



China Uptown Group Company Limited
中國上城集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

股份代號 Stock code: 2330

ANNUAL REPORT 年報

2017

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. LIU Feng (*Chairman*)
Mr. CHEN Xian (*Vice Chairman*)
Mr. LAU Sai Chung (*Chief Executive Officer*)
Mr. LIU Zhongxiang

Independent Non-Executive Directors

Mr. POON Lai Yin Michael
Mr. CHAR Shik Ngor Stephen
Ms. LI Jiansheng

AUDIT COMMITTEE

Mr. POON Lai Yin Michael (*Chairman*)
Mr. CHAR Shik Ngor Stephen
Ms. LI Jiansheng

REMUNERATION COMMITTEE

Ms. LI Jiansheng (*Chairman*)
Mr. POON Lai Yin Michael
Mr. CHAR Shik Ngor Stephen

NOMINATION COMMITTEE

Mr. CHAR Shik Ngor Stephen (*Chairman*)
Mr. POON Lai Yin Michael
Ms. LI Jiansheng

COMPANY SECRETARY

Mr. FU Lui

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
Guangdong Nanyue Bank

LEGAL ADVISOR

Anthony Siu & Co.

董事會

執行董事

劉鋒先生 (*主席*)
陳賢先生 (*副主席*)
劉世忠先生 (*行政總裁*)
劉忠翔先生

獨立非執行董事

潘禮賢先生
查錫我先生
李建生女士

審核委員會

潘禮賢先生 (*主席*)
查錫我先生
李建生女士

薪酬委員會

李建生女士 (*主席*)
潘禮賢先生
查錫我先生

提名委員會

查錫我先生 (*主席*)
潘禮賢先生
李建生女士

公司秘書

府磊先生

核數師

德勤•關黃陳方會計師行

主要往來銀行

中國建設銀行(亞洲)股份有限公司
廣東南粵銀行

法律顧問

蕭一峰律師行

Corporate Information

公司資料

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 1501, 15/F
Tower 1, Silvercord
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road, P. O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F,
Two Chinachem Exchange Square,
338 King's Road, North Point, Hong Kong

COMPANY WEBSITE

www.chinauptown.com.hk

STOCK CODE

2330

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

總辦事處及主要營業地址

香港
九龍
尖沙咀
廣東道30號
新港中心第一期
15樓1501室

主要股份登記及過戶處

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road, P. O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

香港之股份登記及過戶處

聯合證券登記有限公司
香港北角英皇道338號
華懋交易廣場2期
33樓3301-04室

公司網址

www.chinauptown.com.hk

股份代號

2330

Five Years Financial Summary

五年財務概要

		Year ended 31 December 截至十二月三十一日止年度				
Results	業績	2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
Turnover (RMB'000)	營業額 (人民幣千元)	615,899	479,111	7,801	11,108	575,871
Profit (loss) attributable to owners of the Company (RMB'000)	本公司之擁有人應佔溢利(虧損) (人民幣千元)	44,702	4,612	(33,783)	50,192	157,448
Earnings (loss) per share (RMB cents)	每股盈利(虧損) (人民幣分)					
From continuing and discontinued operations – Basic	來自持續經營業務及已終止經營業務 – 基本	2.93	0.30	(3.02)	5.33	16.72
– Diluted	– 攤薄	2.93	N/A不適用	N/A不適用	3.76	11.78

		At 31 December 於十二月三十一日				
Assets and liabilities	資產及負債	2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
Total assets (RMB'000)	資產總值 (人民幣千元)	1,382,377	1,508,282	1,656,810	1,348,211	531,921
Total liabilities (RMB'000)	負債總額 (人民幣千元)	(787,982)	(974,254)	(1,134,447)	(838,331)	(35,110)
Net asset value (RMB'000)	資產淨值 (人民幣千元)	594,395	534,028	522,363	509,880	496,811
Equity attributable to owners of the parent (RMB'000)	母公司之擁有人應佔權益 (人民幣千元)	556,359	503,906	500,187	485,386	501,139
Non-controlling interests (RMB'000)	非控制權益 (人民幣千元)	38,036	30,122	22,176	24,494	(4,328)
Total equity	權益總額	594,395	534,028	522,363	509,880	496,811

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The review of the major business segments of the China Uptown Group Company Limited (the “Company”) and its subsidiaries (the “Group”) during the year ended 31 December 2017 (the “Year”) is as follows:

Property Development and Investment

The revenue attributed to the property development and investment business amounted to approximately RMB547,341,000 (2016: approximately RMB479,111,000) representing sales of properties of approximately RMB546,659,000 (2016: approximately RMB479,111,000) and rental income of approximately RMB682,000 (2016: Nil).

The Group owns a property development project located in Maoming City (the “Project”), Guangdong Province, the People’s Republic of China (the “PRC”). The Project would be developed into a composite of residential and commercial properties in three phases.

As disclosed in the Company’s 2016 annual report, the construction of properties of phase 1 and 2 was completed in second half of year 2016, and the properties were delivered to the customers according to the delivery schedule of sales agreements in second half of year 2016 and in 2017. As a result, the financial performance of the property development business has significantly improved since second half of year 2016. Moreover, as majority of the properties were contracted for pre-sale in previous years and recognised as sales in accordance with scheduled delivery during the Year, the property development business remains stable as compared to second half of year 2016.

During the Year, a portion of the commercial properties of phase 1 and 2 of the Project of approximately 4,000 square metres was leased and reclassified as investment properties of the Group. Fair value change on investment properties of approximately RMB43,644,000 (2016: Nil) was recorded during the Year which contributed significantly to the improved result.

業務回顧

中國上城集團有限公司(「本公司」)及其附屬公司(「本集團」)於截至二零一七年十二月三十一日止年度(「本年度」)之主要業務分部回顧如下:

物業發展及投資

物業發展及投資業務應佔之收益約人民幣547,341,000元(二零一六年:約人民幣479,111,000元),即物業銷售約人民幣546,659,000元(二零一六年:約人民幣479,111,000元)及租金收入約人民幣682,000元(二零一六年:無)。

本集團於中華人民共和國(「中國」)廣東省茂名市擁有一個物業發展項目(「該項目」)。該項目將分三期發展為住宅與商用物業為一體的綜合發展項目。

誠如本公司二零一六年年報所披露,第一期與第二期之物業興建於二零一六年下半年竣工,且物業於二零一六年下半年及二零一七年已按銷售協議交付時間表交付予客戶。因此,物業發展業務之財務表現自二零一六年下半年以來大幅改善。此外,大部分物業於以前年度已獲訂約預售並於本年度根據預定交付確認為銷售,相比二零一六年下半年,物業發展業務保持穩定。

於本年度,該項目第一期及第二期商用物業面積約4,000平方米的部份已予租賃並重新分類為本集團之投資物業。本年度已錄得投資物業之公允值變動約人民幣43,644,000元(二零一六年:無),大幅促進業績改善。

Management Discussion and Analysis

管理層討論及分析

The construction of phase 3 of the Project has commenced in 2016 and will be completed in late 2018 and 2019. The total gross floor area of phase 3 of the Project is approximately 188,000 square metres with residential and commercial properties of saleable floor area of approximately 128,000 square metres, which mainly consists of nine buildings of 32 floors each.

Trading of raw sugar

The Group has started its business in trading of raw sugar since late 2014. During the Year, turnover attributable to the trading of raw sugar business amounted to approximately RMB68,558,000 (2016: Nil). The sales represented the raw sugar acquired from the supplier in Association of South East Asian Nations (“ASEAN”) countries and sold to the customer in Europe. Reference is made to the announcements of the Company dated 22 January 2018 and 14 February 2018 and circular of the Company dated 6 March 2018, Techwayson Trading Limited, a wholly-owned subsidiary of the Company, has entered into a master agreement and a supplement agreement with China Sugar Holdings Limited (“China Sugar”) to purchase raw cane sugar from China Sugar for a period of 34 months ended 31 December 2020. The management of the Company is of the view that such arrangement could enhance the sugar procurement network of the Group for a more rapid expansion of its trading of raw sugar business.

