅前虧損之稅項與假若採用本公司本土國家之稅率而計算之理論稅項之差額如下：

		Continuing operations 持續經營業務	Discontinued operation 已終止經營業務	Continuing operations 持續經營業務	Discontinued operation 已終止經營業務
		2017		2016	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
(Loss)/profit before taxation (excluding share of loss of an associated company)	除稅前(虧損)/溢利(不包括應佔一間聯營公司虧損)	(477,532)	–	(4,221,445)	218,300
Taxation at Hong Kong profits tax rate at 16.5%	按香港利得稅率16.5%計算之稅項	(78,793)	–	(696,538)	36,020
Effect of different taxation rates in other tax jurisdictions	其他稅務司法權區不同稅率之影響	7,897	–	(321,728)	511
(Over)/under provision in respect of prior years	過往年度(超額撥備)/撥備不足	(2,597)	–	12,999	–
Income not subject to taxation	無須課稅收入	(105,739)	–	(37,582)	(30,691)
Expenses not deductible for taxation purpose	不可抵扣稅項之開支	47,389	–	304,887	1,331
Temporary differences not recognised	未有確認之暫時差異	32,188	–	6,032	91
Tax losses not recognised	未有確認之稅損	267,327	–	231,034	(884)
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(2,473)	–	(12,372)	1,514
Land appreciation tax	土地增值稅	(71,993)	–	(837,598)	–
		93,206	–	(1,350,866)	7,892

15. (Loss)/earnings per share

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

		Continuing operations 持續經營業務		Discontinued operation 已終止經營業務	
		2017	2016	2017	2016
(Loss)/profit attributable to equity holders (HK\$'000) (Note 1)	權益持有人應佔(虧損)/溢利(港幣千元)(附註1)	(774,382)	(2,936,129)	–	202,629
Weighted average number of ordinary shares issued ('000)	已發行之普通股加權平均股數(千股)	5,706,671	5,586,379	–	5,586,379
Basic and diluted (loss)/earnings per share (HK cents)	每股基本及攤薄(虧損)/溢利(港幣仙)	(13.6)	(52.6)	–	3.6

Notes:

- Pursuant to the terms of the convertible preference shares, the holders are at all times entitled to dividends or other distributions of the same amount with respect to the Company's ordinary shares. There was no dividend declared by the board for the years ended 31 December 2017 and 2016 and accordingly no adjustment has been made in the calculation of the basic loss per share for the year.
- The diluted loss per share for continuing operations for the year ended 31 December 2017 and 2016 are the same as the basic loss per share because the exercise of the Group's share options, convertible preference shares and convertible bonds would result in a decrease in loss per share for the year. For the year ended 31 December 2016, the basis for diluted earnings per share for discontinued operation was the same as the basis used in continuing operations.

16. Dividends

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

15. 每股(虧損)/盈利

每股基本及攤薄(虧損)/盈利乃按本公司權益持有人應佔本集團(虧損)/溢利除以年內已發行之普通股加權平均股數計算。

附註:

- 根據可轉換優先股之細則，持有人於任何時候均可享有與本公司之普通股同等權利獲得股息及其他分派。董事會已議決不派發截至2017年及2016年12月31日止年度之股息，因此，本年度之每股基本虧損之計算沒有作出調整。
- 截至2017年及2016年12月31日止年度持續經營業務之每股攤薄虧損與每股基本虧損相同，原因為行使本集團購股權、可換股優先股及可換股債券將導致該等年度內每股虧損減少。截至2016年12月31日止年度，已終止經營業務之每股攤薄盈利之基準，與持續經營業務所採用之基準相同。

16. 股息

本集團不擬宣派截至2017年12月31日止年度之任何中期及末期股息(2016年:無)。

17. Property, plant and equipment and leasehold land

17. 物業、機器及設備及租賃土地

		Leasehold land in the PRC	Building in the PRC	Leasehold land and building in Hong Kong	Leasehold improvements	Construction in progress	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
		於中國 之租賃土地	於中國 之樓宇	於香港之 租賃土地及 樓宇	租賃物業 裝修	在建工程	機械及設備	傢俬、固定 裝置及設備	汽車	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cost or valuation	成本或估值									
At 1 January 2016	於2016年1月1日	-	-	506,000	75,820	-	68,864	98,180	17,034	765,898
Exchange difference	匯兌差額	-	-	-	(302)	-	-	(1,768)	(684)	(2,754)
Additions	添置	-	-	-	17,481	-	4,880	17,504	3,787	43,652
Fair value gain on revaluation	公允價值重估收益	-	-	64,000	-	-	-	-	-	64,000
Transfer from investment properties (Note 18)	來自投資物業之轉撥 (附註18)	180,431	191,129	-	-	-	-	-	-	371,560
Transfer from properties under development (Note 24)	來自發展中物業之 轉撥(附註24)	1,177,482	-	-	-	837,210	-	-	-	2,014,692
Disposal	出售	-	-	-	(2,205)	-	(248)	(1,581)	(244)	(4,278)
Disposal of a subsidiary	出售一間附屬公司	-	-	-	(12,359)	-	(4,133)	(34,265)	(4,655)	(55,412)
At 31 December 2016	於2016年12月31日	1,357,913	191,129	570,000	78,435	837,210	69,363	78,070	15,238	3,197,358
Exchange difference	匯兌差額	95,994	15,859	-	1,008	60,952	-	1,619	675	176,107
Additions	添置	-	49,860	-	108	65,866	140	1,857	767	118,598
Fair value gain on revaluation	公允價值重估收益	-	-	15,000	-	-	-	-	-	15,000
Transfer from investment properties (Note 18)	來自投資物業之轉撥 (附註18)	20,908	19,562	-	-	-	-	-	-	40,470
Disposal	出售	-	-	(585,000)	-	-	(1,989)	(886)	(496)	(588,371)
At 31 December 2017	於2017年12月31日	1,474,815	276,410	-	79,551	964,028	67,514	80,660	16,184	2,959,162

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

當部分物業項目的發展計劃經落實後，由於本集團決定將部分發展中物業及投資物業作自用，因此轉撥至物業、機器及設備及租賃土地。截至2017年12月31日止年度，發展中物業無轉撥（2016年：港幣2,015,000,000元）及發展中投資物業已轉撥港幣41,000,000元（2016年：港幣372,000,000元）至物業、機器及設備及租賃土地。

17. Property, plant and equipment and leasehold land
(continued)

17. 物業、機器及設備及租賃土地 (續)

		Leasehold land in the PRC	Building in the PRC	Leasehold land and building in Hong Kong 於香港之 租賃土地及 樓宇	Leasehold improvements	Construction in progress	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
		於中國之 租賃土地 HK\$'000 港幣千元	於中國 之樓宇 HK\$'000 港幣千元	於香港之 租賃土地及 樓宇 HK\$'000 港幣千元	租賃物業 裝修 HK\$'000 港幣千元	在建工程 HK\$'000 港幣千元	機械及設備 HK\$'000 港幣千元	傢俬、固定 裝置及設備 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
Accumulated depreciation	累積折舊									
At 1 January 2016	於2016年1月1日	-	-	-	(68,859)	-	(45,672)	(73,945)	(9,285)	(197,761)
Exchange difference	匯兌差額	-	-	-	222	-	-	972	367	1,561
Depreciation for the year (Note)	本年度折舊 (附註)	-	-	(53,548)	(11,392)	-	(8,127)	(13,209)	(2,515)	(88,791)
Elimination of fair value gain on revaluation	對銷公允價值重估收益	-	-	53,548	-	-	-	-	-	53,548
Disposal	出售	-	-	-	2,171	-	251	1,462	244	4,128
Disposal of a subsidiary	出售一間附屬公司	-	-	-	5,955	-	2,121	29,640	3,057	40,773
At 31 December 2016	於2016年12月31日	-	-	-	(71,903)	-	(51,427)	(55,080)	(8,132)	(186,542)
Exchange difference	匯兌差額	(1,491)	(1,442)	-	(959)	(5,869)	-	(860)	(400)	(11,021)
Depreciation for the year (Note)	本年度折舊 (附註)	(43,381)	(12,871)	(17,924)	(3,180)	-	(6,706)	(8,544)	(3,128)	(95,734)
Elimination of fair value gain on revaluation	對銷公允價值重估收益	-	-	17,924	-	-	-	-	-	17,924
Disposal	出售	-	-	-	-	-	1,966	821	462	3,249
Impairment loss recognised in profit or loss	於損益確認之 減值虧損	-	(29,158)	-	-	(170,958)	-	-	-	(200,116)
At 31 December 2017	於2017年12月31日	(44,872)	(43,471)	-	(76,042)	(176,827)	(56,167)	(63,663)	(11,198)	(472,240)
Net book value or valuation	賬面淨值或估值									
At 31 December 2017	於2017年12月31日	1,429,943	232,939	-	3,509	787,201	11,347	16,997	4,986	2,486,922
At 31 December 2016	於2016年12月31日	1,357,913	191,129	570,000	6,532	837,210	17,936	22,990	7,106	3,010,816

Note:

During the year, depreciation of HK\$2,853,000 (2016: HK\$3,506,000) was capitalised in properties under development and investment properties.

The leasehold land and building was revalued at fair value by an independent valuer, B.I. Appraisals Limited.

附註:

年內·港幣2,853,000元(2016年:港幣3,506,000元)之折舊已於發展中物業及投資物業予以資本化。

租賃土地及樓宇由獨立估值師保柏國際評估有限公司按公允價值重估。

17. Property, plant and equipment and leasehold land

(continued)

Fair value measurements using significant unobservable inputs (Level 3)

As at 31 December 2016, fair value of leasehold land and building in Hong Kong was derived using the direct comparison method. This valuation method compared the property to be valued directly with other comparable properties, which had recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments were usually required to allow for any qualitative differences that might affect the price likely to be achieved by the property under consideration.

There was no transfer between level 1, 2 and 3 during the year the ended 31 December 2016.

Significant inputs used to determine fair value of leasehold land and building in Hong Kong at 31 December 2016

	Valuation method 估值方法	Unobservable input 不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允值之關係
Leasehold land and building – Hong Kong 租賃土地及樓宇 – 香港	Direct comparison method 直接比較法	Average price per square feet: HK\$6,915 每平方呎平均價格： 港幣6,915元	The higher the average price, the higher the fair value 平均價格越高，公允值越高

As at 31 December 2016, if leasehold land and building in Hong Kong had not been revalued, it would have been included in these consolidated financial statements at historical cost less accumulated depreciation of HK\$78,291,000.

The leasehold land and building in Hong Kong was with a medium-term lease.

The leasehold land in the PRC is with a medium-term lease.

As at 31 December 2017, the Group's leasehold land and building of approximately HK\$1,793,550,000 (2016: HK\$2,265,166,000) was pledged as collateral for the Group's banking facilities.

As at 31 December 2017, fair value of building and construction in progress in PRC was derived using the direct comparison method and discounted cash flow analysis.

17. 物業、機器及設備及租賃土地 (續)

採用重大不可觀察輸入數據之公允值計量 (第三層)

於2016年12月31日，於香港之租賃土地及樓宇之公允值乃採用直接比較法得出。此估值法乃將直接估值之物業與其他近期交易之可比較物業進行比較。然而，鑒於房地產物業之性質互不相同，通常須作出適當之調整以納入任何質量上之差異，該等差異或會影響所考慮物業之價格。

於截至2016年12月31日止年度，第一層、第二層及第三層之間並無進行轉撥。

用於釐定於2016年12月31日之香港租賃土地及樓宇公允值之重大輸入數據

於2016年12月31日，倘於香港之租賃土地及樓宇並無進行重估，則會按歷史成本減累積折舊港幣78,291,000元計入該等綜合財務報表。

位於香港之租賃土地及樓宇附帶中期租賃。

位於中國之租賃土地附帶中期租賃。

於2017年12月31日，本集團的租賃土地及樓宇約港幣1,793,550,000元（2016年：港幣2,265,166,000元）已抵押作本集團銀行融資之抵押品。

於2017年12月31日，位於中國之樓宇及在建工程之公允值乃採用直接比較法及貼現現金流量分析得出。

17. Property, plant and equipment and leasehold land

(continued)

Fair value measurements using significant unobservable inputs (Level 3) (continued)

Direct comparison method is by comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of these comparable properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

For the discounted cash flow analysis, both income and expenses over the coming three years from the date of valuation are itemised and projected annually taking into account the estimated future revenue and the expected growth of income and expenses of the construction in progress. The net cash flow over the three-year period is discounted at an appropriate rate of return.

As at 31 December 2017, certain property, plant and equipment of HK\$2,662,912,000, which were related to certain cash generating units of the property development operation located in the PRC ("CGU"), were assessed for impairment under this CGU and certain of these assets amounting to HK\$200,116,000 were impaired.

The recoverable amount of this CGU amounting to HK\$2,455,373,000 has been determined based on the fair value less costs of disposal using direct comparison method and value-in-use calculation using discounted cash flow analysis by an independent valuer, B.I. Appraisals Limited. Key estimates and assumptions used for determining the recoverable amount of the CGU are as follows:

Significant inputs used to determine fair value of building and construction in progress at 31 December 2017

17. 物業、機器及設備及租賃土地 (續)

採用重大不可觀察輸入數據之公允值計量 (第三層) (續)

直接比較法基於將擬進行估值之物業直接與其他近期交易之可比較物業作比較。然而，鑒於該等可比較物業之性質互不相同，通常須作出適當之調整以納入任何質量上之差異，該等差異或會影響所考慮物業之價格。

就貼現現金流量分析而言，自估值日期起計未來三年之收入及開支將分項列明，並在計及在建工程之估計未來收益以及收入與開支之預期增幅後每年進行預測。三年期的現金流量淨額按適當的收益率進行貼現。

於2017年12月31日，港幣2,662,912,000元之若干物業、器械及設備與若干位於中國的物業發展業務之現金產生單位（「現金產生單位」）相關並用以評估該現金產生單位項下之減值，若干該等資產已減值港幣200,116,000元。

該現金產生單位之可收回金額港幣2,455,373,000元乃由一名獨立估值師保柏國際評估有限公司根據公允值減出售成本以直接比較法及按貼現現金流量分析計算的使用價值釐定。用以釐定現金產生單位之可收回金額的主要估計及假設載列如下：

用於釐定於2017年12月31日之樓宇及在建工程公允值之重大輸入數據

	Valuation method 估值方法	Unobservable input 不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允值之關係
Building and construction in progress in the PRC 於中國之樓宇及在建工程	Direct comparison method and discounted cash flow analysis 直接比較法及貼現現金流量分析	Adjusted average market transacted price per sqm RMB13,000–28,500 經調整平均市場交易價：每平方米人民幣13,000–28,500元 Discount factor adopted 11.5% 所採用貼現係數為11.5% Average revenue growth rate 12% 平均收益增長率為12% Average expense growth rate 3%-7% 平均開支增長率為3%-7%	The higher the adjusted average market transacted price, the higher the fair value. 經調整平均市場交易價越高，公允值越高。 The higher the percentage, the higher the fair value. 百分比越高，公允值越高。 The higher the percentage, the higher the fair value 百分比越高，公允值越高 The lower the percentage, the higher the fair value 百分比越低，公允值越高

18. Investment properties

18. 投資物業

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
At fair value:	按公允值：		
As at 1 January	於1月1日	9,597,022	10,721,129
Addition	添置	346,500	813,891
Disposal of a subsidiary	出售一間附屬公司	-	(3,040)
Transfer to property, plant and equipment and leasehold land (Note 17)	轉撥至物業、機器及設備及租賃土地（附註17）	(40,470)	(371,560)
Fair value gain/(loss)	公允值收益／（虧損）	707,268	(883,925)
Exchange difference	匯兌差額	707,398	(679,473)
At 31 December	於12月31日	11,317,718	9,597,022
The Group's interests in investment properties are analysed as follows:	本集團投資之物業權益分析如下：		
Properties outside Hong Kong held under – Medium-term lease (more than ten years but less than fifty years)	根據以下租賃持有之香港境外物業 – 中期租賃（超過10年但少於50年）	11,317,718	9,597,022

As at 31 December 2017, the Group's investment properties of approximately HK\$9,210,015,000 (2016: HK\$7,310,374,000) were pledged as collaterals for the Group's banking facilities and other borrowings.

於2017年12月31日，本集團約港幣9,210,015,000元（2016年：港幣7,310,374,000元）之投資物業已抵押作本集團銀行融資及其他借貸之抵押品。

18. Investment properties (continued)

18. 投資物業 (續)

		Carparks 車位 Hong Kong 香港 HK\$'000 港幣千元	Completed commercial properties 已竣工商業物業 PRC 中國 HK\$'000 港幣千元	Commercial properties under development 發展中商業物業 PRC 中國 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2016	於2016年1月1日	3,040	5,052,796	5,665,293	10,721,129
Additions	添置	–	477,172	336,719	813,891
Transfer to property, plant and equipment and leasehold land (Note 17)	轉撥至物業、機器及設備及 租賃土地(附註17)	–	(371,560)	–	(371,560)
Disposal of a subsidiary	出售一間附屬公司	(3,040)	–	–	(3,040)
Fair value loss	公允價值虧損	–	(585,724)	(298,201)	(883,925)
Exchange difference	匯兌差額	–	(317,131)	(362,342)	(679,473)
At 31 December 2016	於2016年12月31日	–	4,255,553	5,341,469	9,597,022
Additions	添置	–	259,381	87,119	346,500
Transfer to property, plant and equipment and leasehold land (Note 17)	轉撥物業、機器及設備及 租賃土地(附註17)	–	(40,470)	–	(40,470)
Fair value (loss)/gain	公允價值(虧損)/收益	–	(145,929)	853,197	707,268
Exchange difference	匯兌差額	–	300,670	406,728	707,398
At 31 December 2017	於2017年12月31日	–	4,629,205	6,688,513	11,317,718

The investment properties were revalued at their fair value by an independent valuer, B.I. Appraisals Limited. The Group's finance department would review the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the finance department and valuers at least once every six months, in line with the Group's interim and annual reporting dates.

投資物業由獨立估值師保柏國際評估有限公司按公允價值重估。本集團之財務部門將審閱獨立估值師為財務申報目的進行之估值。財務部門及估值師至少每六個月(與本集團之中期及年度申報日期一致)對估值程序及結果進行討論。

18. Investment properties (continued)

18. 投資物業 (續)

Description	說明	Fair value measurements as at 31 December 2017 using 使用下列估值方法作出之 於2017年12月31日之公允值計量		
		Quoted prices in active markets for identical assets 相同資產 於活躍市場 之報價 (Level 1) (第一層) HK\$'000 港幣千元	Significant other observable inputs 其他重大 可觀察 輸入數據 (Level 2) (第二層) HK\$'000 港幣千元	Significant unobservable inputs 重大不可 觀察 輸入數據 (Level 3) (第三層) HK\$'000 港幣千元
Recurring fair value measurements	經常性公允值計量			
Investments properties:	投資物業：			
Shopping mall in the PRC	位於中國之購物商場	—	—	4,331,326
Carparks in the PRC	位於中國之車位	—	—	297,879
Commercial properties under development in the PRC	位於中國之發展中商業物業	—	—	6,688,513

There was no transfer between level 1, 2 and 3 during the year.

於本年度，第一層、第二層及第三層之間並無進行轉撥。

Fair value measurements using significant unobservable inputs (Level 3)

Fair values of shopping mall, carparks and commercial properties under development in the PRC are derived using the direct comparison method (2016: direct comparison method).

採用重大不可觀察輸入數據之公允值計量 (第三層)

位於中國之購物商場、車位及發展中商業物業之公允值採用直接比較法 (2016年：直接比較法) 而得出。

Direct comparison method is by comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

直接比較法基於將擬進行估值之物業直接與其他近期交易之可比較物業作比較。然而，鑒於各房地產物業之性質互不相同，通常須作出適當之調整以納入任何質量上之差異，該等差異或會影響所考慮物業之價格。

18. Investment properties (continued)

Fair value measurements using significant unobservable inputs (Level 3) (continued)

Significant inputs used to determine fair value of investment properties at 31 December 2017

18. 投資物業 (續)

採用重大不可觀察輸入數據之公允值計量 (第三層) (續)

用於釐定2017年12月31日之投資物業公允值之重大輸入數據

	Valuation method 估值方法	Unobservable input 不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允值之關係
31 December 2017 2017年12月31日			
Completed commercial properties – Retail, PRC 已竣工商業物業—零售·中國	Direct comparison method (2016: Direct comparison method) 直接比較法 (2016年: 直接比較法)	Adjusted average market transacted price per sqm RMB30,250–70,000 (2016: RMB19,280–52,580) 經調整平均市場交易價: 每平方米人民幣30,250–70,000元 (2016年: 人民幣19,280–52,580元)	The higher the adjusted average market transacted price, the higher the fair value. 經調整平均市場交易價越高·公允值越高。
Carparks – PRC 車位—中國	Direct comparison method (2016: Direct comparison method) 直接比較法 (2016年: 直接比較法)	Adjusted average market transacted price per lot RMB280,000–450,000 (2016: RMB250,000) 每個經調整平均市場交易價: 人民幣280,000–450,000元 (2016年: 人民幣250,000元)	The higher the adjusted average market transacted price, the higher the fair value. 經調整平均市場交易價越高·公允值越高。
Commercial properties under development – land, PRC 發展中商業物業—土地·中國	Direct comparison method (2016: Direct comparison method) 直接比較法 (2016年: 直接比較法)	Adjusted average market transacted price per sqm RMB2,500–5,850 (2016: RMB2,500–5,280) 經調整平均市場交易價: 每平方米人民幣2,500–5,850元 (2016年: 人民幣2,500–5,280元)	The higher the adjusted average market transacted price, the higher the fair value. 經調整平均市場交易價越高·公允值越高。
Commercial properties under development – retail, PRC 發展中商業物業—零售·中國	Direct comparison method (2016: Direct comparison method) 直接比較法 (2016年: 直接比較法)	Adjusted average market transacted price per sqm RMB11,700–30,000 (2016: RMB15,000–19,000) 經調整平均市場交易價: 每平方米人民幣11,700–30,000元 (2016年: 人民幣15,000–19,000元)	The higher the adjusted average market transacted price, the higher the fair value. 經調整平均市場交易價越高·公允值越高。
Commercial properties under development – apartment, PRC 發展中商業物業—公寓·中國	Direct comparison method (2016: Direct comparison method) 直接比較法 (2016年: 直接比較法)	Adjusted average market transacted price per sqm RMB20,000 (2016: RMB21,000) 經調整平均市場交易價: 每平方米人民幣20,000元 (2016年: 人民幣21,000元)	The higher the adjusted average market transacted price, the higher the fair value. 經調整平均市場交易價越高·公允值越高。
Commercial properties under development – carparks, PRC 發展中商業物業—車位·中國	Direct comparison method (2016: Direct comparison method) 直接比較法 (2016年: 直接比較法)	Adjusted average market transacted price per lot RMB110,000–220,000 (2016: RMB110,000–150,000) 每個經調整平均市場交易價: 人民幣110,000–220,000元 (2016年: 人民幣110,000–150,000元)	The higher the adjusted average market transacted price, the higher the fair value. 經調整平均市場交易價越高·公允值越高。

19. Intangible assets

19. 無形資產

		Trademark (Note 1) 商標 (附註1) HK\$'000 港幣千元	Secured contracts (Note 1) 取得合約 (附註1) HK\$'000 港幣千元	Client relationships (Note 1) 客戶關係 (附註1) HK\$'000 港幣千元	Sub-total 小計 HK\$'000 港幣千元	Other trademarks and trade names 其他商標 及商號名稱 HK\$'000 港幣千元	Software cost (Note 2) 軟件成本 (附註2) HK\$'000 港幣千元	Operating right (Note 3) 經營權 (附註3) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Cost	成本								
At 1 January 2016	於2016年1月1日	58,469	30,497	71,073	160,039	1,600	13,502	-	175,141
Additions	添置	-	-	-	-	-	544	210,101	210,645
Disposal of a subsidiary	出售一間附屬公司	(58,469)	(30,497)	(71,073)	(160,039)	-	-	-	(160,039)
Exchange Realignment	匯兌調整	-	-	-	-	-	(46)	(8,874)	(8,920)
At 31 December 2016	於2016年12月31日	-	-	-	-	1,600	14,000	201,227	216,827
Additions	添置	-	-	-	-	-	217	-	217
Exchange Realignment	匯兌調整	-	-	-	-	-	72	14,107	14,179
At 31 December 2017	於2017年12月31日	-	-	-	-	1,600	14,289	215,334	231,223
Accumulated amortisation	累積攤銷								
At 1 January 2016	於2016年1月1日	-	(30,497)	(57,904)	(88,401)	-	(10,697)	-	(99,098)
Amortisation for the year	本年度攤銷	-	-	(7,238)	(7,238)	-	(2,286)	(10,073)	(19,597)
Disposal of a subsidiary	出售一間附屬公司	-	30,497	65,142	95,639	-	-	-	95,639
Exchange Realignment	匯兌調整	-	-	-	-	-	3	426	429
At 31 December 2016	於2016年12月31日	-	-	-	-	-	(12,980)	(9,647)	(22,627)
Amortisation for the year	本年度攤銷	-	-	-	-	-	(355)	(20,819)	(21,174)
Exchange Realignment	匯兌調整	-	-	-	-	-	(13)	(1,391)	(1,404)
At 31 December 2017	於2017年12月31日	-	-	-	-	-	(13,348)	(31,857)	(45,205)
Net book value	賬面淨值								
At 31 December 2017	於2017年12月31日	-	-	-	-	1,600	941	183,477	186,018
At 31 December 2016	於2016年12月31日	-	-	-	-	1,600	1,020	191,580	194,200

Notes:

- Intangible assets arising from the acquisition of Synergis included a trademark, secured contracts and client relationships. The trademark had an indefinite useful life as there was no foreseeable limit to the period over which the trademark was expected to generate economic benefits to the Group. During the year of 2016, these intangible assets were derecognised due to the disposal of Synergis.
- During the year, amortisation of HK\$134,000 (2016: HK\$19,000) was capitalised in properties under development.
- Operating right acquired during the year of 2016 was in connection with a golf course in Foshan, the PRC. The operating right has a ten years useful life.

附註：

- 收購新昌管理所產生之無形資產，包括商標、取得合約及客戶關係。商標並沒有指定可使用年期，此乃由於商標對本集團所產生的經濟效益並沒有可預見的期限。於2016年，由於出售新昌管理，此無形資產已被剔除入賬。
- 於年內，港幣134,000元（2016年：港幣19,000元）之攤銷已於發展中物業予以資本化。
- 2016年所獲得之經營權與位於中國佛山之高爾夫球場有關。此經營權之使用年期為10年。

20. Goodwill

The carrying amount of goodwill was allocated to groups of cash-generating units that are expected to benefit from the business combination as follows:

		Property and facility management (Note (i)) 物業及 設施管理 (附註(i)) HK\$'000 港幣千元	Property development and investment (Note (ii)) 物業發展及 投資 (附註(ii)) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2016	於2016年1月1日	18,753	23,249	42,002
Disposal of a subsidiary	出售一間附屬公司	(18,753)	–	(18,753)
Provision for impairment	減值撥備	–	(23,249)	(23,249)
At 31 December 2016 and 31 December 2017	於2016年12月31日及 2017年12月31日	–	–	–

Notes:

- (i) The balance represented goodwill arising from Synergis, allocated to the “Property and facility management” segment.

Upon disposal of Synergis on 21 November 2016, the entire amount of goodwill was derecognised and included in the determination of the gain on disposal of a subsidiary.

- (ii) The balance represented goodwill arising from Hsin Chong Property Development Limited (“HCPD”), allocated to the “Property development and investment” segment. The recoverable amount was considered taking reference to valuation prepared by external independent valuer, B.I. Appraisals Limited, for properties under development of related property project. Latest market condition and sales plan had been considered by external independent valuer and it was concluded that certain impairment is to be provided for its properties under development in the PRC. In view of this, management considered full provision on its goodwill over this segment was appropriate.

附註:

- (i) 結餘指新昌管理產生之商譽，已分配至「物業及設施管理」分類。

當新昌管理於2016年11月21日出售後，全部商譽被剔除入賬及用作釐定出售一附屬公司之收益。

- (ii) 該餘額指分配至「物業發展及投資」分類來自新昌地產發展有限公司（「新昌地產發展」）的商譽。可收回金額乃參考獨立外聘估值師保柏國際評估有限公司就相關物業項目之發展中物業所作出之估值。外聘估值師已考慮最新市場狀況及銷售計劃，需為位於中國國內之發展中物業作出部分減值撥備。鑒此，管理層認為此分類之商譽作全數撥備是適當的。

21. Associate

The movement of the share of net assets is as follows:

		HK\$'000 港幣千元
At 1 January 2016	於2016年1月1日	–
Investment in associate	聯營公司之投資	52,994
Share of loss of an associated company	應佔一間聯營公司虧損	(52,015)
Exchange difference	匯兌差異	(979)
At 31 December 2016 and 31 December 2017	於2016年12月31日及2017年12月31日	–

20. 商譽

商譽之賬面值按下列方式分配至預期從業務合併中獲得利益之現金產生單位組別：

21. 聯營公司

應佔資產淨值之變動如下：

21. Associate (continued)

The share of the aggregate amounts of the assets, liabilities and results of the associate, all of which are unlisted, attributable to the Group is as follows:

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Assets	資產	14	13
Liabilities	負債	(11,963)	(11,179)
Net liabilities	淨負債	(11,949)	(11,166)
Loss after taxation and total comprehensive income	除稅後虧損及全面收益總額	-	(219,718)

As at 31 December 2016, the deposit paid by the associated company for a potential acquisition of property projects had been impaired due to the expiration of sales and purchase agreement. Therefore, management considered to make provision for impairment for the amount due from an associated company accordingly.

21. 聯營公司 (續)

本集團應佔聯營公司資產、負債及業績 (均為非上市) 之份額如下:

於2016年12月31日, 由於買賣協議已屆滿, 聯營公司為潛在收購之物業項目所支付之按金已減值。因此, 管理層議決為應收聯營公司款項作出相應減值撥備。

Details of the associated company of the Group is given in below:

有關本集團聯營公司之詳情如下:

Company 公司	Place of incorporation/ registration/ operation 成立/註冊/經營地點	The Group's effective percentage of interest held by		Issued and paid up capital 已發行及繳足股本	Principal activities 主要業務
		the Company 所持本集團實際權益百分比 本公司	Subsidiaries 附屬公司		
天津新昌企業管理有限公司	The People's Republic of China 中華人民共和國	-	25%	RMB178,250,000 人民幣178,250,000元	Consultancy Service 諮詢服務

There are no contingent liabilities relating to the Group's interest in the associate as at 31 December 2017 and 31 December 2016.