MARKET OUTLOOK AND PROSPECTS

In 2017, the PRC economy remained complicated. Tightening policies and measures of the real estate market remained. In order to regulate the development of real estate industry in the PRC continuously, the government has announced a series of regulatory policies focusing on a long-term and effective mechanism to regulate the industry and, at the same time, develop a sustainable and healthy growth of the real estate market.

該項目第三期已於二零一六年動工並將於二零一八年末至二零一九年竣工。該項目第三期總建築面積約為188,000平方米，而住宅及商用物業之可銷售面積約128,000平方米，並主要由九幢32層高樓宇組成。

原糖貿易

本集團自二零一四年末起已展開原糖貿易業務。於本年度，原糖貿易業務應佔營業額約人民幣68,558,000元（二零一六年：無），該銷售額即為向東南亞國家聯盟（「東盟」）國家供應商採購並出售予歐洲客戶的原糖。茲提述本公司日期為二零一八年一月二十二日及二零一八年二月十四日之公告及本公司日期為二零一八年三月六日之通函，本公司之全資附屬公司德維森貿易有限公司就向中國糖業集團有限公司（「中國糖業」）購買原蔗糖與中國糖業訂立總協議及補充協議，年期為截至二零二零年十二月三十一日止三十四個月。本公司管理層認為，有關安排可加強本集團之糖採購網絡，以便更迅速地拓展其原糖貿易業務。

市場展望及前景

於二零一七年，中國經濟依然複雜多變。房地產市場的收緊政策及措施仍將不變。為持續規管中國房地產行業之發展，政府已宣佈一系列監管政策專注於長期有效之機制以監管該行業，與此同時，已形成房地產市場之可持續及穩健發展。

Management Discussion and Analysis

管理層討論及分析

Government policies and financial policies were tightened, particularly in the first and second tier cities. However, driven by urbanization of third tier and satellite cities, the management of the Company is confident that our real estate project in Maoming City will not be materially affected. In particular (1) good reputation of the Project since the delivery of phase 1 & 2 of the Project; (2) approximately 50% (based on planned gross floor area) of residential properties of phase 3 of the Project were contracted for sales during the Year; (3) average selling price of phase 3 of the Project gradually increased and the property market in Maoming was rather stable during the Year and will be similar in the foreseeable future; and (4) the local city transformation created a strong end-user housing demands in the district of the Project.

While the Company is cautious in its investment policies, the continuous urbanisation in the PRC and infrastructure development in western Guangdong province, including completion of the new regional airport and the China high-speed railway, the management of the Company is optimistic on the pre-sale of the remaining properties of phase 3 of the Project which will be launched in 2018.

Regarding the trading of raw sugar business, it is the goal of the Group to expand its supply chain worldwide and to diversify its customer base in the coming years. As described above, securing a steady supply source will significantly improve the overall business flow and enhance the ability of the Group in exploring new customers. The raw cane sugar price is at a relatively low range (with reference to Sugar no.11 contract of New York Intercontinental Exchange) as compared to recent 2 years with a rather stable fluctuation in recent months. A relatively stable price trend, however, in the view of the management of the Company will lower the trading risk and be beneficial in exploring new business opportunity.

政府政策及金融政策均有所收緊，一線及二線城市尤甚。然而，在三線及衛星城市的城市化推動下，本公司管理層堅信茂名市房地產項目將不會受到重大影響，具體原因在於(1)自該項目第一期與第二期交付以來該項目之口碑良好；(2)該項目第三期約50%（根據規劃建築總面積計算）住宅物業已於本年度訂約銷售；(3)該項目第三期之平均售價逐步上升及茂名之物業市場於本年度相當穩定及於可預見未來亦將如此；及(4)當地城市轉型帶來終端用戶對該項目所在地區住房之強勁需求。

雖然本公司實施審慎投資政策，但中國城市化進程持續及粵西地區基建發展，包括新地區機場及中國高鐵的建成，令本公司管理層對於將在二零一八年推出的該項目第三期的餘下物業預售持樂觀態度。

原糖貿易業務方面，本集團之目標為於未來數年在全球範圍擴展其供應鏈及分散其客戶基礎。誠如上文所述，覓得穩定供應來源將大幅提升整體業務流及增強本集團發掘新客戶之能力。與近兩年相比，原蔗糖價格範圍相對較低（經參考紐約洲際交易所第11號糖期貨合約），近月的波動相當穩定。然而，本公司管理層認為，相對穩定的價格趨勢將降低貿易風險及有利於探索新商機。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

For the Year, the Group has achieved turnover of approximately RMB615,899,000 (2016: approximately RMB479,111,000). The profit attributable to owners of the Company was approximately RMB44,702,000 (2016: approximately RMB4,612,000). The upsurges in the turnover and improvements of the results of the Group, as disclosed in the Company's interim report 2017 and annual report 2016, were mainly attributable to the recognition of sales from phase 1 and 2 of the Project and fair value change on certain investment properties. During the Year, over 95% and 55% (based on the gross saleable area) of the residential and commercial properties (including office premises) of phase 1 and 2, which were classified as properties held for sale of the Group, were delivered and recognised as sales respectively.

During the Year, the Group's operating activities generated a net cash outflow of approximately RMB10,333,000 (2016: inflow of approximately RMB245,367,000). As at 31 December 2017, bank balances and cash was approximately RMB26,322,000 (2016: approximately RMB42,795,000), restricted bank deposit was approximately RMB8,015,000 (2016: approximately RMB7,888,000) and pledged bank deposit was approximately RMB12,908,000 (2016: approximately RMB34,044,000).

As at 31 December 2017, the total assets of the Group was approximately RMB1,382,377,000 (2016: approximately RMB1,508,282,000), representing a decrease of approximately 8%. The decrease was mainly due to the sales of properties of the phase 1 and 2 of the Project. As at 31 December 2017, the Group's total borrowings and loan payable increased to approximately RMB135,960,000 (2016: approximately RMB133,539,000).

As at 31 December 2017, the gearing ratio, expressed as a percentage of total borrowings and loan payable over net assets was approximately 23% (2016: approximately 25%) and the current ratio was approximately 1.8 (2016: approximately 1.7).

財務回顧

本年度，本集團已錄得營業額約人民幣615,899,000元（二零一六年：約人民幣479,111,000元）。本公司之擁有人應佔溢利約人民幣44,702,000元（二零一六年：約人民幣4,612,000元）。本集團之營業額上漲及業績改善（如本公司之二零一七年中期報告及二零一六年年報所披露）乃主要歸因於來自該項目第一期與第二期之確認銷售及若干投資物業之公允值變動。於本年度，第一期與第二期超過95%及55%（基於總可銷售面積）之住宅及商用物業（包括寫字樓）（分類為本集團持作出售物業）已分別交付及確認為銷售。

於本年度，本集團經營業務產生的現金流出淨額約人民幣10,333,000元（二零一六年：流入約人民幣245,367,000元）。於二零一七年十二月三十一日，銀行結存及現金約人民幣26,322,000元（二零一六年：約人民幣42,795,000元）、有限制銀行存款約人民幣8,015,000元（二零一六年：約人民幣7,888,000元）及已抵押銀行存款約人民幣12,908,000元（二零一六年：約人民幣34,044,000元）。

於二零一七年十二月三十一日，本集團的總資產約人民幣1,382,377,000元（二零一六年：約人民幣1,508,282,000元），減少約8%。該減少乃主要由於該項目第一期與第二期物業銷售所致。於二零一七年十二月三十一日，本集團之總借款及應付貸款增加至約人民幣135,960,000元（二零一六年：約人民幣133,539,000元）。

於二零一七年十二月三十一日，負債率（以借款總額及應付貸款除以資產淨值之百分比計算）約23%（二零一六年：約25%），而流動比率約1.8（二零一六年：約1.7）。

Management Discussion and Analysis

管理層討論及分析

FINANCE COSTS

For the Year, the finance costs were approximately RMB6,701,000 (2016: approximately RMB9,720,000). For the Year, interest expenses of approximately RMB5,143,000 (2016: approximately RMB18,743,000) was capitalised as properties under development. The charge mainly comprised of bank borrowings wholly repayable within five years and bank overdraft of approximately RMB4,963,000 (2016: approximately RMB9,362,000) and interest expenses on receipt in advance of approximately RMB1,738,000 (2016: approximately RMB358,000).