於2017年12月31日及2016年12月31日, 並無有關本集團於聯營公司權益的或然負債。

The associated company is an unlisted company and there is no quoted market price available for its shares.

該聯營公司為一間非上市公司, 其股份於市場並無報價。

22. Joint operations

Details of major investment in joint operations as at 31 December 2017 and 2016 are as follows:

22. 共同經營業務

於2017年及2016年12月31日主要共同經營業務投資之詳情如下：

Name 名稱	Place of operation 經營地點	Principal activities 主要業務	Participating shares 參股	
			2017	2016
CRCC – HC – CR15G Joint Venture 中鐵建–新昌–中鐵建15局聯營公司	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	30%	30%
GAS Joint Venture 英昌龍聯營公司	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Electrical and mechanical 機電工程	30%	30%
Hsin Chong Aster – China Comservice JV 新昌亞仕達–中國通信服務聯營公司	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Electrical and mechanical 機電工程	70%	70%
Hsin Chong Aster – China Comservice JV 新昌亞仕達–中國通信服務聯營公司 (002)	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Electrical and mechanical 機電工程	60%	60%
Hsin Chong Aster – China Comservice JV 新昌亞仕達–中國通信服務聯營公司 (003)	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Electrical and mechanical 機電工程	60%	60%
Hsin Chong – Build King JV	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Building construction 樓宇建造	65%	65%
Hsin Chong – Maeda JV	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Building construction 樓宇建造	60%	60%
Hsin Chong – Yau Lee Joint Venture	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Building construction 樓宇建造	50%	50%
Hsin Chong Tsun Yip Joint Venture 新昌進業聯營	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	60%	60%
Hsin Chong Tsun Yip Joint Venture 新昌進業聯營(DC/2012/07)	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	57%	57%
Hsin Chong Tsun Yip Joint Venture 新昌進業聯營(DC/2012/08)	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	57%	57%

22. Joint operations (continued)

22. 共同經營業務 (續)

Name 名稱	Place of operation 經營地點	Principal activities 主要業務	Participating shares 參股	
			2017	2016
Hsin Chong Tsun Yip Joint Venture 新昌進業聯營(5/WSD/13)	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	83%	83%
Hsin Chong Tsun Yip Joint Venture 新昌進業聯營(CV/2015/03)	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	57%	57%
Laing O' Rourke – Hsin Chong – Paul Y. Joint Venture	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	22.5%	22.5%
Laing O' Rourke – Hsin Chong – Paul Y. (WKCD) Joint Venture	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	22.5%	22.5%
Maeda – Hitachi – Yokogawa – Hsin Chong Joint Venture	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	20%	20%
MBH Joint Venture	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	20%	20%
Samsung – Hsin Chong Joint Venture	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	40%	40%
Yau Lee – Hsin Chong Joint Venture 有利 – 新昌聯營	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Building construction 樓宇建造	40%	40%
Hsin Chong Tsun Yip Joint Venture 新昌進業聯營(CV/2016/10)	Unincorporated joint operation operating in Hong Kong 在香港經營之非屬法團共同經營業務	Civil engineering 土木工程	51%	–

Note:

Pursuant to the terms of the joint arrangements, the profit sharing for each year of all joint operations listed herein above shall be distributed to the joint operators in proportion to their respective participating interests.

Amounts due from/to other partners of joint operations are unsecured, non-interest bearing, have no fixed terms of repayment and are denominated in Hong Kong dollars.

The above table lists the joint operations of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other joint operations would, in the opinion of the directors, result in particulars of excessive length.

附註：

根據共同安排之條款，上述所有共同經營業務每年溢利之分配將依照各共同經營者所佔之參與權益按比例分配。

應收／應付共同經營之其他合作夥伴之款項屬無抵押、不計息、無固定還款期及以港幣為單位。

上表列示董事認為主要影響本集團業績或資產之本集團共同經營業務。董事認為，提供有關其他共同經營業務的詳情將使資料過於冗長。

23. Available-for-sale financial asset

Available-for-sale financial asset comprises the following:

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Equity securities	股本證券		
Listed, at fair value	上市，按公允值		
At 1 January	於1月1日	29,785	31,662
Fair value loss	公允值虧損	(1,821)	(1,877)
At 31 December	於12月31日	27,964	29,785

The fair value of listed securities is determined by referencing to a valuation report by independent valuers and the latest net asset value of the unlisted securities as at reporting date.

23. 可供出售之財務資產

可供出售之財務資產包括以下各項目：

上市證券之公允值乃參考獨立估值師之估值報告及非上市證券於報告日期之最近期資產淨值而釐定。

24. Properties under development

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
At 1 January	於1月1日	13,429,518	16,808,489
Additions during the year	年內添置	1,971,243	1,541,647
Provision for impairment (Note 8)	減值撥備 (附註8)	(361,383)	(1,924,025)
Transfer to property, plant and equipment and leasehold land (Note 17)	轉撥至物業、機器及設備及租賃土地 (附註17)	-	(2,014,692)
Exchange difference	匯兌差額	877,178	(981,901)
At 31 December	於12月31日	15,916,556	13,429,518

Properties under development comprise:

發展中物業包括：

Land use rights	土地使用權	12,639,190	11,863,829
Construction cost and capitalised expenditure	建造成本及資本化開支	2,028,645	1,644,898
Interest expense capitalised	資本化利息開支	3,130,499	1,329,992
Less: Provision for impairment	減：減值撥備	(1,881,778)	(1,409,201)
		15,916,556	13,429,518

As at 31 December 2017, the amount of properties under development expected to be completed and available for sale within one year is approximately HK\$1,546,717,000 (31 December 2016: HK\$1,290,906,000). The remaining balance is expected to be recovered after one year.

於2017年12月31日，預期將於一年內竣工及可供出售之發展中物業金額約為港幣1,546,717,000元（2016年12月31日：港幣1,290,906,000元）。餘額預期將於一年後收回。

24. Properties under development (continued)

As at 31 December 2017, a portion of the Group's properties under development with carrying amount of approximately HK\$8,745,598,000 (2016: HK\$8,574,608,000) was pledged as collateral for the Group's banking facilities and other borrowings.

24. 發展中物業 (續)

於2017年12月31日，本集團之發展中物業部分賬面值約港幣8,745,598,000元(2016年：港幣8,574,608,000元)已抵押作為本集團銀行信貸及其他借貸之抵押品。

25. Stocks and contracting work-in-progress**25. 存貨及興建中工程**

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Gross amounts due from customers for contract work	應收客戶之 工程款項毛額	1,419,585	1,826,631
Raw materials, at cost	原料·按成本	1,669	1,603
Stocks of properties, at cost	物業存貨·按成本	570,970	541,851
Stocks for retailing	供零售的存貨	15,361	25,849
		2,007,585	2,395,934
Note:	附註：		
Cost plus attributable profit less foreseeable losses	成本加應佔溢利減 可預見虧損	34,410,386	40,297,427
Less: progress payments received and receivable	減：已收及應收工程賬款	(33,323,882)	(38,778,476)
Contracting work-in-progress	興建中工程	1,086,504	1,518,951
Representing:	代表：		
Gross amounts due from customers for contract work included in stocks and contracting work-in-progress	存貨及興建中工程項目中包括 應收客戶之工程款項毛額	1,419,585	1,826,631
Gross amounts due to customers for contract work included in payables and accruals	應付賬款及應計費用項目中包括 應付客戶之工程款項毛額	(333,081)	(307,680)
		1,086,504	1,518,951

As at 31 December 2017, the Group's stocks of properties of approximately HK\$562,333,000 (2016: HK\$527,161,000) was pledged as collateral for Group's banking facilities and other borrowings.

於2017年12月31日，本集團的物業存貨約港幣562,333,000元(2016年：港幣527,161,000元)已抵押作為本集團銀行信貸及其他借貸之抵押品。

26. Receivables and prepayments

26. 應收賬款及預付金

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Trade receivables	貿易應收賬款		
– third parties	– 第三方	622,098	856,613
– provision for impairment	– 減值撥備	–	(423)
		622,098	856,190
Retention receivables	保固金應收賬款		
– third parties	– 第三方	961,352	1,213,917
– provision for impairment	– 減值撥備	–	(125)
		961,352	1,213,792
Other receivables	其他應收賬款	1,583,450	2,069,982
– third parties ¹	– 第三方 ¹	271,258	623,910
– related companies ²	– 關連公司 ²	507,691	285,307
		778,949	909,217
Deposits and prepayments	按金及預付金		
– third parties	– 第三方	696,641	745,234
Less: non-current portion	減：非流動部分	3,059,040 (534,203)	3,724,433 (661,070)
		2,524,837	3,063,363

The carrying amounts of the Group's receivables and prepayments are denominated in the following currencies:

本集團之應收賬款及預付金賬面值乃按以下貨幣計值：

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Hong Kong dollar	港幣	1,465,902	1,999,746
Renminbi	人民幣	683,667	604,810
Macau pataca	澳門幣	375,104	458,807
European dollar	歐元	164	–
		2,524,837	3,063,363

Notes:

- Balance includes deposits of nil (2016: HK\$512 million) made to a third party as collateral to secure the other borrowings from the corresponding party.
- Related companies represented two companies incorporated in the PRC, which are owned by a former director of the Company, who resigned on 8 June 2017, and/or close members of his family. Balances represent two borrowings granted to two related companies which carry interest at 12% per annum and 0.91667% per month and is repayable by 21 August 2024 and 12 November 2018 respectively.

附註：

- 該結餘包括向第三方支付港幣零元（2016年：港幣512,000,000元）的按金以作為擔保來自該方的其他借貸之抵押品。
- 關連公司指於中國註冊成立的兩間公司，由本公司一名前任董事（彼於2017年6月8日辭任）及／或其近親擁有。該等結餘指授予兩間關連公司的兩筆借貸，分別按年息12厘及月息0.91667厘計息及分別須於2024年8月21日及2018年11月12日前償還。

26. Receivables and prepayments (continued)**(a) Trade and retention receivables**

- (i) The aging analysis of trade receivables by due date is as follows:

		2017	2016
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Not yet due	未到期	584,107	758,437
1 to 30 days	1至30天	187	85,011
31 to 90 days	31至90天	2,514	2,586
91 to 180 days	91至180天	17,564	6,710
Over 180 days	180天以上	17,726	3,446
		622,098	856,190

- (ii) As at 31 December 2017, for the receivables which are not yet due, there is no indication that they will be non-performing as there is no history of default of the customers.
- (iii) The Group's credit terms for its contracting business and property rental are negotiated with and entered into under normal commercial terms with its trade customers. The credit period for the trade receivables for contracting business generally ranges from 30 to 60 days (2016: 30 to 60 days).

Retention receivables in respect of the contracting business are settled in accordance with the terms of the respective contracts. Rental income is billed in advance of the rental period. At 31 December 2017, retention receivables held by customers for contract works amounting to approximately HK\$431,681,000 (2016: HK\$462,011,000) are expected to be recovered or settled in more than twelve months from the end of the reporting period.

- (iv) There is no concentration of credit risk with respect to trade and retention receivables, as the Group has a large number of customers.

26. 應收賬款及預付金 (續)**(a) 貿易及保固金應收賬款**

- (i) 貿易應收賬款按到期日之賬齡分析如下：

		2017	2016
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Not yet due	未到期	584,107	758,437
1 to 30 days	1至30天	187	85,011
31 to 90 days	31至90天	2,514	2,586
91 to 180 days	91至180天	17,564	6,710
Over 180 days	180天以上	17,726	3,446
		622,098	856,190

- (ii) 於2017年12月31日，尚未到期的應收賬款因並無客戶有拖欠還款之記錄，故沒有任何顯示有不獲履行之情況。
- (iii) 本集團建造業務與物業租賃之信貸期乃按照一般商業條款與其貿易客戶商議及簽訂。建造業務的貿易應收賬款之信貸期一般介乎30至60天（2016年：30至60天）。

建造業務之保固金應收賬款按照個別合約之條款結算。租金收入則於租賃期前開發賬單預收。於2017年12月31日，客戶就建造合約工程持有之保固金應收賬款約港幣431,681,000元（2016年：港幣462,011,000元），預期將於報告期結束時起計超過十二個月後收回或結付。

- (iv) 由於本集團客戶為數不少，故貿易及保固金應收賬款並無信貸集中之風險。

26. Receivables and prepayments (continued)**(a) Trade and retention receivables** (continued)

- (v) Depending on the credit history and financial position of each individual customer, trade receivables that are less than 180 days past due are not considered impaired. As at 31 December 2017, trade receivables of HK\$17,726,000 (2016: HK\$3,446,000), net of provision for impairment, were past due over 180 days but not impaired as there are no recent history of default of independent customers and no objective evidence of the receivables being not fully collectible.
- (vi) Movements in the provision for impairment of trade and retention receivables are as follows:

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
At 1 January	於1月1日	548	548
Receivables written off during the year as uncollectible	於本年度撇銷作不可收回的 應收賬款	(548)	-
At 31 December	於12月31日	-	548

The provision for impairment represents trade and retention receivables aged over 180 days in both years.

As at 31 December 2017 and 2016, the Group does not hold any collateral.

27. Amounts due from non-controlling interests

Amounts due from non-controlling interests are unsecured, non-interest bearing and have no fixed terms of repayment. The carrying amounts approximate their fair values, and are mainly denominated in Hong Kong dollars.

26. 應收賬款及預付金 (續)**(a) 貿易及保固金應收賬款** (續)

- (v) 視乎各個別客戶之信貸記錄及財務狀況而定，貿易應收賬款逾期少於180天不被視為需要減值。於2017年12月31日，已扣除減值撥備之貿易應收賬款港幣17,726,000元（2016年：港幣3,446,000元）經已逾期超過180天，但並無作出減值，原因是獨立客戶近期沒有拖欠還款記錄，亦無客觀證據顯示該等應收賬款無法全數收回。
- (vi) 貿易及保固金應收賬款之減值撥備變動如下：

減值撥備指兩個年度內賬齡超過180天之貿易及保固金應收賬款。

於2017年及2016年12月31日，本集團並無持有任何抵押品。

27. 應收非控股權益款項

應收非控股權益款項乃無抵押、免息及無固定還款期。賬面值與其公允值相近，並主要以港幣為單位。

28. Cash and bank balances

(a) Deposits, cash and cash equivalents

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Cash at bank and in hand	銀行結存及手頭現金	775,407	400,210
Short term bank deposits (Note i)	短期銀行存款(附註i)	2,748	4,506
Time deposit over three months (Note ii)	三個月以上定期存款(附註ii)	778,155 5,982	404,716 6,431
Deposits, cash and cash equivalents	存款、現金及等同現金項目	784,137	411,147

Deposits, cash and cash equivalents are denominated in the following currencies:

存款、現金及等同現金項目以下列貨幣為單位：

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Hong Kong dollar	港幣	323,444	317,765
United States dollar	美元	3,655	16,640
Renminbi	人民幣	446,970	40,487
Macau pataca	澳門幣	9,829	36,060
Other	其他	239	195
		784,137	411,147

Notes:

- (i) The short term bank deposits of the Group have original maturities of three months or less.
- (ii) The time deposits of the Group carry an effective interest rate of 1.6% (2016: 1.6%) per annum and have an average maturity period of 183 days (2016: 183 days).