CAPITAL STRUCTURE

The issued ordinary share capital of the Company as at 31 December 2017 was approximately HK\$152,448,000 divided into 1,524,478,520 shares of HK\$0.10 each.

FOREIGN CURRENCY EXPOSURE

The Group mainly earns revenues and incurs costs in Renminbi, United States dollars and Hong Kong dollars. The Group's monetary assets and liabilities are denominated in Renminbi, United States dollars and Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the management will monitor foreign exchange exposure closely and consider the use of hedging instruments when the need arises.

CHARGE ON ASSETS

As at 31 December 2017, certain of the Group's leasehold land and buildings and properties under development with an aggregate carrying values of approximately RMB570,919,000 (2016: approximately RMB206,591,000) were pledged to banks for securing general banking facilities granted to certain subsidiaries of the Company. As at 31 December 2017, banking facilities of approximately RMB119,304,000 (2016: approximately RMB133,539,000) were utilised and approximately RMB8,686,000 (2016: approximately RMB9,851,000) were unutilised and available for the Group's future financing.

財務成本

本年度，財務成本約人民幣6,701,000元（二零一六年：約人民幣9,720,000元）。本年度，利息開支約人民幣5,143,000元（二零一六年：約人民幣18,743,000元）資本化為在建物業。費用主要包括須於五年內悉數償還的銀行借款及銀行透支約人民幣4,963,000元（二零一六年：約人民幣9,362,000元）及預收款項之利息開支約人民幣1,738,000元（二零一六年：約人民幣358,000元）。

資本結構

於二零一七年十二月三十一日，本公司的已發行普通股股本約港幣152,448,000元，分為1,524,478,520股每股港幣0.10元的股份。

外匯風險

本集團賺取的收益及產生的費用主要以人民幣、美元及港幣計算。本集團的貨幣資產及負債均以人民幣、美元及港幣計值。目前本集團並無任何外匯對沖政策。然而，管理層會密切監察外匯風險，並在有需要時考慮使用對沖工具。

資產抵押

於二零一七年十二月三十一日，本集團將總賬面值約人民幣570,919,000元（二零一六年：約人民幣206,591,000元）的若干租賃土地及樓宇及在建物業抵押予銀行，作為本公司若干附屬公司獲授一般銀行信貸之擔保。於二零一七年十二月三十一日，約人民幣119,304,000元（二零一六年：約人民幣133,539,000元）的銀行信貸已動用及約人民幣8,686,000元（二零一六年：約人民幣9,851,000元）未動用並可供用於本集團未來融資。

Management Discussion and Analysis

管理層討論及分析

SEGMENT INFORMATION

The details of segment information are set out in note 6 to the consolidated financial statements.

CAPITAL AND OTHER COMMITMENTS

As at 31 December 2017, the Group had commitments for properties under development contracted for but not provided in the consolidated financial statements of approximately RMB249,161,000 (2016: approximately RMB427,727,000).

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2017, the Group employed 71 (2016: 66) full time employees in Hong Kong and the PRC. Total remuneration of the Group for the Year was approximately RMB21,117,000 (2016: approximately RMB16,254,000). The Group's emolument policies are formulated on the basis of market trends, future plans and the performance of individuals, which will be reviewed periodically. Apart from provident fund scheme and state-managed social welfare scheme, share options will also be awarded to employees according to assessment of individuals' performance.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group's maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to approximately RMB443,460,000 (2016: approximately RMB535,979,000).

DIVIDEND

No dividend was declared or proposed during the Year. The board (the "Board") of directors (the "Directors") of the Company do not recommend the payment of any dividend for the Year.

分部資料

分部資料之詳情載於綜合財務報表附註6。

資本及其他承擔

於二零一七年十二月三十一日，本集團已訂約但未於綜合財務報表撥備之在建物業承擔約人民幣249,161,000元（二零一六年：約人民幣427,727,000元）。

僱員及薪酬政策

於二零一七年十二月三十一日，本集團在香港及中國僱用71位（二零一六年：66位）全職僱員。本集團於本年度之薪酬總額約人民幣21,117,000元（二零一六年：約人民幣16,254,000元）。本集團的薪酬政策乃依據市場趨勢、未來計劃及僱員的個人表現而制訂，並定期進行檢討。除提供公積金計劃及國家管理社會福利計劃外，購股權將根據對個別僱員表現的評估向僱員授出，以作獎勵。

或然負債

於二零一七年十二月三十一日，本集團就本集團物業之若干買家獲提供之按揭貸款之最高責任約人民幣443,460,000元（二零一六年：約人民幣535,979,000元）。

股息

於本年度，並無宣派或擬派任何股息。本公司董事（「董事」）會（「董事會」）不建議派發本年度之任何股息。

Management Discussion and Analysis

管理層討論及分析

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions (the "Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

Throughout the Year, the Company has complied with all of the Code Provisions of the CG Code, except A.6.7.

Under the Code Provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. The whole Board and the auditor of the Company had attended the annual general meeting of the Company held on 23 June 2017 (the "2017 AGM") to answer questions of the shareholders of the Company except that Mr. Poon Lai Yin Michael (the chairman of audit committee of the Company) could not attend the 2017 AGM due to other business engagement but he had appointed the other attended Directors as his representatives to answer questions of the shareholders of the Company. In the future, the Company will endeavour to encourage all the Directors to attend general meetings of the Company.

遵守企業管治守則

本公司之企業管治常規乃以香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之企業管治守則及企業管治報告(「企業管治守則」)所載原則及守則條文(「守則條文」)為依據。

於本年度內，本公司已遵守企業管治守則之全部守則條文，惟第A.6.7條除外。

根據企業管治守則守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會，以對股東的意見能有公正的了解。全體董事會成員及本公司核數師已出席於二零一七年六月二十三日舉行之本公司股東週年大會(「二零一七年股東週年大會」)回答本公司股東的提問，惟潘禮賢先生(本公司審核委員會主席)因其他公務未能出席二零一七年股東週年大會，惟彼已委任其他出席董事作為其代表回答本公司股東之提問。未來，本公司將盡力鼓勵全體董事出席本公司股東大會。

Management Discussion and Analysis

管理層討論及分析

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions during the Year. Having made specific enquiry of all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code during the Year.

PURCHASES, SALE AND REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Year.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as otherwise disclosed, there were neither significant investments held as at 31 December 2017 nor material acquisitions and disposals of subsidiaries during the Year. There is no plan for material investments or capital assets as at the date of this annual report.

董事進行證券交易之標準守則

於本年度，本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」），作為其本身有關董事進行證券交易的操守守則。於本年度，向全體董事作出明確查詢後，本公司確認全體董事已遵守標準守則所載之規定標準。

購買、出售及贖回證券

於本年度，本公司及其任何附屬公司概無買賣或贖回本公司任何上市證券。

持有之重大投資、附屬公司之重大收購及出售，以及未來作重大投資或購入資本資產之計劃

除另行披露外，於二零一七年十二月三十一日並無持有重大投資，於本年度內亦無附屬公司之重大收購及出售。於本年報日期，並無重大投資或購入資本資產之計劃。

Biographical Details of Directors

董事簡介

EXECUTIVE DIRECTORS

Mr. Liu Feng, aged 48, was appointed as an executive Director and chairman of the Company on 17 August 2012. Mr. Liu Feng has over twenty years' experience in the general management and sugars markets in the PRC. Mr. Liu Feng is Vice Director of Sugar Association of China* (中國糖業協會). Mr. Liu Feng is a founder of an enterprise engaged in the sugar and starch production business in the PRC. Mr. Liu Feng was awarded as a "Distinct Entrepreneur" by China Economic Trading Promotion Agency* (中國經濟貿易促進會) in 2011 and as a "Distinct Non-Government Entrepreneur of China" by China Non-Government Enterprise Directors Association* (中國民營企業家協會) in 2009. He holds an Executive Master Degree of Business Administration from Cheung Kong Graduate School of Business. Mr. Liu Feng is the father of Mr. Liu Zhongxiang, the executive Director.

Mr. Chen Xian ("Mr. Chen"), aged 54, was appointed as an executive Director and the vice-chairman of the Company on 12 October 2007 and was re-designated as the chairman of the Company on 30 November 2007. Mr. Chen was re-designated again as the vice-chairman of the Company on 17 August 2012. He is also a director of several subsidiaries of the Company. Mr. Chen is one of the founders of a sizeable property development company in Zhuhai, the PRC and has been a member of the senior management of a subsidiary of that company. Mr. Chen was mainly responsible for the investment and development of real estate projects of such companies. Before joining those companies, Mr. Chen worked as a senior member of certain stated-owned companies and the local authority. He has more than 16 years of extensive experience in the investment and development of real estate projects. He holds a Master Degree of Business Administration from the Asia International Open University (Macau).

* For identification purpose only

執行董事

劉鋒先生，四十八歲，於二零一二年八月十七日獲委任為本公司執行董事兼主席。劉鋒先生於綜合管理方面及中國之糖業市場擁有超逾二十年的經驗。劉鋒先生為中國糖業協會副理事長。劉鋒先生亦為一家在中國從事糖及澱粉生產業務的企業之創辦人。劉鋒先生於二零一一年及二零零九年分別被中國經濟貿易促進會評為「傑出企業家」及被中國民營企業家協會評為「中國優秀民營企業家」。彼持有長江商學院高級管理人員工商管理碩士學位(EMBA)。劉鋒先生為執行董事劉忠翔先生之父親。

陳賢先生(「陳先生」)，五十四歲，於二零零七年十月十二日獲委任為本公司之執行董事及副主席及於二零零七年十一月三十日調任為本公司主席。陳先生於二零一二年八月十七日調任為本公司副主席。彼亦為本公司若干附屬公司之董事。陳先生為中國珠海市一所具規模物業發展公司之創辦人之一及曾為該公司附屬公司的高級管理層成員，主要負責該等公司地產項目的投資及開發。於加入該等公司前，陳先生曾任若干國有企業及地方政府之高級管理人員。彼在房地產項目的投資及開發方面擁有超逾十六年的豐富經驗。彼持有亞洲(澳門)國際公開大學商業行政學碩士學位。

* 僅供識別

Biographical Details of Directors 董事簡介

Mr. Lau Sai Chung (“Mr. Lau”), aged 62, was appointed as an independent non-executive Director on 15 September 2006 and was re-designated as an executive Director on 30 November 2007. Mr. Lau was also appointed as the chief executive officer of the Company on 30 November 2007. He is currently also a director of several subsidiaries of the Company. Mr. Lau holds a Bachelor degree in Commerce with major in Accounting from the University of Alberta, Canada and has over 20 years’ experience in the field of banking and finance both in Hong Kong and North America. Mr. Lau is also a fellow member of the Institute of Canadian Bankers and The Hong Kong Institute of Directors, and a member of The Hong Kong Independent Non-Executive Director Association.

Mr. Liu Zhongxiang, aged 30, was appointed as an executive Director on 30 September 2015. He is currently also a director of several subsidiaries of the Company. Mr. Liu Zhongxiang obtained a diploma of legal secretary from the People’s Public Security University of China (中國人民公安大學) in 2009. Mr. Liu Zhongxiang has seven years of experience in diverse businesses, such as construction and sugar production and trading. Mr. Liu Zhongxiang is the son of Mr. Liu Feng, the chairman and the executive Director of the Company.

劉世忠先生(「劉先生」)，六十二歲，於二零零六年九月十五日獲委任為獨立非執行董事及於二零零七年十一月三十日調任為執行董事。劉先生亦於二零零七年十一月三十日獲委任為本公司的行政總裁。彼現時亦擔任本公司若干附屬公司的董事。劉先生持有加拿大阿爾伯塔大學商學學士學位(主修會計)及於香港及北美洲之銀行及金融方面擁有逾二十年的豐富經驗。劉先生亦是加拿大銀行家學會及香港董事學會的資深會員及香港獨立非執行董事協會會員。

劉忠翔先生，三十歲，於二零一五年九月三十日獲委任為執行董事。彼現亦為本公司若干附屬公司之董事。劉忠翔先生於二零零九年取得中國人民公安大學法律文憑。劉忠翔先生在建築及製糖及糖業貿易等不同行業中擁有七年經驗。劉忠翔先生為本公司主席兼執行董事劉鋒先生之子。

Biographical Details of Directors

董事簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Poon Lai Yin Michael (“Mr. Poon”), aged 46, was appointed as an independent non-executive Director on 29 November 2006. Mr. Poon is also the chairman of the audit committee, a member of the nomination committee and a member of the remuneration committee of the Company. Mr. Poon is a fellow member of Hong Kong Institute of Certified Public Accountants, a member of CPA Australia and a practicing member of Asset Management Association of China. He holds a bachelor degree in administrative studies from York University in Canada and a master degree in practicing accounting with Monash University in Australia. Mr. Poon worked for an international accounting firm and was responsible for providing business advisory and assurance services for listed companies. He has over 16 years of experience in financial reporting, business advisory, auditing, taxation, accounting, merger and acquisition. Mr. Poon is currently an independent non-executive director of Smartac Group China Holdings Limited (Stock Code: 395), the shares of which are listed on main board of the Stock Exchange since 29 January 2010. Mr. Poon is also currently an independent non-executive director of Gtyneon Holding Limited, the shares of which are listed on the Singapore Exchange Limited, since 11 August 2017. Mr. Poon was an alternate to Mr. Amir Gal-Or, a non-executive director of Vincent Medical Holdings Limited (Stock Code: 1612) from February 2016 to July 2017, and the chief executive officer and company secretary of Anxin-China Holdings Limited (Stock Code: 1149) from February 2017 to May 2017, the shares of which are listed on main board of the Stock Exchange.

獨立非執行董事

潘禮賢先生（「潘先生」），四十六歲，於二零零六年十一月二十九日獲委任為獨立非執行董事。潘先生亦為本公司審核委員會主席、提名委員會成員及薪酬委員會成員。潘先生為香港會計師公會資深會員、澳洲會計師公會會員及中國證券投資基金業協會執業會員。彼持有加拿大約克大學(York University)行政學學士學位及澳洲Monash University實務會計碩士學位。潘先生曾任職於某國際會計師事務所，為多間上市公司提供業務顧問及審計服務。彼於財務報告、業務顧問、審計、稅務、會計及併購方面擁有逾十六年經驗。潘先生自二零一零年一月二十九日起至今一直擔任中國智能集團控股有限公司（股份代號：395，其股份於聯交所主板上市）之獨立非執行董事。自二零一七年八月十一日起，潘先生現亦為Gtyneon Holding Limited（其股份於新加坡證券交易所上市）之獨立非執行董事。潘先生自二零一六年二月至二零一七年七月擔任永勝醫療控股有限公司（股份代號：1612）之非執行董事Amir Gal-Or先生之替代董事及自二零一七年二月至二零一七年五月擔任中國安芯控股有限公司（股份代號：1149）之行政總裁兼公司秘書，該等公司之股份均於聯交所主板上市。

Biographical Details of Directors

董事簡介

Mr. Char Shik Ngor Stephen (“Mr. Char”), aged 69, was appointed as an independent non-executive Director on 30 September 2015. Mr. Char is also the chairman of the nomination committee, a member of the audit committee and a member of the remuneration committee of the Company. Mr. Char is currently a Barrister-at-Law and since 22 May 2007, has been appointed as an independent non-executive director of National Investments Fund Limited (Stock Code: 1227), whose shares are listed on the main board of the Stock Exchange. Mr. Char holds a bachelor of laws (Honours) from the University of London and a master degree in Social Sciences from the University of Hong Kong. Mr. Char was also the chief investigator and senior assignment officer of the Independent Commission Against Corruption in Hong Kong from 1976 to 2004 and a chief executive officer of Garner Forest Industries Limited.