附註：

- (i) 本集團之短期銀行存款最初到期日為三個月或以下。
- (ii) 本集團的定期存款按實際年利率1.6% (2016年：1.6%)計息，平均到期日為183天 (2016年：183天)。

(b) Restricted cash

As at 31 December 2017, restricted bank deposits of HK\$392,224,000 (2016: HK\$626,573,000) represent deposits placed in banks on which charges are created to secure banking facilities.

(b) 受限制現金

於2017年12月31日，受限制之銀行存款港幣392,224,000元 (2016年：港幣626,573,000元) 指抵押予銀行以取得銀行融資之銀行存款。

(c) Significant restrictions

Restricted and unrestricted cash, and short-term deposits of HK\$450,081,000 (2016: HK\$668,370,000) are held in the PRC and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

(c) 重大限制

受限制及不受限制之現金及短期存款港幣450,081,000元 (2016年：港幣668,370,000元) 乃於中國境內持有並須遵守當地外匯管制規例。除一般股息外，境內輸出資本需受制於當地外匯管制規例。

29. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using applicable tax rates prevailing in the countries in which the Group operates. The movement of the deferred tax is as follows:

29. 遞延稅項

遞延稅項採用負債法就暫時差額按本集團營運所在國家的現行適用稅率作全數計算。遞延稅項之變動如下：

		Deferred tax liabilities 遞延稅項負債				Deferred tax assets 遞延稅項資產			
		Accelerated tax depreciation 加速稅項折舊	Properties under development/ Properties held for sale 發展中物業/ 持作出售之物業	Fair value gains 公允價值收益	Intangible assets 無形資產	Total	Depreciation in excess of depreciation allowance 折舊免稅額	Tax losses 稅項虧損	Total
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
At 1 January 2016	於2016年1月1日	(36,417)	(4,443,412)	(1,915,472)	(11,821)	(6,407,122)	4,331	37,643	41,974
Exchange difference	匯兌差額	1,477	223,733	106,879	-	332,089	-	-	-
Disposal of a subsidiary	出售一間附屬公司	375	-	-	10,626	11,001	(80)	-	(80)
Charged to other comprehensive income	在其他全面收益內扣除	-	-	(18,926)	-	(18,926)	-	-	-
Credited/(charged) to consolidated income statement (Note 14)	在綜合收益表內計入/(扣除) (附註14)	3,689	1,223,107	222,382	1,195	1,450,373	(358)	(32,480)	(32,838)
At 31 December 2016	於2016年12月31日	(30,876)	(2,996,572)	(1,605,137)	-	(4,632,585)	3,893	5,163	9,056
Exchange difference	匯兌差額	(1,303)	(221,728)	(111,010)	-	(334,041)	-	-	-
Release of deferred tax upon disposal of a leasehold land and building recognised in other comprehensive income	於其他全面收益確認出售租賃土地及樓宇時撥回遞延稅項	-	-	108,711	-	108,711	-	-	-
Charged to other comprehensive income	在其他全面收益內扣除	-	-	(4,977)	-	(4,977)	-	-	-
Credited/(charged) to consolidated income statement (Note 14)	於綜合收益表中計入/(扣除) (附註14)	18,288	102,499	(176,817)	-	(56,030)	(2,435)	(1,577)	(4,012)
At 31 December 2017	於2017年12月31日	(13,891)	(3,115,801)	(1,789,230)	-	(4,918,922)	1,458	3,586	5,044

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised deferred tax assets in respect of tax losses amounting to HK\$3,315,702,000 (2016: HK\$1,447,631,000) which can be carried forward against future taxable income. Tax losses amounting to HK\$1,539,780,000 are expiring from 2018 through 2022 (2016: HK\$660,013,000 expiring from 2017 through 2021). The remaining tax losses do not have expiry dates.

遞延稅項資產乃就結轉之稅項虧損而確認，以相關稅務利益在有可能透過未來應課稅溢利變現之數額為限。本集團有未確認遞延稅項資產，源自稅損港幣3,315,702,000元（2016年：港幣1,447,631,000元），其可結轉以抵銷未來應課稅收入。為數港幣1,539,780,000元之稅損將於2018年至2022年內屆滿（2016年：港幣660,013,000元之稅損將於2017年至2021年內屆滿）。其餘稅損沒有屆滿時限。

30. Bank loans

30. 銀行貸款

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Bank loans, wholly repayable within five years	須於五年內悉數償還之銀行貸款		
– secured	– 有抵押	832,377	1,982,508
– unsecured	– 無抵押	207,509	347,227
		1,039,886	2,329,735
The repayment schedule of bank loans is as follows:	銀行貸款之還款期如下：		
Short term revolving bank loans	短期循環銀行貸款	688,022	1,204,416
Portion of bank loans due for repayment within one year	須於一年後償還之銀行貸款部分	226,564	925,401
		914,586	2,129,817
Portion of bank loans due for repayment after one year but contain a repayment on demand clause	須於一年後償還但包含按要求償還條文之銀行貸款部分		
(i) in the second year	(i) 於第二年到期	82,300	75,100
(ii) in the third to fifth years, inclusive	(ii) 於第三至第五年到期 (首尾兩年包括在內)	43,000	124,818
		125,300	199,918
		1,039,886	2,329,735

The Group's bank loans are denominated in the following currencies:

本集團銀行貸款以下列貨幣計值：

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Hong Kong dollar	港幣	1,030,400	2,272,508
Macau pataca	澳門幣	9,486	57,227
		1,039,886	2,329,735

30. Bank loans (continued)

Notes:

- (a) The bank loans of the Group carried weighted average interest rates of 4.54% (2016: 3.19%) per annum.
- (b) As at 31 December 2017, the bank loans of the Group were secured by leasehold land and building of HK\$nil (2016: HK\$570,000,000) (Note 17); investment properties of HK\$910,384,000 (2016: HK\$840,683,000) (Note 18); restricted cash of HK\$360,673,000 (2016: HK\$626,573,000) (Note 28); and equity interests of the Group's subsidiaries.
- (c) The carrying amounts of bank loans approximate their fair value.

30. 銀行貸款 (續)

附註:

- (a) 本集團之銀行貸款的加權平均年利率為4.54% (2016年: 3.19%)。
- (b) 於2017年12月31日, 本集團之銀行貸款以港幣零元 (2016年: 港幣570,000,000元)之租賃土地及樓宇 (附註17); 港幣910,384,000元 (2016年: 港幣840,683,000元)之投資物業 (附註18); 港幣360,673,000元 (2016年: 港幣626,573,000元)之受限制現金 (附註28); 及本集團附屬公司之股權作抵押。
- (c) 銀行貸款之賬面值與其公允值相近。

31. Payables and accruals**31. 應付賬款及應計費用**

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Trade payables	貿易應付賬款		
– third parties	– 第三方	1,207,937	1,311,707
Retention payables	保固金應付賬款		
– third parties	– 第三方	743,119	918,800
Accruals for builders' work	承建商工程應計費用	1,276,571	2,249,265
		3,227,627	4,479,772
Other payables, deposits and accruals	其他應付賬款、按金及應計費用		
– third parties	– 第三方	2,039,982	1,207,039
– accruals for tax liabilities on acquisition of land parcels in Tieling	– 就收購於鐵嶺地塊之應計稅項負債	316,127	325,187
		5,583,736	6,011,998

The carrying amounts of the Group's payables and accruals are denominated in the following currencies:

本集團應付賬款及應計費用之賬面值以下列貨幣計值:

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Hong Kong dollar	港幣	2,786,652	3,775,259
Renminbi	人民幣	1,945,563	1,340,220
Macau pataca	澳門幣	846,337	890,794
United States dollar	美元	5,184	5,725
		5,583,736	6,011,998

31. Payables and accruals (continued)

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

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Not yet due	未到期	402,184	668,127
1 to 30 days	1至30天	72,456	307,600
31 to 90 days	31至90天	124,497	145,571
91 to 180 days	91至180天	99,813	77,539
Over 180 days	180天以上	508,987	112,870
		1,207,937	1,311,707

Note:

Retention payables in respect of the contracting business are settled in accordance with the terms of the respective contracts. At 31 December 2017, retention payables held by the Group amounting to approximately HK\$249,406,000 (2016: HK\$209,248,000) are expected to be settled in more than twelve months from the end of the reporting period.

32. Other borrowings and private bonds

Other borrowings

The other borrowings from financial institutions of HK\$8,507,457,000 (2016: HK\$4,494,073,000) bear weighted average interest rate of 26.0% (2016: 19.3%) per annum, in which HK\$6,392,413,000 (2016: HK\$2,883,684,000) will be repayable within one year. As at 31 December 2017, the other borrowings were secured by the Group's investment properties of HK\$8,299,631,000 (2016: HK\$6,469,690,000) (Note 18); properties under development of HK\$8,745,598,000 (2016: HK\$8,574,608,000) (Note 24); property, plant and equipment and leasehold land of HK\$1,793,550,000 (2016: HK\$1,695,166,000) (Note 17); stock of properties of HK\$562,333,000 (2016: HK\$527,161,000) (Note 25); and equity interests of the Group's certain subsidiaries.

The other borrowings from third parties amounting to HK\$832,319,000 (2016: HK\$1,267,928,000) will be repayable within one year, with a weighted average interest rate of 19.8% (2016: 14.8%). As at 31 December 2017, these other borrowings are secured by receivables and prepayments of nil (2016: HK\$512,459,000) (Note 26) and equity interests of the Group's certain subsidiaries.

Private bonds

The private bonds from third parties amounting to HK\$21,903,000 (2016: nil) are unsecured and repayable in various dates in 2021 and 2024, with a weighted average interest rate of 10% (2016: nil).

The carrying amounts of other borrowings and private bonds approximate to their fair value.

31. 應付賬款及應計費用 (續)

貿易應付賬款按到期日之賬齡分析如下:

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Not yet due	未到期	402,184	668,127
1 to 30 days	1至30天	72,456	307,600
31 to 90 days	31至90天	124,497	145,571
91 to 180 days	91至180天	99,813	77,539
Over 180 days	180天以上	508,987	112,870
		1,207,937	1,311,707

附註:

建造業務之保固金應付賬款乃根據各自合約之條款結算。於2017年12月31日，本集團所持有之保固金應付賬款約港幣249,406,000元(2016年：港幣209,248,000元)預期將自報告期結束起計超過十二個月後結算。

32. 其他借貸及私募債券

其他借貸

來自金融機構之其他借貸港幣8,507,457,000元(2016年：港幣4,494,073,000元)按加權平均年利率為26.0%(2016年：19.3%)，而其中之港幣6,392,413,000元(2016年：港幣2,883,684,000元)將於一年內償還。於2017年12月31日，其他借貸由本集團港幣8,299,631,000元(2016年：港幣6,469,690,000元)之投資物業(附註18)；港幣8,745,598,000元(2016年：港幣8,574,608,000元)之發展中物業(附註24)；港幣1,793,550,000元(2016年：港幣1,695,166,000元)之物業、機器及設備及租賃土地(附註17)；港幣562,333,000元(2016年：港幣527,161,000元)之物業存貨(附註25)；及本集團若干附屬公司之股權作抵押。

來自第三方之其他借貸為港幣832,319,000元(2016年：1,267,928,000元)，將於一年內償還，加權平均利率為19.8%(2016年：14.8%)。於2017年12月31日，此等其他借貸由本集團之應收賬款及預付金為港幣零元(2016年：512,459,000元)(附註26)及本集團若干附屬公司之股權作抵押。

私募債券

來自第三方之私募債券港幣21,903,000元(2016年：無)為無抵押及須於2021年及2024年等多個日期償還，加權平均利率為10%(2016年：無)。

其他借貸及私募債券之賬面值與其公允值相若。

33. Senior notes

In May 2015, the Company issued senior notes with principal amount of United States Dollars (“USD”) 300 million (the “USD300 million Senior Notes”). The USD300 million Senior Notes bear interest of 8.75% per annum, which are repayable semi-annually. The USD300 million Senior Notes will mature on 18 May 2018. The Company may at its option, at any time prior to 18 May 2018, redeem the USD300 million Senior Notes in whole but not in part, at a redemption price equal to 100% of the principal amount plus the applicable premium as of, and accrued and unpaid interest to the redemption date. The USD300 million Senior Notes are listed on the Stock Exchange and can be dealt with by way of debt issues for professional investors only.

In January 2016, the Company issued senior notes with principal amount of USD150 million (the “USD150 million Senior Notes”). The USD150 million Senior Notes bear interest of 8.5% per annum, which are repayable semi-annually. The USD150 million Senior Notes will mature on 22 January 2019. The Company may at its option, at any time prior to 22 January 2019, redeem the USD150 million Senior Notes in whole but not in part, at a redemption price equal to 100% of the principal amount plus the applicable premium as of, and accrued and unpaid interest to the redemption date. The USD150 million Senior Notes are listed on the Stock Exchange and can be dealt with by way of debt issues for professional investors only.

The fair value of the USD300 million Senior Notes and the USD150 million Senior Notes at 31 December 2017 amounted to USD156,000,000 and USD117,068,000 respectively. The fair value of the senior notes is calculated using the quoted price of the senior notes and is within level 1 of the fair value hierarchy.

34. Convertible bonds and financial derivative liability

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

During the year ended 31 December 2017, the Company redeemed all outstanding 6.0% convertible bonds in full at the redemption price equal to 100% of the outstanding principal amount of US\$2,600,000.

33. 優先票據

於2015年5月，本公司發行了本金額300,000,000美元（「美元」）的優先票據（「300,000,000美元優先票據」）。300,000,000美元優先票據以8.75%之年利率計息，每半年償還一次。300,000,000美元優先票據將於2018年5月18日到期。本公司可自行選擇於2018年5月18日之前任何時候按相當於本金額100%的贖回價加截至贖回日期的適用溢價及直至贖回日期的應計及未付利息，贖回全部而非部分300,000,000美元優先票據。300,000,000美元優先票據於聯交所上市且僅可以向專業投資者發行債務的方式處理。

於2016年1月，本公司發行了本金額150,000,000美元的優先票據（「150,000,000美元優先票據」）。150,000,000美元優先票據以8.5%之年利率計息，每半年償還一次。150,000,000美元優先票據將於2019年1月22日到期。本公司可自行選擇於2019年1月22日之前任何時候按相當於本金額100%的贖回價加截至贖回日期的適用溢價及直至贖回日期的應計及未付利息，贖回全部而非部分150,000,000美元優先票據。150,000,000美元優先票據於聯交所上市且僅可以向專業投資者發行債務的方式處理。

300,000,000美元優先票據及150,000,000美元優先票據於2017年12月31日的公允值分別為156,000,000美元及117,068,000美元。優先票據的公允值乃按優先票據的報價計算並屬於公允值層級的第1層內。

34. 可換股債券及金融衍生工具負債

於2015年11月20日，本集團發行面值100,000,000美元的6.0厘可換股債券。該等債券按其面值100,000,000美元自發行日期起計兩年到期，或可按持有人的選擇於轉換期間內按每股港幣1.00元的比率轉換為股份。於2016年5月20日，轉換價下調至每股港幣0.78元。負債部分及嵌入衍生工具部分的價值於發行債券時釐定。於截至2016年12月31日止年度，本公司提早贖回本金額港幣734,000,000元。

於截至2017年12月31日止年度，本公司悉數贖回全部尚未償還6.0厘可換股債券，贖回價等值於尚未償還本金2,600,000美元之100%。

34. Convertible bonds and financial derivative liability

(continued)

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

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

34. 可換股債券及金融衍生工具負債 (續)

於2016年5月19日，本集團發行面值港幣34,000,000元之零息可換股債券。該等債券按其面值港幣34,000,000元自發行日期起計十八個月到期，或可按持有人的選擇由發行日期至到期日期間按每股港幣1.00元的比率轉換為股份。負債部分及權益部分的價值於發行債券時釐定。於該可換股債券到期後，所有尚未償還負債部分作為其他借款予以對銷。

6.0厘可換股債券及零息可換股債券之負債部分之變動如下：

		6.0% convertible bonds 20 November 2015 6.0厘 可換股債券 2015年 11月20日 HK\$'000 港幣千元	Zero coupon convertible bonds 19 May 2016 零息 可換股債券 2016年 5月19日 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2016	於2016年1月1日	544,199	–	544,199
Issue of zero coupon convertible bonds	發行零息可換股債券	–	24,126	24,126
Interest expense (Note 9)	利息開支 (附註9)	132,439	3,653	136,092
Conversion to ordinary shares of the Company (Note 36(a))	轉換為本公司普通股 (附註36(a))	(15,764)	–	(15,764)
Coupon interest paid	已付票息	(46,478)	–	(46,478)
Early redemption	提早贖回	(597,479)	–	(597,479)
At 31 December 2016	於2016年12月31日	16,917	27,779	44,696
Interest expense (Note 9)	利息開支 (附註9)	4,077	6,221	10,298
Coupon interest paid	已付票息	(843)	–	(843)
Early redemption	提早贖回	(20,151)	–	(20,151)
Debt extinguished to other borrowing	債務與其他借款對銷	–	(34,000)	(34,000)
At 31 December 2017	於2017年12月31日	–	–	–

34. Convertible bonds and financial derivative liability

(continued)

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

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
At 1 January	於1月1日	183	206,412
Change in fair value in financial derivatives (Note 7)	金融衍生工具公允價值變動(附註7)	991	(194,168)
Conversion to ordinary shares of the Company (Note 36(a))	轉換為本公司普通股(附註36(a))	-	(5,573)
Early redemption	提早贖回	(1,174)	(6,488)
At 31 December	於12月31日	-	183

As at 31 December 2016, the fair value of the liability component and embedded derivative component of the 6.0% convertible bonds approximately amounted to USD2,400,000 and USD24,000 respectively. As at 31 December 2016, the fair value of liability component was calculated using cash flows discounted at effective interest rate at 28.10%. The fair value of derivative component was calculated using Black-Scholes model and was within level 3 of the fair value hierarchy.

As at 31 December 2016, the carrying amounts of the zero coupon convertible bonds approximated to their fair value.

35. Long service payment liabilities

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employee's final salary and years of service, and is reduced by entitlements accrued under the Group's defined contribution retirement scheme that is attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

34. 可換股債券及金融衍生工具負債 (續)

6.0厘可換股債券之嵌入衍生工具部分變動載列如下：

於2016年12月31日，6.0厘可換股債券之債務部分及嵌入衍生工具部分之公允價值分別約為2,400,000美元及24,000美元。於2016年12月31日，負債部分之公允價值乃使用折現現金流量按實際利率28.10%計算。衍生工具部分之公允價值乃按柏力克-舒爾斯模型計算，並屬於公允價值層級第3層內。

於2016年12月31日，零息可換股債券之賬面值與其公允價值相近。

35. 長期服務金負債

根據香港《僱傭條例》，本集團有責任向服務年資達五年或以上而在若干情況下停止受僱的僱員支付一筆款項。所支付的金額乃根據僱員的最終薪金及服務年數而釐定，並扣除僱員在本集團界定供款退休計劃下應計權益中本集團所供之款項。本集團並無撥出任何資產以為任何餘下的責任提供資金。

35. Long service payment liabilities (continued)

Movements of present value of defined benefit obligations are as follows:

35. 長期服務金負債 (續)

界定福利責任之現值之變動如下：

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
At 1 January	於1月1日	2,157	6,553
Amounts recognised in consolidated income statement:	於綜合收益表中確認之金額：		
Current service cost	即期服務成本	176	239
Interest cost on defined benefit obligation	界定福利責任之利息成本	30	34
		206	273
Amounts recognised in other comprehensive income	於其他全面收益中確認之金額		
Remeasurement:	重新計量：		
Actuarial loss/(gain) arising from:	自以下各項產生之精算虧損／(收益)：		
Experience adjustment	經驗調整	411	1,347
Financial assumptions	財務假設	255	(1,246)
		666	101
Others:	其他：		
Benefits paid	已付福利	(86)	(793)
Disposal of a subsidiary	出售一間附屬公司	-	(3,977)
		(86)	(4,770)
At 31 December	於12月31日	2,943	2,157

The principal actuarial assumptions used are as follows:

採用之主要精算假設如下：

		2017	2016
Discount rate	貼現率	2.0%	2.0%
Long term salary increase rate	長期薪金增長率	3.2%	3.2%
Long term average expected return on mandatory provident fund scheme assets	強制性公積金計劃資產之長期平均預期回報	2.0%	2.0%

35. Long service payment liabilities (continued)

The sensitivity analysis of the defined benefit obligation to changes in the significant principal assumptions is as follows:

		Impact on defined benefit obligation (HK\$'000)		
		對界定福利責任的影響 (港幣千元)		
		Change in assumption 假設變動	Increase in assumption 假設增加	Decrease in assumption 假設減少
Discount rate	貼現率	0.50%	(593)	735
Long term salary increase rate	長期薪金增長率	0.50%	50	(69)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

The weighted average duration of the defined benefit obligation is 19.5 (2016: 20.4) years as at 31 December 2017.

35. 長期服務金負債 (續)

界定福利責任對重大主要假設變動的敏感度分析載列如下：

以上敏感度分析是基於一項假設變動，而所有其他假設不變。實際上，此不太可能發生，其中一些假設之變動可能是互相關聯的。當計算界定福利責任對重大精算假設的敏感度時，應用了相同方法（於報告期末以預計單位計入法計算界定福利責任的現值）。

於2017年12月31日，界定福利責任的加權平均期限為19.5年（2016年：20.4年）。

36. Share capital and share options**(a) Share capital**

		2017		2016	
		Number of shares '000 股份數目 千股	HK\$'000 港幣千元	Number of shares '000 股份數目 千股	HK\$'000 港幣千元
Authorised, ordinary shares of HK\$0.1 each:	法定，每股面值港幣 0.1元之普通股：				
At 1 January and 31 December	於1月1日及 12月31日	30,000,000	3,000,000	30,000,000	3,000,000
Authorised, preference shares of HK\$0.1 each:	法定，每股面值港幣 0.1元之優先股：				
At 1 January and 31 December	於1月1日及 12月31日	15,000,000	1,500,000	15,000,000	1,500,000

36. 股本及購股權**(a) 股本**

36. Share capital and share options (continued)

(a) Share capital (continued)

36. 股本及購股權 (續)

(a) 股本 (續)

		2017		2016	
		Number of shares '000 股份數目 千股	HK\$'000 港幣千元	Number of shares '000 股份數目 千股	HK\$'000 港幣千元
Ordinary shares, issued and fully paid:	已發行及繳足之普通股:				
At 1 January	於1月1日	5,706,671	570,667	5,188,577	518,858
Issue of shares upon conversion of convertible preference shares ¹	於轉換可轉換優先股後發行股份 ¹	–	–	505,702	50,570
Issue of shares upon conversion of convertible bonds (Note 34) ²	於轉換可換股債券後發行股份 (附註34) ²	–	–	26,828	2,683
Cancellation on repurchase of shares ³	購回股份時註銷 ³	–	–	(14,436)	(1,444)
At 31 December	於12月31日	5,706,671	570,667	5,706,671	570,667
Preference shares, issued and fully paid:	已發行及繳足之優先股:				
At 1 January	於1月1日	5,704,166	570,417	5,654,772	565,477
Exercise of conversion right attached to convertible preference shares ¹	行使可轉換優先股所附帶之轉換權 ¹	–	–	(505,702)	(50,570)
Issue of consideration preference shares ⁴	發行代價優先股 ⁴	–	–	555,096	55,510
At 31 December	於12月31日	5,704,166	570,417	5,704,166	570,417
		11,410,837	1,141,084	11,410,837	1,141,084

Notes:

- In 2016, ordinary shares were issued upon exercise of conversion rights attached to the convertible preference shares on a one for one basis.
- In 2016, these shares were issued pursuant to the exercise of 6.0% convertible bonds issued on 20 November 2015. These shares rank pari passu in all respects with other shares in issue.
- In April 2016, the Company purchased a total of 14,436,000 shares of the Company, price ranged from HK\$0.51 to HK\$0.54, on the Stock Exchange for an aggregate consideration of HK\$7,556,020. All of the repurchased shares were cancelled, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares.
- In 2016, these shares were issued upon the issue of state-owned land use rights certificates for a land acquired on 8 January 2015.

附註:

- 於2016年，因行使可轉換優先股所附帶之轉換權而按一兌一基準發行普通股。
- 於2016年，該等股份乃因行使於2015年11月20日發行的6.0厘可換股債券而發行。該等股份將於各方面與其他已發行股份享有同等地位。
- 於2016年4月，本公司在聯交所以每股港幣0.51元至港幣0.54元購回共14,436,000股本公司股份，總代價為港幣7,556,020元。所有購回之股份經已註銷，本公司之已發行股本已就回購之股本面值相應遞減。
- 於2016年，就2015年1月8日收購之一地塊已發出國有土地使用權證而發行該等股份。

36. Share capital and share options (continued)

(b) Share options

2008 Option Scheme

The Company adopted a share option scheme on 22 May 2008 (the "2008 Option Scheme"). Pursuant to the 2008 Option Scheme, the directors of the Company may, at their absolute discretion, grant options to eligible persons (as defined in the rules of the 2008 Option Scheme) who might include, inter alia, any employee, executive director, non-executive director and independent non-executive director of the Company or its subsidiaries.

Movements in the options under the 2008 Option Scheme during the year and options outstanding as at the beginning and end of the year and their related average exercise prices are as follows:

		Average exercise price 平均行使價 (HK\$ per share) (每股港幣元)	Number of share options 認股權數目 '000 千份
At 1 January 2016	於2016年1月1日	1.92	24,004
Granted	已授出	0.70	3,000
Lapsed	已失效	1.57	(8,420)
At 31 December 2016	於2016年12月31日	1.89	18,584
Lapsed	已失效	1.02	(1,000)
At 31 December 2017	於2017年12月31日	1.94	17,584

Out of 17,584,000 outstanding options (2016: 18,584,000 options), 17,584,000 options (2016: 18,584,000 options) were exercisable with the average exercise price of HK\$1.94 (2016: HK\$1.89).

Share options outstanding have the following expiry date and exercise price:

Expiry date	到期日	Average exercise price 平均行使價 (HK\$ per share) (每股港幣元)	Number of share options ('000) 認股權數目 (千份)	
			2017	2016
22 May 2018	2018年5月22日	2.13	14,000	14,000
3 December 2019	2019年12月3日	1.02	1,334	2,334
31 August 2021	2021年8月31日	1.29	2,250	2,250

36. 股本及購股權 (續)

(b) 購股權

2008年認股權計劃

本公司於2008年5月22日採納一項認股權計劃(「2008年認股權計劃」)。根據2008年認股權計劃，本公司董事可行使絕對酌情權向合資格人士(定義見2008年認股權計劃之規則)，應包括(當中包括)本公司或其附屬公司之任何僱員、執行董事、非執行董事及獨立非執行董事授出認股權。

於2008年認股權計劃下之認股權年內變動，及於年初及年末之未行使認股權及與彼等有關係之平均行使價詳情如下：

於17,584,000份未行使之認股權(2016年：18,584,000份認股權)中，有17,584,000份認股權(2016年：18,584,000份認股權)為可予行使，平均行使價為港幣1.94元(2016年：港幣1.89元)。

尚未行使認股權之到期日及行使價如下：

37. Contingent liabilities

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

38. Related party transactions

The following transactions were carried out with related parties:

- (a) In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year.

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Interest income from related companies	來自關聯公司之利息收入	46,239	6,064

Note:

Loans to related companies were concluded on terms and prices agreed by both parties. Please refer to Note 26 for details.

(b) Key management compensation

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Salaries and other benefits	薪酬及其他福利	48,456	51,169
Bonus	花紅	13,465	14,263
Contributions to retirement scheme	退休計劃供款	1,848	1,754
		63,769	67,186

None of the related party transactions disclosed above constituted connected transactions or continuing connected transactions as defined in the Listing Rules.

37. 或然負債

於2017年及2016年12月31日，本集團於一般業務過程中面臨多項涉及若干建造合約之定額賠償索償。董事認為，本集團已遞交延期申請以減低定額賠償金額，因此所產生之負債不會對本集團之財務狀況構成任何重大影響。

38. 關聯方交易

與關聯方之交易如下：

- (a) 除綜合財務報表內之披露關聯方資料外，於年內本集團與其關聯方在日常業務往來中進行之重大關聯方交易概要如下。

附註：

授予關聯公司之貸款乃按雙方協定之條款及價格進行。詳情請參閱附註26。

(b) 主要管理人員之報酬

概無以上所披露之關聯方交易構成上市規則所界定之關連交易或持續關連交易。

39. Capital commitment

As at 31 December 2017, the Group had capital commitments as follows:

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Contracted but not provided for	已訂約但未撥備		
– Properties under development, commercial properties under development under investment properties and construction in progress under property, plant and equipment and leasehold land	– 發展中物業、投資物業中的發展中商業物業及物業、機器及設備及租賃土地中的在建工程	2,568,877	2,709,931
– Other capital investment	– 其他資本投資	–	228,571
		2,568,877	2,938,502

39. 資本承擔

於2017年12月31日，本集團有下列資本承擔：

40. Commitments under operating leases

At the balance sheet date, the Group had future aggregate minimum lease payable under non-cancellable operating leases as follows:

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Land and buildings	土地及樓宇		
– not later than one year	– 第一年內	55,225	36,833
– later than one year but not later than five years	– 第二年至第五年內	39,785	46,393
– more than five years	– 五年以上	10,018	15,874
		105,028	99,100

40. 營運租約承擔

於結算日，本集團根據不可撤銷之營運租約需於未來支付之最低租賃款項總額如下：

As at 31 December 2017, the Group had future aggregate minimum lease payments receivable under non-cancellable operating leases, which typically run for a period of one to five years, as follows:

於2017年12月31日，本集團根據不可撤銷之營運租約（一般租賃期為一至五年）於未來之最低租賃應收款項總額如下：

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Land and buildings	土地及樓宇		
– not later than one year	– 第一年內	52,696	49,396
– later than one year but not later than five years	– 第二年至第五年內	93,936	75,283
– more than five years	– 五年以上	22,578	32,589
		169,210	157,268

41. Tax indemnification asset

In connection with acquisition of Goleman International Limited in 2015, therein the tax indemnification asset represented the tax indemnity granted by the vendor in respect of estimated taxation charge arising from the sales of properties ("Property Sales Taxation") when the aggregate amount of Property Sales Taxation paid or accrued exceeded the first RMB2,500 million. A total of 2,604 million issued convertible preference shares were withheld and redeemable by the Group within a period of 10 years starting from the share issuance date to safeguard the Group's potential tax liabilities.