Ms. Li Jiansheng (“Ms. Li”), aged 63, was appointed as an independent non-executive Director on 30 September 2015. Ms. Li is also the chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee of the Company. Ms. Li was graduated from Dongbei University of Finance and Economics of China (中國東北財經大學) in July 1982, majoring in infrastructure economics. In October 2006, Ms. Li obtained the certificate for practicing as PRC Corporate Legal Advisor from the Ministry of Personnel, the Ministry of Justice and the State-owned Assets Supervision and Administration Commission of the State Counsel of the PRC. She was recognized as a senior accountant by the Ministry of Personnel of the PRC in 1993 and has been a member of the Institute of Certified Public Accountants of the PRC since 1999. Ms. Li obtained a master degree in Executive MBA from HEC Paris in 2007 and a master degree in Science in Applied Accounting and Finance from Hong Kong Baptist University in 2011. Ms. Li, for the period from September 2007 to March 2014, was appointed as vice president, chief financial officer and general legal advisor of China Railway Group Limited (Stock Code: 0390), the shares of which are listed on the main board of the Stock Exchange.

查錫我先生(「查先生」)，六十九歲，於二零一五年九月三十日獲委任為獨立非執行董事。查先生亦擔任本公司提名委員會主席、審核委員會成員及薪酬委員會成員。查先生現時為一位大律師，自二零零七年五月二十二日起獲委任為國盛投資基金有限公司(股份代號：1227，其股份於聯交所主板上市)獨立非執行董事。查先生持有倫敦大學(榮譽)法學學士及香港大學社會科學碩士學位。查先生於一九七六年至二零零四年期間亦曾任香港廉政公署總調查主任及高級審查主任，亦曾任加林森林工業有限公司行政總裁。

李建生女士(「李女士」)，六十三歲，於二零一五年九月三十日獲委任為獨立非執行董事。李女士亦擔任本公司薪酬委員會主席、審核委員會成員及提名委員會成員。李女士於一九八二年七月畢業於中國東北財經大學基建經濟專業。於二零零六年十月，李女士獲得中國人事部、司法部及國務院國有資產監督管理委員會頒發的中國企業法律顧問執業證書。彼於一九九三年獲中國人事部認可為高級會計師及自一九九九年成為中國註冊會計師協會會員。李女士於二零零七年獲得巴黎高等商學院(HEC Paris)高級工商管理碩士學位及於二零一一年獲得香港浸會大學應用會計與金融碩士學位。李女士於二零零七年九月至二零一四年三月期間獲委任為中國中鐵股份有限公司(股份代號：0390，其股份於聯交所主板上市)副總裁、財務總監及總法律顧問。

Corporate Governance Report

企業管治報告

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.

The Company's corporate governance practices are based on the principles and the CG Code set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

Throughout the Year, the Company has complied with all of the Code Provisions of the CG Code, except A.6.7.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code during the Year.

COMPOSITION AND BOARD PRACTICES

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders value. As at 31 December 2017, the Board consisted of eight Directors, comprising five executive Directors and three independent non-executive Directors. At least one of the independent non-executive Director possess appropriate professional accounting qualifications and financial management expertise, which complies with the requirement of the Listing Rules.

董事會及本公司管理層致力達致高水準之企業管治慣例及程序。

本公司之企業管治常規乃以上市規則附錄十四所載之企業管治守則所載之原則及企業管治守則為依據。

於本年度，本公司已遵守企業管治守則之全部守則條文，惟第A.6.7條除外。

董事進行證券交易之標準守則

本公司採納標準守則，作為董事進行證券交易的操守守則。於本年度，向全體董事作出明確查詢後，本公司確認全體董事已遵守標準守則所載之規定標準。

董事會組成及董事會慣例

董事會負責集體監督管理本集團的業務及事宜，旨在提升股東價值。於二零一七年十二月三十一日，董事會合共由八名董事組成，當中包括五名執行董事及三名獨立非執行董事。至少一名獨立非執行董事具有上市規則規定之適當的專業會計資格及財務管理專長。

Corporate Governance Report

企業管治報告

Executive Directors

Mr. Liu Feng (*Chairman*)
Mr. Chen Xian (*Vice-Chairman*)
Mr. Lau Sai Chung (*Chief Executive Officer*)
Ms. Xia Dan (Resigned on 31 January 2018)

Mr. Liu Zhongxiang

Independent Non-executive Directors

Mr. Poon Lai Yin Michael
Mr. Char Shik Ngor Stephen
Ms. Li Jiansheng

The Directors' biographical information are set out in pages 13 to 16 of this annual report. All executive Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to carry out his duties effectively. There is no relationship among the members of the Board except Mr. Liu Feng is the father of Mr. Liu Zhongxiang.

The Board has delegated the executive Directors with authority and responsibility by handling the management functions and operations of the day-to-day business of the Company, while reserving certain key matters for the approval by the Board. The types of decisions to be taken by the Board include annual and interim period financial reporting and control, equity fund raising, declaration of interim dividend and making recommendation of final dividend or other distributions, notifiable transactions under Chapters 14 and 14A of the Listing Rules and making recommendation for capital reorganization or scheme arrangement of the Company.

執行董事

劉鋒先生(主席)
陳賢先生(副主席)
劉世忠先生(行政總裁)
Xia Dan女士
(於二零一八年一月三十一日辭任)
劉忠翔先生

獨立非執行董事

潘禮賢先生
查錫我先生
李建生女士

董事履歷詳情載於本年報第13至第16頁。所有執行董事均就本集團事務付出充足時間及心力。每名執行董事均具有其職位所需之足夠經驗，以有效執行彼之職務。除劉鋒先生為劉忠翔先生之父親外，董事會成員之間並無關係。

董事會已將處理本公司一切管理及日常營運工作轉授本公司之執行董事負責，惟若干重要事項仍需經董事會批准。需由董事會作出決定之類別包括年度及中期財務匯報及監控、股本集資、宣派中期股息及建議末期股息或其他分派、根據上市規則第十四及十四A章須予公佈之交易，以及就本公司之股本重組或計劃安排作出建議。

Corporate Governance Report

企業管治報告

The Board and each Director have separate and independent access to the Company's senior management. A Director who considers a need for independent professional advice in order to perform his/her duties as a Director may convene, or request the secretary of the Company (the "Company Secretary") to convene, a meeting of the Board to approve the seeking of independent legal or other professional advice.

The Company adopts the practice of holding meetings of the Board regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of meeting of the Board will be sent to all Directors at least 14 days prior to a regular Board meeting. Reasonable notice will be given to Directors for ad-hoc Board meetings. Directors may participate either in person or through electronic means of communications.