The movement is as follows:

		HK\$'000 港幣千元
At 1 January 2016	於2016年1月1日	1,006,384
Adjustment ¹	調整 ¹	(983,861)
Exchange difference	匯兌差異	(22,523)
At 31 December 2016 and 31 December 2017	於2016年12月31日及2017年12月31日	-

Note:

- During the year of 2016, provision for impairment of properties under development had been provided. Accordingly, the Group has reassessed its tax position of certain properties in the PRC as at 31 December 2016 which resulted a decrease in deferred tax liabilities and correspondingly, resulted an adjustment to the tax indemnification asset.

41. 稅項彌償資產

有關於2015年收購Goleman International Limited，稅項彌償資產指當已付或累計的物業銷售稅項總額超過首筆人民幣2,500,000,000元時，賣方就銷售物業所產生的估計稅項支出（「物業銷售稅項」）所授出的稅項彌償。合共2,604,000,000股已發行可換股優先股自股份發行日期起計10年內由本集團保管且可由本集團贖回，以防止本集團承擔潛在稅項負債。

變動載列如下：

附註：

- 於2016年，已計提發展中物業減值撥備。因此，本集團重新審視於中國國內之相關物業之稅務狀況。於2016年12月31日，遞延稅項負債因而減少，導致稅項彌償資產之調整。

42. Note to the consolidated statement of cash flows

Reconciliation of profit before taxation to net cash outflow from operations is shown as below:

42. 綜合現金流量表附註

除稅前溢利與經營之現金流出淨額對賬如下：

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Loss before taxation from continuing operations	持續經營業務之稅前虧損	(477,532)	(4,273,460)
Profit before taxation from discontinued operation	已終止經營業務之稅前溢利	-	218,300
Less: Share of loss of an associated Company	減：應佔之聯營公司虧損	-	52,015
Loss before taxation	除稅前虧損	(477,532)	(4,003,145)
(Gain)/loss on redemption of convertible bonds	贖回可換股債券之(收益)/虧損	(1,174)	129,976
Amortisation of intangible assets	無形資產攤銷	21,040	19,578
Depreciation of property, plant and equipment and leasehold land	物業、機器及設備及租賃土地之折舊	92,881	85,285
Fair value (gain)/loss on investment properties	投資物業公允值(收益)/虧損	(707,268)	883,925
Fair value loss/(gain) on convertible bond derivative	可換股債券衍生工具之公允值虧損/(收益)	991	(194,168)
Net finance costs	融資成本淨額	321,154	145,133
Net gain on disposal of property, plant and equipment and leasehold land	出售物業、機器及設備及租賃土地之收益淨額	(167,445)	(169)
Gain on disposal of a subsidiary	出售附屬公司之收益	-	(185,915)
Provision for long service payment liabilities	長期服務金負債撥備	206	273
Share-based compensation	以股份為基礎之補償	-	69
Change in ownership interest in a subsidiary without loss of control	於一間未失去控制權之附屬公司之擁有權益變動	-	183
Adjustment for tax indemnification asset	調整稅項彌償資產	-	983,861
Provision for impairment of goodwill	商譽減值撥備	-	23,249
Provision for impairment of property, plant and equipment	物業、機器及設備之減值撥備	200,116	-
Provision for impairment of properties under development	發展中物業減值撥備	361,383	1,924,025
Provision for impairment of stock	存貨減值撥備	4,359	-
Provision for impairment of amount due from a shareholder of an associate	應收一間聯營公司股東款項之減值撥備	-	156,044
Provision for impairment of amount due from an associate	應收一間聯營公司款項之減值撥備	-	11,179
Operating loss before working capital changes	營運資金變動前之經營虧損	(351,289)	(20,617)
Increase in properties under development	發展中物業增加	(422,850)	(96,003)
Decrease/(increase) in stocks and contracting work-in-progress	存貨及興建中工程減少/(增加)	421,060	(310,088)
Decrease/(increase) in receivables and prepayments	應收賬款及預付金減少/(增加)	166,716	(418,762)
(Increase)/decrease in amounts due from non-controlling interests	應收非控股權益款項(增加)/減少	(1,983)	1,873
(Decrease)/increase in payables and accruals	應付賬款及應計費用(減少)/增加	(541,751)	532,797
Net cash outflow from operations	經營之現金流出淨額	(730,097)	(310,800)

43. Note supporting consolidated statement of cash flows

Reconciliation of liabilities arising from financing activities:

43. 綜合現金流量表補充附註

融資活動產生之負債對賬：

		Bank overdrafts 銀行透支 HK\$'000 港幣千元	Bank loans 銀行貸款 HK\$'000 港幣千元	Other borrowings 其他借貸 HK\$'000 港幣千元	Convertible bonds 可換股債券 HK\$'000 港幣千元	Private bonds 私募債券 HK\$'000 港幣千元	Senior notes 優先票據 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2017	於2017年1月1日	25,216	2,329,735	5,762,001	44,696	-	3,417,715	11,579,363
Changes from cash flows	現金流量變動							
Proceeds from bank overdrafts	銀行透支之所得款項	1,078	-	-	-	-	-	1,078
Repayment of bank overdrafts	償還銀行透支	(26,294)	-	-	-	-	-	(26,294)
Proceeds from bank loans	銀行貸款之所得款項	-	329,636	-	-	-	-	329,636
Repayment of bank loans	償還銀行貸款	-	(1,620,267)	-	-	-	-	(1,620,267)
Proceeds from other borrowings	其他借貸之所得款項	-	-	10,013,128	-	-	-	10,013,128
Repayment of other borrowings	償還其他借款	-	-	(6,819,785)	-	-	-	(6,819,785)
Proceeds from issuance of private bonds	發行私募債券之所得款項	-	-	-	-	21,357	-	21,357
Interest paid	已付利息	-	-	(128,256)	(843)	-	-	(129,099)
Total changes from financing cash flows:	融資現金流量之變動總額：	(25,216)	(1,290,631)	3,065,087	(843)	21,357	-	1,769,754
Exchange adjustments	匯兌調整	-	-	455,900	-	-	-	455,900
Other changes:	其他變動：							
Gain on redemption of convertible bonds	贖回可換股債券之收益	-	-	-	(1,174)	-	-	(1,174)
Amortisation of arrangement fee	安排費攤銷	-	782	22,788	-	546	40,515	64,631
Interest expense on convertible bonds	可換股債券之利息開支	-	-	-	10,298	-	-	10,298
Redemption of convertible bonds	贖回可換股債券	-	-	-	(18,977)	-	-	(18,977)
Extinguished as other borrowings	作為其他借貸而終絕	-	-	34,000	(34,000)	-	-	-
Total other changes	其他變動之總額	-	782	56,788	(43,853)	546	40,515	54,778
At 31 December 2017	於2017年12月31日	-	1,039,886	9,339,776	-	21,903	3,458,230	13,859,795

44. Balance sheet and reserve movement of the Company

(a) Balance Sheet

44. 本公司之資產負債表及儲備變動

(a) 資產負債表

	Note 附註	2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Non-current assets	非流動資產		
Property, plant and equipment and leasehold land	物業、機器及設備及租賃土地	9,525	16,488
Intangible assets	無形資產	59	148
Investment in subsidiaries	附屬公司投資	1,428,295	772,007
Loans to subsidiaries	貸款予附屬公司	–	1,232,940
Deferred tax assets	遞延稅項資產	3,586	3,586
		1,441,465	2,025,169
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	16,246,418	16,379,922
Receivables and prepayments	應收賬款及預付金	125,212	65,303
Cash and cash equivalents	現金及等同現金項目	2,602	745
Restricted cash	受限制現金	360,673	–
		16,734,905	16,445,970
Current liabilities	流動負債		
Bank loans	銀行貸款	(141,978)	(1,010,000)
Other borrowings	其他借貸	(812,319)	(1,267,928)
Senior notes	優先票據	(2,317,069)	–
Convertible bonds	可換股債券	–	(44,696)
Payables and accruals	應付賬款及應計費用	(123,342)	(105,800)
Loans from subsidiaries	來自附屬公司之貸款	(363,500)	(315,000)
Amounts due to subsidiaries	應付附屬公司款項	(3,566,394)	(2,659,783)
Financial derivative liability	金融衍生工具負債	–	(183)
		(7,324,602)	(5,403,390)
Net current assets	流動資產淨值	9,410,303	11,042,580
Total assets less current liabilities	總資產減流動負債	10,851,768	13,067,749

44. Balance sheet and reserve movement of the Company (continued)

(a) Balance Sheet (continued)

44. 本公司之資產負債表及儲備變動 (續)

(a) 資產負債表 (續)

	Note 附註	2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Non-current liabilities			
Senior notes		(1,141,161)	(3,417,715)
Private bonds		(21,903)	–
Long service payment liabilities		(768)	(274)
Total non-current liabilities		(1,163,832)	(3,417,989)
Net assets		9,687,936	9,649,760
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	36	1,141,084	1,141,084
Other reserves		10,254,678	10,264,952
Accumulated losses		(1,707,826)	(1,756,276)
Proposed dividends		–	–
Total equity		9,687,936	9,649,760

The balance sheet of the Company was approved by the Board of Directors on 23 March 2018 and was signed on its behalf.

董事會於2018年3月23日批准本公司之資產負債表並由下列董事代表簽署。

Joseph CHOI Kin Hung

蔡健鴻

Executive Director and Chief Executive Officer

執行董事兼行政總裁

Wilfred WU Shek Chun

鄺碩晉

Executive Director and Chief Risk Officer

執行董事兼首席風險官

44. Balance sheet and reserve movement of the Company (continued)

(b) Reserve Movement

44. 本公司之資產負債表及儲備變動 (續)

(b) 儲備變動

		Share premium	Capital redemption reserve	Share options reserve	Special reserve	Convertible bonds and warrants equity reserve	Retained profits/ (accumulated loss)	Total
		股份溢價	股本贖回儲備	認股權儲備	特別儲備	可換股債券及認股權證權益儲備	保留溢利/ (累計虧損)	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2016	於2016年1月1日	9,438,746	4,420	17,063	588,716	-	170,769	10,219,714
Loss for the year	本年度虧損	-	-	-	-	-	(1,923,566)	(1,923,566)
Other comprehensive income	其他全面收益							
Actuarial gain on retirement benefit obligations	退休福利責任之精算收益	-	-	-	-	-	43	43
Total comprehensive income	全面收益總額	-	-	-	-	-	(1,923,523)	(1,923,523)
Issue of consideration preference shares	發行代價優先股	446,702	-	-	(256,670)	-	-	190,032
Issue of shares upon conversion of convertible bonds	於轉換可換股債券後發行股份	18,654	-	-	-	-	-	18,654
Recognition of equity component upon issuance of convertible bonds	於發行可換股債券時確認權益部分	-	-	-	-	9,874	-	9,874
Cancellation on repurchase of shares	購回股份時註銷	-	1,444	-	-	-	(7,583)	(6,139)
Transfer upon share options lapsing	於購股權失效後轉撥	-	-	(4,061)	-	-	4,061	-
Equity settled share-based transactions	以股份為基礎之股權結算交易	-	-	64	-	-	-	64
		465,356	1,444	(3,997)	(256,670)	9,874	(3,522)	212,485
At 31 December 2016	於2016年12月31日	9,904,102	5,864	13,066	332,046	9,874	(1,756,276)	8,508,676
Profit for the year	本年度溢利	-	-	-	-	-	38,659	38,659
Other comprehensive income	其他全面收益							
Actuarial loss on retirement benefit obligations	退休福利責任之精算虧損	-	-	-	-	-	(483)	(483)
Total comprehensive income	全面收益總額	-	-	-	-	-	38,176	38,176
Transfer upon share options lapsing	於購股權失效後轉撥	-	-	(400)	-	-	400	-
Transfer upon maturity of convertible bonds	可換股債券到期後轉撥	-	-	-	-	(9,874)	9,874	-
		-	-	(400)	-	(9,874)	10,274	-
At 31 December 2017	於2017年12月31日	9,904,102	5,864	12,666	332,046	-	(1,707,826)	8,546,852

44. Balance sheet and reserve movement of the Company (continued)

(b) Reserve Movement (continued)

44. 本公司之資產負債表及儲備變動 (續)

(b) 儲備變動 (續)

		Share premium	Capital redemption reserve	Share options reserve	Special reserve	Convertible bonds and warrants equity reserve	Retained profits/ (accumulated loss)	Total
		股份溢價	股本贖回儲備	認股權儲備	特別儲備	可換股債券及認股權儲備	保留溢利/ (累計虧損)	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Representing:	代表:							
Reserves	儲備	9,904,102	5,864	13,066	332,046	9,874	(1,756,276)	8,508,676
Final dividend proposed in respect of the year ended 31 December 2016	擬派截至2016年12月31日止年度之末期股息	-	-	-	-	-	-	-
At 31 December 2016	於2016年12月31日	9,904,102	5,864	13,066	332,046	9,874	(1,756,276)	8,508,676
Representing:	代表:							
Reserves	儲備	9,904,102	5,864	12,666	332,046	-	(1,707,826)	8,546,852
Final dividend proposed in respect of the year ended 31 December 2017	擬派截至2017年12月31日止年度之末期股息	-	-	-	-	-	-	-
At 31 December 2017	於2017年12月31日	9,904,102	5,864	12,666	332,046	-	(1,707,826)	8,546,852

45. Principal subsidiaries

45. 主要附屬公司

Company 公司	Place of incorporation/ registration/ operation 成立/註冊/經營地點	The Group's effective percentage of interest held by the Company Subsidiaries 本集團所持實際權益百分比 本公司 附屬公司		Issued and paid up capital 已發行及繳足股本	Principal activities 主要業務
Beijing Zhong Ji Xin He Real Estate Co., Ltd.* (Note 2) 北京中基信和置業有限公司(附註2)	The People's Republic of China 中華人民共和國	–	100%	US\$40,000,000 40,000,000美元	Property investment 物業投資
Cogent Spring Limited	Hong Kong 香港	–	100%	HK\$85,000,002 港幣85,000,002元	Property investment 物業投資
Datawin Trading Limited* 德勝貿易有限公司	British Virgin Islands 英屬處女群島	–	100%	US\$100,000 100,000美元	Investment holding 投資控股
Ever Apex Construction (Macau) Company Limited (Note 1) 永發建築(澳門)有限公司(附註1)	Macau 澳門	–	100%	MOP25,000 澳門幣25,000元	Registered contractor services 註冊承建商服務
Far Capital Limited 遠京有限公司	Hong Kong 香港	–	100%	HK\$1 港幣1元	Investment holding 投資控股
HCCG Building and Civil Engineering (Macau) Limited 新營房屋及土木工程(澳門)有限公司	Macau 澳門	–	100%	MOP25,000 澳門幣25,000元	Building construction and civil engineering 樓宇建造及土木工程
Hsin Chong Aster Building Services Limited 新昌亞仕達屋宇設備有限公司	Hong Kong 香港	–	100%	HK\$76,000,000 港幣76,000,000元	Mechanical, electrical and building services 機電工程及屋宇設備
Hsin Chong Construction (Asia) Limited 新昌營造廠(亞洲)有限公司	Hong Kong 香港	–	100%	Ordinary: HK\$70,002,000 Non-voting deferred: HK\$10,000,000 普通股: 港幣70,002,000元 無投票權 遞延股份:港幣 10,000,000元	Building construction and civil engineering 樓宇建造及土木工程
Hsin Chong Construction (BVI) Ltd.	British Virgin Islands 英屬處女群島	100%	–	HK\$150,000 港幣150,000元	Investment holding 投資控股

* For identification purpose only

* 僅供識別

45. Principal subsidiaries (continued)

45. 主要附屬公司 (續)

Company 公司	Place of incorporation/ registration/ operation 成立/註冊/經營地點	The Group's effective percentage of interest held by the Company Subsidiaries 本集團所持實際權益百分比 本公司 附屬公司		Issued and paid up capital 已發行及繳足股本	Principal activities 主要業務
Hsin Chong Construction Company Limited 新昌營造廠有限公司	Hong Kong 香港	-	100%	Ordinary: HK\$1,024,002,000 Non-voting deferred: HK\$20,000,000 普通股: 港幣1,024,002,000元 無投票權 遞延股份: 港幣20,000,000元	Building construction and civil engineering 樓宇建造及土木工程
Hsin Chong Construction Company Limited* (Notes 1 & 2) 新昌營造建築有限公司(附註1及2)	The People's Republic of China 中華人民共和國	-	100%	RMB172,653,600 人民幣172,653,600元	Building construction and civil engineering 樓宇建造及土木工程
Hsin Chong Construction (Macau) Limited 新昌營造(澳門)有限公司	Hong Kong 香港	-	100%	HK\$2 港幣2元	Construction management services 建造管理服務
Hsin Chong Construction Management Services Limited 新昌營造管理服務有限公司	Hong Kong 香港	-	100%	HK\$1,000,000 人民幣1,000,000元	Construction management services 建造管理服務
Hsin Chong Engineering (Macau) Limited 新昌工程(澳門)有限公司	Macau 澳門	-	100%	MOP25,000 澳門幣25,000元	Construction management services 建造管理服務
Hsin Chong Holdings (China) Limited* (Note 1) 新昌控股(中國)有限公司(附註1)	The People's Republic of China 中華人民共和國	-	100%	US\$139,468,979 139,468,979美元	Investment holding 投資控股
Hsin Chong Property Holdings Limited 新昌地產控股有限公司	British Virgin Islands 英屬處女群島	100%	-	US\$227,355,000 227,355,000美元	Investment holding 投資控股
Hsin Chong Property Development Limited 新昌地產發展有限公司	Hong Kong 香港	-	100%	US\$2,502,191 2,502,191美元	Provision of investment and asset management consultancy services 提供投資及資產管理顧問服務
L&X Investment Industrial Limited (Note 1) 隆興投資實業有限公司(附註1)	British Virgin Islands 英屬處女群島	-	65%	US\$32,500 32,500美元	Investment holding 投資控股
Liaoning Huisheng Property Investment Limited* (Notes 1 & 2) 遼寧匯盛置業有限公司(附註1及2)	The People's Republic of China 中華人民共和國	-	100%	US\$150,695,000 150,695,000美元	Real estate development 房地產發展

* For identification purpose only

* 僅供識別

45. Principal subsidiaries (continued)

45. 主要附屬公司 (續)

Company 公司	Place of incorporation/ registration/ operation 成立/註冊/經營地點	The Group's effective percentage of interest held by the Company Subsidiaries 本集團所持實際權益百分比 本公司 附屬公司		Issued and paid up capital 已發行及繳足股本	Principal activities 主要業務
Liaoning Tongji Property Investment Limited* (Notes 1 & 2) 遼寧同濟置業有限公司(附註1及2)	The People's Republic of China 中華人民共和國	-	100%	US\$211,149,960 211,149,960美元	Real estate development 房地產發展
Renowned Brand Outlet Store (China) Limited 奧特萊斯名牌折扣店(中國)有限公司	Hong Kong 香港	-	100%	HK\$47,700 港幣47,700元	Real estate development 房地產發展
Renowned Brand Outlet Store Investment Limited 奧特萊斯名牌折扣店投資有限公司	Hong Kong 香港	-	100%	HK\$51,000 港幣51,000元	Real estate development 房地產發展
Renowned Brand Outlet Store Properties Limited 奧特萊斯名牌折扣店置業有限公司	Hong Kong 香港	-	100%	HK\$51,000 港幣51,000元	Real estate development 房地產發展
Renowned Outlet Store Asia Limited 世界名牌折扣店亞洲有限公司	Hong Kong 香港	-	100%	HK\$49,000 港幣49,000元	Real estate development 房地產發展
Rosy China Investments Limited (Note 1) (附註1)	British Virgin Islands 英屬處女群島	-	100%	US\$1 1美元	Investment holding 投資控股
Rife Yard Limited	Hong Kong 香港	-	100%	HK\$1,000 港幣1,000元	Real estate development 房地產發展
Sight Star Limited 星方有限公司	Hong Kong 香港	-	100%	HK\$1 港幣1元	Investment holding 投資控股
Smart Lane Holdings Limited (Note 1) (附註1)	British Virgin Islands 英屬處女群島	100%	-	US\$1 1美元	Investment holding 投資控股
Sorano Investments Limited (Note 1) (附註1)	British Virgin Islands 英屬處女群島	-	100%	US\$1 1美元	Investment holding 投資控股
Wisdom Top International Limited 高慧國際有限公司	Hong Kong 香港	-	100%	HK\$1,000,000 港幣1,000,000元	Property investment 物業投資
奧特萊斯置業廣東有限公司 (Notes 1 & 2) (附註1及2)	The People's Republic of China 中華人民共和國	-	100%	US\$40,000,000 40,000,000美元	Real estate development 房地產發展
廣東冠昇置業有限公司 (Notes 1 & 2) (附註1及2)	The People's Republic of China 中華人民共和國	-	100%	US\$40,000,000 40,000,000美元	Real estate development 房地產發展

* For identification purpose only

* 僅供識別

45. Principal subsidiaries (continued)

45. 主要附屬公司 (續)

Company 公司	Place of incorporation/ registration/ operation 成立/註冊/經營地點	The Group's effective percentage of interest held by the Company 本集團所持實際權益百分比 本公司		Issued and paid up capital 已發行及繳足股本	Principal activities 主要業務
廣東榮信置業有限公司 (Notes 1 & 2) (附註1及2)	The People's Republic of China 中華人民共和國	-	100%	US\$30,000,000 30,000,000美元	Real estate development 房地產發展
廣東景盛置業有限公司 (Notes 1 & 2) (附註1及2)	The People's Republic of China 中華人民共和國	-	100%	US\$10,000,000 10,000,000美元	Real estate development 房地產發展
廣東奧特萊斯物業管理有限公司 (Notes 1 & 2) (附註1及2)	The People's Republic of China 中華人民共和國	-	100%	US\$61,039,300 61,039,300美元	Real estate development 房地產發展
嘉勵協盛(泰安)置業有限公司 (Notes 1 & 2) (附註1及2)	The People's Republic of China 中華人民共和國	-	100%	US\$42,000,000 42,000,000美元	Real estate development 房地產發展
天津星月置業有限公司 (Notes 1, 2 & 3) (附註1、2及3)	The People's Republic of China 中華人民共和國	-	64.3%	RMB390,317,009 人民幣390,317,009元	Real estate development 房地產發展

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表列示之本集團附屬公司為董事認為主要影響本集團業績或資產之附屬公司。董事認為，提供有關其他附屬公司的詳情將使資料過於冗長。

Notes:

附註：

1. Companies not audited by BDO Limited
2. A wholly foreign owned enterprise
3. A company controlled by the Group through a non-wholly owned subsidiary

1. 並非由香港立信德豪會計師事務所有限公司審核之公司
2. 一間外資獨資企業
3. 由本集團透過一間非全資附屬公司控制之公司

46. Non-controlling interests

The following table lists out the information relating to L&X Investment Industrial Limited, which has a material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

46. 非控股權益

下表載列有關擁有重大非控股權益(「非控股權益」)之隆興投資實業有限公司之資料。下文呈列之財務資料概要為公司內部對銷前金額。

46. Non-controlling interests (continued)

Details of the Group's subsidiary that has material non-controlling interests are set out as below:

		2017	2016
Effective percentage of equity interest held by non-controlling interests:	非控股權益所持股權之實際百分比：		
L&X Investment Industrial Limited	隆興投資實業有限公司	35.68%	35.68%

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Profit for the year allocated to non-controlling interests:	分配至非控股權益之本年度溢利：		
L&X Investment Industrial Limited	隆興投資實業有限公司	203,890	13,592
Accumulated balances of non-controlling interests at the reporting date:	非控股權益於報告日期之累計結餘：		
L&X Investment Industrial Limited	隆興投資實業有限公司	817,295	566,679

The following tables illustrate the unaudited summarised financial information of the L&X Investment Industrial Limited. The amounts disclosed are before any inter-company eliminations:

46. 非控股權益 (續)

擁有重大非控股權益之本集團附屬公司之詳情載列如下：

下表列示隆興投資實業有限公司之未經審核財務資料概要。所披露金額均為公司內部對銷前金額：

		2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元
Total revenue	總收益	–	–
Profit for the year	本年度溢利	571,401	38,091
Total comprehensive income for the year	本年度全面收益總額	–	–
Current assets	流動資產	3,166	5,131
Non-current assets	非流動資產	2,954,861	2,016,745
Current liabilities	流動負債	(59,287)	(49,797)
Non-current liabilities	非流動負債	(608,276)	(383,969)
Net cash flows used in operating activities	經營活動所用之現金流量淨額	(4,420)	(506,176)
Net cash flows (used in)/from investing activities	投資活動(所用)/所得之現金流量淨額	(4,633)	498,041
Net cash flows from financing activities	融資活動所得之現金流量淨額	9,186	5,949
Net increase/(decrease) in cash and cash equivalent	現金及等同現金項目增加/(減少)淨額	133	(2,186)

The non-controlling interests of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

本集團並無持有全部股權之所有其他附屬公司的非控股權益並不重大。

47. Event after the reporting period

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

47. 報告期後事件

於2018年3月23日，本公司及其附屬公司與前任董事周煒先生相關的兩間公司（「該兩間公司」）訂立協議（「協議」），內容有關結算應收該兩間公司的餘額之安排，有關安排須自簽署協議當日起計4個月內進行。

Five-Year Financial Summary

五年財務摘要

		Year ended 31 December 截至12月31日止年度				
		2017	2016	2015	2014	2013
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Operating Results	經營業績					
Revenue	收益	6,302,374	9,823,216	12,585,256	14,010,505	11,505,979
(Loss)/profit before taxation	除稅前(虧損)/溢利	(477,532)	(4,273,460)	2,517,816	553,492	225,542
Taxation	稅項	(93,206)	1,350,866	(99,213)	(150,617)	(32,127)
(Loss)/profit from continuing operations	持續經營業務之(虧損)/溢利	(570,738)	(2,922,594)	2,418,603	402,875	193,415
Profit from discontinued operation	已終止經營業務之溢利	–	24,493	55,487	–	–
Gain on disposal of a subsidiary	出售一間附屬公司之收益	–	185,915	–	–	–
Non-controlling interests	非控股權益	(203,644)	(21,314)	(28,253)	(15,317)	(8,013)
(Loss)/profit attributable to equity holders of the Company	本公司權益持有人應佔(虧損)/溢利	(774,382)	(2,733,500)	2,445,837	387,558	185,402
Assets and Liabilities	資產及負債					
Total assets	總資產	36,204,334	33,437,635	36,341,951	13,193,323	11,143,153
Total liabilities	總負債	(24,499,348)	(22,330,960)	(21,794,580)	(8,534,873)	(6,901,401)
		11,704,986	11,106,675	14,547,371	4,658,450	4,241,752

MAJOR PROJECTS IN-PROGRESS

現時進行之主要工程

Description 工程內容	Group's Interest 本集團 所佔權益	Commencement Date 開工日期	Anticipated Completion Date 預期竣工日期	Client/Ultimate Employer 客戶/最終僱主
BUILDING CONSTRUCTION 樓宇建造				
M+ Main Works Contract Including RDE Building (P39B), Interfacing Car Parking and Sewage Pumping Station at West Kowloon Cultural District * 香港西九文化區之M+主要工程合約·包括零售、餐飲及消閒大樓(P39B)·停車場與污水泵站*	100%	September 2015 2015年9月	June 2019 2019年6月	West Kowloon Cultural District Authority 西九文化區管理局
Main Contract for The Hong Kong Ocean Park Marriott Hotel at Ocean Park, Hong Kong 香港海洋公園萬豪酒店的主要合約工程	100%	May 2016 2016年5月	July 2018 2018年7月	Capital Court Limited 財閣有限公司
Design and Construction of Kowloon East Regional Headquarters and Operational Base cum Ngau Tau Kok Divisional Police Station at 105 Concorde Road, Kai Tak* 啟德協調道105號東九龍總區總部及行動基地暨牛頭角分區警署大樓設計及建築項目*	65%	May 2016 2016年5月	September 2019 2019年9月	Architectural Services Department 建築署
Lisboa Palace, Macau COT/DSC1012-4 Reinforced Concrete Works (Excluding Reinforced Concrete Works Below Tower) and General Builder's Works for Podium (G/F to Podium Roof) (West Portion) 上葡京·澳門群樓混凝土結構及裝修工程	100%	November 2015 2015年11月	July 2018 2018年7月	Cotai Magnific View-Property Development Company Limited 高嶺置業發展股份有限公司
PPC Pile Works for Galaxy Resort & Casino Phase 4 Lot 4 New Integrated Resort Development at Cotai City, Macau 澳門路氹城新綜合度假村開發第四段銀河度假酒店及賭場第四期的預應力預制混凝土樁工程	100%	September 2017 2017年9月	May 2018 2018年5月	Galaxy Cotai Project Management Limited 銀河路氹工程管理有限公司
Sportland, Hengqin 橫琴鉅星匯	100%	June 2015 2015年6月	December 2018 2018年12月	鉅聯國際投資有限公司
CIVIL ENGINEERING WORKS 土木工程				
Elevated Road along LOHAS Park Road and the Pedestrian Footbridge FB1 康城路高架路橋及行人天橋工程	100%	August 2016 2016年8月	November 2018 2018年11月	MTR Corporation Limited 香港鐵路有限公司
Construction of MTR Express Rail Link Contract 810B, West Kowloon Terminus Station South 港鐵廣深港高速鐵路合約810B西九龍總站(南)建造工程	22.5%	January 2011 2011年1月	July 2018 2018年7月	MTR Corporation Limited 香港鐵路有限公司
Shatin to Central Link, Sung Wong Toi and To Kwa Wan Stations and Tunnels, Contract 1109 沙田至中環線·九龍城段車站及隧道工程(合約編號1109)	40%	August 2012 2012年8月	September 2018 2018年9月	MTR Corporation Limited 香港鐵路有限公司
Site Formation and Infrastructural Works near Tong Hang Road and Tsz Tin Road in Area 54 Tuen Mun 屯門第54區鄰近塘亨路及紫田路的土地平整及基建工程	57%	November 2015 2015年11月	May 2019 2019年5月	Civil Engineering and Development Department 土木工程拓展署
Site Formation and Associated Infrastructural Works for Development of Columbarium at Sandy Ridge Cemetery 沙嶺墳場興建骨灰安置所的土地平整及相關基礎設施工程	51%	December 2017 2017年12月	December 2020 2020年12月	Civil Engineering and Development Department 土木工程拓展署

MAJOR PROJECTS IN-PROGRESS (continued)

現時進行之主要工程 (續)