During the Year, five meetings of the Board were held, Directors are provided with relevant information to make informed decisions. The attendance of Directors at the Board meetings and the Board committees' meetings is set out in the table below:

董事會及各董事可自行接觸本公司之高級管理層。董事如認為需要獨立專業意見，以履行其為董事之責任，可召開或要求本公司之秘書（「公司秘書」）召開董事會會議，批准徵求獨立法律或其他專業意見。

本公司採納定期（一年最少四次，約每季一次）舉行董事會會議的措施。倘需要討論整體策略以及本集團的經營及財務表現，亦會召開臨時董事會會議。董事會會議通告將於日常董事會會議舉行前最少十四天送發予所有董事。就臨時董事會會議而言，合理通告亦會發予董事。董事可親身或透過電子通訊方式出席會議。

本年度已舉行五次董事會會議，董事已獲得相關資料以作出知情決定。董事會及董事委員會各董事之會議出席情況載列於下表：

Name of Directors	Board	Meetings attended/Eligible to attend 出席會議/合資格出席之會議			Annual General Meeting held on 23 June 2017 於二零一七年 六月二十三日舉行之 股東週年大會	
		Audit Committee	Remuneration Committee	Nomination Committee		
董事姓名	董事會	審核委員會	薪酬委員會	提名委員會		
Executive Directors	執行董事					
Mr. Liu Feng	劉鋒先生	5/5	-	-	✓	
Mr. Chen Xian	陳賢先生	5/5	-	-	✓	
Mr. Lau Sai Chung	劉世忠先生	5/5	-	-	✓	
Ms. Xia Dan (Resigned on 31 January 2018)	Xia Dan女士 (於二零一八年一月 三十一日辭任)	5/5	-	-	✓	
Mr. Liu Zhongxiang	劉忠翔先生	5/5	-	-	✓	
Independent Non-executive Directors	獨立非執行董事					
Mr. Poon Lai Yin Michael	潘禮賢先生	5/5	3/3	2/2	1/1	X
Mr. Char Shik Ngor Stephen	查錫我先生	4/5	2/3	1/2	0/1	✓
Ms. Li Jiansheng	李建生女士	5/5	3/3	2/2	1/1	✓

Corporate Governance Report

企業管治報告

Directors' Induction and Continuous Professional Development

All Directors, including independent non-executive Directors, should keep abreast of their collective responsibilities as Directors and of the business and activities of the Group. Each newly appointed Director would receive a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills, and update all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirement to ensure compliance and to enhance their awareness of good corporate governance practices.

During the Year, the Directors participated in the continuous professional developments in relation to regulatory update, the duties and responsibility of the Directors and the business of the Group in the following manner:

董事之入職及持續專業發展

全體董事（包括獨立非執行董事）均須了解彼等作為董事之共同職責，以及本集團之業務及活動。每位新委任之董事均會收到一份全面之入職資料，範圍涵蓋本公司之業務營運、政策及程序以及作為董事之一般、法定及監管責任，以確保董事足夠了解其於上市規則及其他相關監管規定下之責任。本集團亦會提供簡介會及其他培訓，以發展及更新董事之知識及技能，並向全體董事提供有關上市規則及其他適用監管規定之最新發展，以確保董事遵守相關規則及加強董事對良好企業管治常規之認識。

於本年度，董事透過以下方式參與有關監管事宜之最新訊息、董事之職務與職責及本集團業務之持續專業發展活動：

Name of Directors 董事姓名	Attended Seminars or Briefing/Read Materials 參加研討會或 簡介會／閱讀材料
Executive Directors	
Mr. Liu Feng	✓
Mr. Chen Xian	✓
Mr. Lau Sai Chung	✓
Ms. Xia Dan (Resigned on 31 January 2018)	Xia Dan女士（於二零一八年一月三十一日辭任）
Mr. Liu Zhongxiang	✓
Independent Non-executive Directors	
Mr. Poon Lai Yin Michael	✓
Mr. Char Shik Ngor Stephen	✓
Ms. Li Jiansheng	✓

Corporate Governance Report

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the chairman of the Company (the “Chairman”) and chief executive officer of the Company (the “Chief Executive Officer”) are segregated and are currently held by Mr. Liu Feng and Mr. Lau Sai Chung respectively. The Chairman is responsible for the Group’s strategic planning and the management of the operations of the Board, while the Chief Executive Officer takes the lead in the Group’s operations and business development. There is a clear division of responsibilities between the Chairman and Chief Executive Officer which provides a balance of power and authority.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive Directors are appointed for a term of three years, and subject to re-election on retirement by rotation at the annual general meeting of the Company (the “AGM”) in accordance with the Company’s articles of association (the “Articles”). Two of the independent non-executive Directors have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. The Company has received the annual confirmation of independence from each of the independent non-executive Directors as required under Rule 3.13 of the Listing Rules. The Company, based on such confirmations, considers all independent non-executive Directors to be independent.

主席及行政總裁

本公司主席（「主席」）及本公司行政總裁（「行政總裁」）之角色已予區分及現時分別由劉鋒先生及劉世忠先生出任。主席負責本集團之策略規劃及管理董事會運作，而行政總裁則領導本集團之經營及業務發展。主席與行政總裁之間分工清晰，以確保權力及授權分佈均衡。

獨立非執行董事

全體獨立非執行董事任期三年並須根據本公司之章程細則（「細則」）之規定於本公司股東週年大會（「股東週年大會」）上輪值退任及膺選連任。根據上市規則第3.10條，其中兩名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關財務管理專長。本公司已收到各獨立非執行董事根據上市規則第3.13條發出之週年獨立性確認書。本公司據此等確認書認為全體獨立非執行董事均具備獨立身份。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with the CG Code. On 20 December 2013, the Board adopted a set of the revised terms of reference of the Nomination Committee, which has brought it in line with the new Listing Rules relating to the board diversity with effective from 1 September 2013. The revised terms of reference setting out the Nomination Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. The existing Nomination Committee has the following three members:

Independent Non-executive Directors

Mr. Char Shik Ngor Stephen (*Chairman*)
Mr. Poon Lai Yin Michael
Ms. Li Jiansheng

The Nomination Committee has adopted a written nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

The principal responsibilities of the Nomination Committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors.

Potential new Directors are identified and submitted to the Nomination Committee for approval. The nomination of Directors should take into consideration the candidate's qualification, ability and potential contribution to the Company. A candidate to be appointed as an independent non-executive Director must also satisfy the independence criteria set out in Rule 3.13 of the Listing Rules. No Director was newly appointed during the Year.

提名委員會

本公司成立提名委員會（「提名委員會」）並遵守企業管治守則訂立書面職權範圍。於二零一三年十二月二十日，董事會採納一系列經修訂之提名委員會職權範圍，其符合自二零一三年九月一日生效之有關董事會成員多元化之新上市規則。載有提名委員會權力、職責及責任之經修訂職權範圍可於本公司網站及聯交所網站查閱。提名委員會現共有以下三名成員：

獨立非執行董事

查錫我先生（*主席*）
潘禮賢先生
李建生女士

提名委員會已採納書面提名程序，列明挑選及建議本公司董事候選人之過程及準則。

提名委員會主要負責檢討及監督董事會之架構、規模及組成，物色合資格人士出任董事會成員，評估獨立非執行董事之獨立性，以及向董事會就委任或重選董事作出推薦建議。

物色到候任新董事後，均須提呈提名委員會審批。提名董事時須考慮候選人之資歷、能力及對本公司之潛在貢獻。獲委任為獨立非執行董事之候選人，亦須符合上市規則第3.13條所載之獨立性準則。於本年度，概無新委任之董事。

Corporate Governance Report

企業管治報告

During the Year, one meeting was held by the Nomination Committee to recommend the re-appointment of the Directors standing for re-election at the AGM, to review the size, structure, composition as well as diversity of the Board, to assess the independence of independent non-executive Directors and to consider the changes of Directors. The Nomination Committee has also reviewed the board diversity policy to ensure its effectiveness and considered that the Group has achieved the objectives of the board diversity policy during the Year.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") with the written terms of reference in compliance with the CG Code. The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management. The existing Remuneration Committee has the following three members:

Independent Non-executive Directors

Ms. Li Jiansheng (*Chairman*)
Mr. Poon Lai Yin Michael
Mr. Char Shik Ngor Stephen

The principal responsibilities of the Remuneration Committee are making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, and reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time.