Description 工程內容	Group's Interest 本集團 所佔權益	Commencement Date 開工日期	Anticipated Completion Date 預期竣工日期	Client/Ultimate Employer 客戶／最終僱主
ELECTRICAL AND MECHANICAL 機電工程				
Sub-Contract for the Supply and Installation of the Electrical (inclusive of ELV) Air-Conditioning, Fire Services, Plumbing and Water Supply Systems, (inclusive of Town Gas Installation) for M+ Museum (Building Contract Number CC/2015/3A/022)# M+博物館(建築合約編號CC/2015/3A/022)之電氣(包括低壓電系統)·空調·消防水管裝置及供水系統(包括煤氣安裝)安裝#	100%	September 2015 2015年9月	June 2019 2019年6月	West Kowloon Cultural District Authority 西九文化區管理局
Supply and Install of the Building Services and Electrical & Mechanical Installation for the Main Contract for Design & Construction of Kowloon East Regional Headquarters and Operational Base Cum Ngau Tau Kok Divisional Police Station at 105 Concorde Road, Kai Tak (Programme No. 237 LP)# 啟德協調道105號東九龍總區總部及行動基地暨牛頭角分區警署大樓設計及建築主要合約之樓宇服務供應及安裝及機電安裝(項目編號237 LP)#	100%	July 2016 2016年7月	September 2019 2019年9月	Architectural Services Department 建築署
New World Centre Remodeling and Palace Mall Remodeling Project (Package Code No. 10040B-1) Design, Supply and Installation of H2 and H2 Podium MVAC—Podium Portion Nominated Sub-Contract 新世界中心及購物中心重塑項目(合約編號10040B-1)—H2及H2平台通風空調之設計·供應及安裝指定分判合約	100%	June 2014 2014年6月	February 2019 2019年2月	NWS Holdings Limited 新創建集團有限公司
Proposed Retail and Hotel Development at Tung Chung Town Lot 2 & Lot 11 – HVAC Installation Contract No. C1105/N04 東涌東薈城二區及十一區酒店及商業發展項目—通風空調安裝分判合約	100%	December 2016 2016年12月	March 2019 2019年3月	Newfoundworld Project Management Limited
Central Police Station Conversion and Revitalisation Project Works Contract for Plumbing and Drainage (Package 601), MVAC (603) and FS (604) Installation 中環警署建築群保育及活化計劃—給排水(合約601), 通風空調(合約603)及消防系統(合約604)安裝	100%	December 2012 2012年12月	August 2018 2018年8月	The Jockey Club CPS Limited 賽馬會文物保育有限公司
Air-conditioning and Ventilation Systems Term Maintenance Contract (Contract No.20169030) (Kowloon East, Wong Tai Sin, Tsing Yi, Tsuen Wan, Islands, Kwai Chung, Tuen Mun and Yuen Long Regions) 2017/2020 for Hong Kong Housing Authority Estates, Areas and Buildings 2017/2020年度香港房屋委員會(九龍東、黃大仙、青衣、荃灣、離島、葵涌、屯門及元朗區)—屋邨、用地、及樓宇空氣調節及通風系統定期保養合約(合約編號20169030)	100%	January 2017 2017年1月	December 2019 2019年12月	Hong Kong Housing Authority 香港房屋委員會

MAJOR PROJECTS IN-PROGRESS (continued)

現時進行之主要工程 (續)

Description 工程內容	Group's Interest 本集團 所佔權益	Commencement Date 開工日期	Anticipated Completion Date 預期竣工日期	Client/Ultimate Employer 客戶／最終僱主
ELECTRICAL AND MECHANICAL (continued) 機電工程 (續)				
Electrical and ELV Installation Works Contract for the Proposed Hotel Development at Lot No. 1950 in DD221, Wai Man Road, Sai Kung, New Territories 西貢惠民路DD221地段第1950號擬建酒店發展項目 —電氣及低壓電系統安裝項目	100%	March 2016 2016年3月	August 2018 2018年8月	Cheer Regal Limited 智豪有限公司
Air-conditioning Installation for Construction of Sports Center, Community Hall and Football Pitches in Area 1, Tai Po 大埔第1區體育館、社區會堂及足球場建築工程的空調裝置工程	100%	March 2017 2017年3月	March 2020 2020年3月	Architectural Services Department 建築署
Air-conditioning and Mechanical Ventilation Installation for Construction of Public Rental Housing Redevelopment at Pak Tin Estate Phases 7 and 8 白田邨第七期及第八期公共租住房屋重建項目建築工程的空調及機動通風裝置工程	100%	January 2017 2017年1月	April 2019 2019年4月	Hong Kong Housing Authority 香港房屋委員會

* Part of the contract has been sub-contracted to group companies
部份合約已分判予集團內公司

Sub-contract awarded by group companies or joint venture
集團內公司或合營企業授予之分判合約

Major Properties 主要物業

Description 物業詳述	Uses 用途	Approximate gross area 概約總面積	Status 狀況	Lease term 租賃年期	Percentage of Group's interest 本集團所佔 權益百分比
Properties Held for Investment/Own Use/Sale as at 31 December 2017 於2017年12月31日之投資/自用/出售物業					
Carparks in Lung Mun Oasis 43 Lung Mun Road, Tuen Mun, New Territories, Hong Kong 龍門居之車位 香港新界屯門龍門路43號	Carpark 車位	42 carparks 42個車位	For Sale 出售	Medium 中期	100%
Basement Level 1 & Level 1 to 6 New Times Plaza No. 25 Maliandao Road, Xicheng District, Beijing, People's Republic of China 中國北京市西城區馬連道路25號 新年華購物中心 地庫一層及地上一層至六層	Commercial 商業	38,214 ⁽²⁾	Rental 租賃	Medium 中期	100%
Level 7 to 15 New Times Plaza No. 25 Maliandao Road, Xicheng District, Beijing, People's Republic of China 中國北京市西城區馬連道路25號 新年華購物中心 七層至十五層	Office/ Residential 辦公/住宅	11,962	For Sale 出售	Medium 中期	100%

Description 物業詳述	Uses 用途	Approximate gross area 概約總面積	Status 狀況	Lease term 租賃年期	Percentage of Group's interest 本集團所佔 權益百分比
Properties Held for Investment/Own Use/Sale as at 31 December 2017 (continued) 於2017年12月31日之投資／自用／出售物業（續）					
Basement Level 2 and 3 New Times Plaza No. 25 Maliandao Road, Xicheng District, Beijing, People's Republic of China 中國北京市西城區馬連道路25號 新年華購物中心 地庫二層及地庫三層	Carpark 車位	364 carparks 364個車位	Rental 租賃	Medium 中期	100%
No. 33 Lubao Avenue Lubao County, Shanshui District, Foshan, Guangdong Province, People's Republic of China 中國廣東省佛山市三水區蘆苞鎮 蘆苞大道33號	Commercial 商業	99,000 ⁽²⁾	Rental 租賃	Medium 中期	100%
Commercial Podium Level 1 to 3 Tian Cheng Ming Yuan Nos. 111-119 Shipai Xi Road, Tianhe District, Guangzhou, Guangdong Province, People's Republic of China 中國廣東省廣州市天河區石牌西路111-119號 天晟明苑一層至三層	Commercial 商業	11,526 ⁽²⁾	For sale, in the meantime, looking at the possibility of generating revenue through short term lease 出售·同時正尋求 透過短期租賃產生 收益之可能性	Medium 中期	100%
Basement Level 1 and 2 Tian Cheng Ming Yuan Nos. 111-119 Shipai Xi Road, Tianhe District, Guangzhou, Guangdong Province, People's Republic of China 中國廣東省廣州市天河區石牌西路111-119號 天晟明苑地庫一層及地庫二層	Carpark 車位	325 carparks 325個車位	For sale, in the meantime, looking at the possibility of generating revenue through short term lease 出售·同時正尋求 透過短期租賃產生 收益之可能性	Medium 中期	100%

Major Properties

主要物業

Description	Uses	Approximate gross area	Status	Lease term	Percentage of Group's interest	Estimated Year of Completion
物業詳述	用途	概約總面積	狀況	租賃年期	本集團所佔權益百分比	預計落成年份
Properties Under Development as at 31 December 2017						
於2017年12月31日之發展中物業						
South of Ganjiang Road, west of National Highway 102, Dafanhe Village and Xintun Village, Fanhe Town, Tieling County, Liaoning Province, People's Republic of China	Residential 住宅	225,000	Construction and Design in Progress 建造及設計進行中	Medium and long 中期及長期	100%	2018 to 2019 2018年至2019年
中國遼寧省鐵嶺縣凡河鎮大凡河村及新屯村102國道以西贛江路以南附近土地	Ground Floor Retails 地面層 零售商舖	6,000 ⁽²⁾	Construction and Design in Progress 建造及設計進行中	Medium and long 中期及長期	100%	2018 to 2019 2018年至2019年
	Commercial 商業	215,000 ⁽²⁾	Construction and Design in Progress 建造及設計進行中	Medium and long 中期及長期	100%	2018 to 2019 2018年至2019年
	Residential/ Commercial 住宅/商業	1,419,000 ⁽³⁾	Master Plan in Progress 總體規劃進行中	Medium and long 中期及長期	100%	N/A 不適用
Ninty-nine Gang Dushu Gang Villager Committee, Lubao County, Sanshui District, Foshan City, Guangdong Province, People's Republic of China	Residential 住宅	223,000 ⁽²⁾	Construction and Design in Progress 建造及設計進行中	Long 長期	100%	2018 to 2019 2018年至2019年
中國廣東省佛山市三水區蘆苞鎮獨樹崗村委會九十九崗	Residential/ Commercial 住宅/商業	1,583,000 ⁽²⁾	Master Plan in Progress 總體規劃進行中	Medium and long 中期及長期	100%	N/A 不適用

Description	Uses	Approximate gross area	Status	Lease term	Percentage of Group's interest	Estimated Year of Completion
物業詳述	用途	概約總面積	狀況	租賃年期	本集團所佔權益百分比	預計落成年份
Properties Under Development as at 31 December 2017 (continued) 於2017年12月31日之發展中物業 (續)						
Jiali Commercial Plaza South of the middle section of Yitianmen Street, Hi-Tech Industrial Development Zone, Tai'an City, Shandong Province, People's Republic of China 中國山東省泰安市高新技術產業開發區 一天門大街中段以南	Commercial 商業	274,977 ⁽²⁾	Construction and Design in Progress 建造及設計 進行中	Long 長期	100%	2018 to 2019 2018年至2019年
Southern side of Har River, Northern side of Binhe Road, Central Business District, Binhai New District, Tianjin, People's Republic of China 中國天津市濱海新區中心商務區 濱河路以北·海河以南	Commercial 商業	328,100 ⁽²⁾	Master Plan in Progress 總體規劃進行中	Medium 中期	64.3%	N/A 不適用

⁽¹⁾ Gross floor area of square feet 總樓面面積 (平方呎)

⁽²⁾ Gross floor area of square metres 總樓面面積 (平方米)

⁽³⁾ Gross site area of square metres 總地盤面積 (平方米)

Board of Directors 董事會

LIN Zhuo Yan^{**}
(Non-executive Chairman)
林卓延^{**} (非執行主席)
Joseph CHOI Kin Hung[#]
(Chief Executive Officer[®])
蔡健鴻[#] (行政總裁[®])
Wilfred WU Shek Chun[#] (Chief Risk Officer)
鄔頌晉[#] (首席風險官)
Eric TODD⁺
達振標⁺
YAN Jie^{**}
閻傑^{**}
CHEN Lei^{**}
陳磊^{**}
CHUI Kwong Kau^{**}
崔光球^{**}
LUI Chun Pong^{△△}
呂振邦^{△△}
CHENG Sui Sang^{△△}
鄭瑞生^{△△}
George YUEN Kam Ho^{△△}
袁金浩^{△△}
LAI Chik Fan^{△△}
賴焯藩^{△△}
[#] Executive Director
[#] 執行董事
^{**} Non-executive Director
^{**} 非執行董事
^{△△} Independent Non-executive Director
^{△△} 獨立非執行董事

Audit Committee 審核委員會

CHENG Sui Sang (Chairman)
鄭瑞生 (主席)
CHUI Kwong Kau
崔光球
George YUEN Kam Ho
袁金浩
LAI Chik Fan[®]
賴焯藩[®]

Remuneration Committee 薪酬委員會

CHENG Sui Sang (Chairman)
鄭瑞生 (主席)
Joseph CHOI Kin Hung
蔡健鴻
Wilfred WU Shek Chun
鄔頌晉
George YUEN Kam Ho
袁金浩
LAI Chik Fan[®]
賴焯藩[®]

Nomination Committee 提名委員會

George YUEN Kam Ho (Chairman)^{△△}
袁金浩 (主席)^{△△}
CHENG Sui Sang
鄭瑞生
LAI Chik Fan[®]
賴焯藩[®]
Joseph CHOI Kin Hung
蔡健鴻
LUI Chun Pong[△]
呂振邦[△]

Executive Committee 執行委員會

Joseph CHOI Kin Hung
蔡健鴻
Wilfred WU Shek Chun
鄔頌晉
Eric TODD^{*}
達振標^{*}

Company Secretary 公司秘書

CHAN Chi Fai David^{*}
陳志輝^{*}

Risk Management committee 風險管理委員會

LAI Chik Fan (Chairman) ^{△△}
賴焯藩 (主席) ^{△△}
CHENG Sui Sang ^{△△}
鄭瑞生 ^{△△}
George YUEN Kam Ho ^{△△}
袁金浩 ^{△△}

Corporate Governance Committee 企業管治委員會

George YUEN Kam Ho (Chairman) ^{△△}
袁金浩 (主席) ^{△△}
CHENG Sui Sang ^{△△}
鄭瑞生 ^{△△}
LAI Chik Fan ^{△△}
賴焯藩 ^{△△}

Auditor 核數師

BDO Limited[◇]
香港立信德豪會計師事務所有限公司[◇]

Principal Bankers* 主要往來銀行*

The Hongkong and Shanghai
Banking Corporation Limited
香港上海滙豐銀行有限公司

Reference Banks* 往來銀行*

Banco Well Link, S.A.
立橋銀行股份有限公司
Bank of China (Hong Kong) Limited
中國銀行(香港)有限公司
Bank of China Limited Macau Branch
中國銀行股份有限公司澳門分行
Bank of Communications Co., Ltd.
Hong Kong Branch
交通銀行股份有限公司香港分行
China Everbright Bank Company Limited,
Hong Kong Branch
中國光大銀行股份有限公司香港分行
East West Bank
華美銀行
Industrial and Commercial Bank of
China (Asia) Limited
中國工商銀行(亞洲)有限公司
Nanyang Commercial Bank, Limited
南洋商業銀行有限公司
The Bank of East Asia, Limited
東亞銀行有限公司

* In alphabetical order
* 按字母順序

Registered Office 註冊辦事處

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Principal Place of Business in Hong Kong 香港主要營業地點

Hsin Chong Center
107-109 Wai Yip Street
Kwun Tong, Kowloon, Hong Kong
香港九龍觀塘
偉業街107-109號
新昌中心

Principal Share Registrar and Transfer Agent 主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office 香港股份過戶登記分處

Computershare Hong Kong
Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong
香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
1712-1716號舖

Stock Code 股份代號

00404

Board Lot 每手買賣單位

2,000 shares
2,000 股

Website 網址

www.hsinchong.com

Email Address 電郵地址

info@hcg.com.hk

△△ with effect from 23 March 2018 自2018年3月23日起生效
△△ with effect from 13 March 2018 自2018年3月13日起生效
◇ with effect from 14 August 2017 自2017年8月14日起生效
® with effect from 8 June 2017 自2017年6月8日起生效
* with effect from 22 March 2017 自2017年3月22日起生效
+ with effect from 9 March 2017 自2017年3月9日起生效
△ with effect from 1 January 2017 自2017年1月1日起生效



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