於本年度，提名委員會召開一次會議，藉以建議續聘將於股東週年大會上膺選連任之董事；檢討董事會之規模、架構、組成及多元化、評估獨立非執行董事之獨立性，以及考慮董事之變更。提名委員會亦已檢討董事會成員多元政策以確保其成效，並認為本集團本年度達致董事會成員多元政策之目標。

薪酬委員會

本公司成立薪酬委員會（「薪酬委員會」）並遵守企業管治守則訂立書面職權範圍。載有薪酬委員會權力、職責及責任之職權範圍可於本公司網站及聯交所網站查閱。薪酬委員會在其採納之運作模式中擔任董事會之顧問角色，董事會保留最終批准各執行董事及高級管理層人士薪酬待遇之權力。薪酬委員會現共有以下三名成員：

獨立非執行董事

李建生女士（*主席*）
潘禮賢先生
查錫我先生

薪酬委員會之主要職責為就本公司全體董事及高級管理層之薪酬政策及架構向董事會提供建議，並參考董事會不時決議之企業目標及目的，審閱及批准管理層之薪酬方案。

Corporate Governance Report

企業管治報告

Details of the remuneration of Directors are set out in note 12 to the consolidated financial statements. During the Year, two meetings of Remuneration Committee were held for, inter alia, reviewing the remuneration policy and structure for as well as the remuneration packages of all Directors and the senior management and considering the remuneration packages of all newly appointed Directors. No Director was involved in deciding his/her own remuneration.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the CG Code. On 31 December 2015, the Board adopted a set of the revised terms of reference of the Audit Committee, which has brought it in line with the new requirement of the Listing Rules in relation to the internal controls by introducing the concept of the risk management. The revised terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. The existing Audit Committee has the following three members:

Independent Non-executive Directors

Mr. Poon Lai Yin Michael (*Chairman*)
Mr. Char Shik Ngor Stephen
Ms. Li Jiansheng

The principal responsibilities of the Audit Committee include making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; reviewing the interim and annual reports and accounts of the Group; and supervising the financial reporting process and effectiveness of the risk management and internal control systems of the Group.

董事酬金之詳情載列於綜合財務報表附註12。於本年度，薪酬委員會召開了兩次會議，藉以（其中包括）檢討本公司全體董事及高級管理層之薪酬政策、架構、薪酬組合及考慮全體新委任董事之薪酬組合。概無董事參予釐定本身之酬金。

審核委員會

本公司成立審核委員會「審核委員會」並遵守企業管治守則訂立書面職權範圍。於二零一五年十二月三十一日，董事會採納審核委員會的一系列職權範圍之修訂，乃遵照上市規則有關於引入風險管理概念的內部監控之新規定。載有審核委員會權力、職責及責任之經修訂職權範圍可於本公司網站及聯交所網站查閱。審核委員會現共有以下三名成員：

獨立非執行董事

潘禮賢先生（主席）
查錫我先生
李建生女士

審核委員會主要負責就外聘核數師之委任、重聘及罷免向董事會作出建議，並審批外聘核數師之酬金及聘任條款，以及與該等核數師之辭任或罷免有關之任何事宜；審閱中期報告、年報及本集團賬目；以及監察財務申報程序及本集團風險管理及內部監控系統是否有效。

Corporate Governance Report

企業管治報告

During the Year, three meetings were held by the Audit Committee to review and make recommendation to the Board for approval of the audited results of the Group for the year ended 31 December 2016 and the unaudited interim results for the six months ended 30 June 2017, to discuss the accounting policies and practices which may affect the Group with the management of the Company and the Company's auditors, to make recommendation on the appointment of auditor to fill the causal vacancy following the resignation of the ex-auditor and re-appointment of external auditor for the approval of the shareholders in the AGM, to review the fees charged by the external auditor; and approve the remuneration and terms of engagement of external auditor and to review the effectiveness of risk management and internal control systems and internal audit functions of the Group.

CORPORATE GOVERNANCE FUNCTION

All members of the Board are responsible for performing the corporate governance functions. The terms of reference of corporate governance functions was adopted by the Board on 29 March 2012 and is in compliance with the CG Code. During the Year, the Board has reviewed the policy of the corporate governance and the corporate governance report of the Company.

BOARD DIVERSITY POLICY

On 20 December 2013, the Company has adopted a board diversity policy (the "Policy") setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

The Board will consider setting measurable objectives to implement the Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

於本年度，審核委員會召開三次會議，藉以審閱並建議董事會批准本集團截至二零一六年十二月三十一日止年度之經審核業績及截至二零一七年六月三十日止六個月之未經審核中期業績、與本公司管理層及本公司之核數師討論對本集團有影響之會計政策及實務、建議股東於股東週年大會上批准委聘核數師以填補前核數師辭任而產生之臨時空缺及續聘外聘核數師、審閱外聘核數師支取之費用；及批准委聘核數師之薪酬及委聘條款及檢討本集團之風險管理及內部監控系統及內部審核職能是否有效用。

企業管治職能

董事會全體成員負責執行企業管治職能。企業管治職能之職權範圍已於二零一二年三月二十九日獲董事會採納，並符合企業管治守則。於本年度，董事會已檢討本公司之企業管治政策及企業管治報告。

董事會成員多元化政策

於二零一三年十二月二十日，本公司已採納董事會成員多元化政策（「該政策」），當中列載董事會為達致及維持多元化以提升董事會之有效性而採取之方針。

根據該政策，本公司為尋求達致董事會成員多元化會考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、族群特性、專業經驗、技能、知識及服務年資。

董事會將考慮制定可計量目標以推行該政策，並不時檢討該等目標以確保其合適度及確定達致該等目標之進度。

董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化之裨益。

Corporate Governance Report

企業管治報告

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

As at the date of this annual report, the information (including sex, age, educational background, professional experience, term of appointment and designation) of the Board is as follows:

甄選人選將以一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終將按人選之長處及可為董事會作出之貢獻而決定。

於本年報日期，董事會資料（包括性別、年齡、教育背景、專業經驗、任期及任職）如下：

		No. of Director 董事人數
Age group: 年齡組別：	Below 41 41歲以下	1
	41 to 50 41至50歲	2
	51 to 60 51至60歲	1
	Over 60 60歲以上	3
Gender: 性別：	Male 男	6
	Female 女	1
Educational background: 教育背景：	Hong Kong and Macau 香港及澳門	2
	The PRC 中國	3
	Overseas 海外	2
Length of service (year): 服務年限（年）：	1-5 1至5年	4
	6-10 6至10年	0
	Over 10 10年以上	3
Designation: 任職：	Executive Director 執行董事	4
	Independent Non-executive Director 獨立非執行董事	3

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For the purpose of implementation of the Policy, the following measurable objectives were adopted:

1. at least one third of the members of the Board shall be independent non-executive Directors; and
2. at least one of the members of the Board shall have obtained accounting or other professional qualifications.

The Board has achieved the measurable objectives in the Policy.

AUDITOR'S REMUNERATION

Deloitte Touche Tohmatsu was appointed as the auditor of the Company with effect from 14 July 2017 to fill the casual vacancy following the resignation of SHINEWING (HK) CPA Limited and to hold office until the conclusion of the next annual general meeting of the Company.

The audit works of the Group for the Year were performed by Deloitte Touche Tohmatsu.

就執行該政策而言，已採納以下可計量目標：

1. 董事會成員至少有一分之三須為獨立非執行董事；及
2. 董事會成員至少有一名董事須取得會計或其他專業資格。

董事會已實現該政策之可計量目標。

核數師酬金

德勤•關黃陳方會計師行已獲委任為本公司核數師，自二零一七年七月十四日起生效，以填補因信永中和（香港）會計師事務所有限公司辭任而產生之臨時空缺，其任期直至本公司下屆股東週年大會結束時為止。

本集團本年度之核數工作由德勤•關黃陳方會計師行處理。

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The total fee paid/payable in respect of the statutory audit and non-audit services provided by external auditors is set out in the following table:

外聘核數師所提供之法定核數及非核數服務之已付／應付之費用總數載列於下表：

Services rendered	所提供服務	Fee paid/payable 已付／應付費用	
		For the year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 港幣千元	For the year ended 31 December 2016 截至二零一六年 十二月三十一日 止年度 HK\$'000 港幣千元
SHINEWING (HK) CPA Limited	信永中和(香港)會計師事務所有限公司		
– Audit services	– 核數服務	–	1,360
– Non-audit services Interim review	– 非核數服務 中期審閱	–	580
Deloitte Touche Tohmatsu	德勤·關黃陳方會計師行		
– Audit services	– 核數服務	1,280	–
– Non-audit services Interim review	– 非核數服務 中期審閱	550	–
Total fee paid/payable	已付／應付之費用總數	1,830	1,940

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COMPANY SECRETARY

The Company Secretary, Mr. Fu Lui, was appointed on 2 July 2010. He is responsible to the Board for ensuring that Board procedures are followed and that the Board is fully briefed on all legislative, regulatory and corporate governance developments and has regarded to them when making decisions. The Company Secretary is also responsible for advising the Board on the Group's compliance with the continuing obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Repurchases, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations. During the Year, Mr. Fu Lui undertook not less than 15 hours of professional training to update his skills and knowledge.

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

The Directors have acknowledged for the preparation of the consolidated financial statements at the end of the Year which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for the Year. In preparing the consolidated financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 79 to 88 of this annual report.

公司秘書

公司秘書府磊先生乃於二零一零年七月二日獲委任。其對董事會負責，職責為確保董事會議事規則得到遵守，並確保在一切法律、監管及企業管治發展事宜上，董事會已獲充分知會，並且在作出決定時已考慮該等因素。公司秘書亦負責就本集團是否遵守《上市規則》、《公司收購、合併及股份購回守則》、《公司條例》、《證券及期貨條例》以及其他適用法律、規則及法規之持續責任向董事會提供建議。於本年度，府磊先生已進行不少於15小時之專業培訓，以更新其技能及知識。

董事及核數師對綜合財務報表之責任

董事確認編製年末之綜合財務報表，對本年度本集團事務、業績及現金流量提供真實及公平之意見。在編製本年度之綜合財務報表時，董事已貫徹採用合適之會計政策，作出審慎、公平而合理之判斷及推測，並按持續經營基準編製綜合財務報表。本公司核數師就本集團之綜合財務報表所申報之責任載於本年報第79至88頁之獨立核數師報告書。

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RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has the overall responsibility to ensure that sound and effective risk management and internal controls are maintained, while the management of the Company is charged with the responsibility to design and implement an internal control systems to manage risks. A sound system of risk management and internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk Management and Internal Control Framework of the Group

The Board is responsible for the Group's system of risk management and internal controls and reviewing its effectiveness. The Audit Committee supports the Board in monitoring the Group's risk exposures, the design and operating effectiveness of the underlying risk management and internal control systems. The management of the Company assesses and presents regular reports to the Audit Committee on its own assessments of key risks, the strengths and weaknesses of the overall internal control systems, with action plans to address the weaknesses. External auditor also reports on any control issues identified in the course of its work. Taking these into consideration, the Audit Committee reviews the effectiveness of the Group's system of risk management and internal controls, and reports to the Board on such reviews. Work and findings of the management of the Company are considered by the Board in forming its own view on the effectiveness of the system.

Currently the Group engages independent professional team in performing internal audit work after considering the independence, flexibility, and overall efficiency. The Group will review on an annual basis the need for having an internal audit team to perform the function.

風險管理及內部監控

董事會負責維持完善有效的風險管理及內部監控，而本公司管理層則負責設計及執行內部監控制度以管理風險。良好的風險管理及內部監控制度旨在管理而非消除未能實現業務目標的風險，且只能針對重大錯誤陳述或遺失提供合理而非絕對的保證。

本集團的風險管理及內部監控架構

董事會負責本集團的風險管理及內部監控制度並檢討其成效。審核委員會協助董事會監察本集團承受的風險水平、有關之風險管理和內部監控系統的設計及運作成效。本公司管理層評估本集團的主要風險、整體內部監控制度並定期向審核委員報告，同時提出應對的行動方案。外聘核數師亦匯報在工作過程中識別的任何監控事宜。經考慮以上各點，審核委員會會檢討公司風險管理及內部監控制度的成效，並向董事會報告檢討結果。董事會考慮本公司管理層的工作及檢討結果後，再就風險管理及內部監控制度的成效得出自己的意見。

現時本集團外聘獨立專業團隊以進行內部審核工作，以平衡內部審核工作的獨立性、靈活性及整體效益。本集團每年檢討是否需要以內部團隊進行內部審核工作。

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Risk Management and Internal Control Framework Diagram

風險管理及內部監控架構圖

<p>“Top-down” 「由上而下」</p>	<p>The Board 董事會</p>		
<p>Oversight, identification, assessment and mitigation of risk at corporate level 監督、識別、評估及紓緩企業層面的風險</p>	<ul style="list-style-type: none"> Has overall responsibility for the Group’s risk management and internal control systems 負責集團整體的風險管理及內部監控系統 	<ul style="list-style-type: none"> Sets strategic objectives 訂立策略目標 Reviews the effectiveness of the Group’s risk management and internal control systems 檢討本集團風險管理及內部監控系統的成效 	<ul style="list-style-type: none"> Monitors the nature and extent of risk exposure for the Group’s principal risks 監察本集團主要風險的性質及程度
	<p>Management 管理層</p>	<p>Audit Committee 審核委員會</p>	<p>Internal professionals 公司內部的合資格專才</p> <p>External professionals 外聘之獨立專業團隊</p> <p>External auditor 外聘核數師</p>
	<ul style="list-style-type: none"> Designs, implements and monitors the Group’s risk management and internal control systems 設計、執行及監察本集團的風險管理及內部監控系統 Assesses the Group’s risks and mitigating measures 評估本集團的風險及相應的紓緩措施 	<ul style="list-style-type: none"> Supports the Board in monitoring risk exposure, design and operating effectiveness of the underlying risk management and internal control systems 協助董事會監察風險管理及內部監控系統的設計和運作成效 	<ul style="list-style-type: none"> Supports the Audit Committee in reviewing the effectiveness of the Group’s risk management and internal control systems 協助審核委員會檢討本集團風險管理及內部監控系統的成效
<p>“Bottom-up” 「由下而上」</p>	<p>Operational Level 業務營運層面</p>		
<p>Identification, assessment and mitigation of risk at business unit level and across functional areas 識別、評估及紓緩業務單位及職能範疇的風險</p>	<ul style="list-style-type: none"> Risk identification, assessment and mitigation performed across the business 識別、評估及紓緩業務風險 	<ul style="list-style-type: none"> Risk management process and internal controls practice across business operations and functional areas 在各營運及職能範疇執行風險管理程序及內部監控措施 	

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Risk Management and Internal Control Systems and Procedures

Control Environment – The Group has been operating under an established and appropriate control environment with reference to principles of “Internal Control and Risk Management – A Basis Framework” issued by the Hong Kong Institute of Certified Public Accountants. Risk management and internal controls cover effective operations, reliable financial reporting and compliance.

Risk Assessment – The Group continues to drive improvements to its risk management process and the quality of risk information generated, while at the same time maintaining a simple and practical approach. We seek to have risk management features embedded within our operations, aiming to have a risk management system that is practised on a day-to-day basis by our operating units.

The Board reviews and understands the risk factors of the Group and operations annually, and the management of the Company continuously monitors the scope and quality of ongoing risk management and internal control systems. The “Top-down” monitoring ensures risk management features embedded within the operations and operated effectively.

Meanwhile, the heads of operation units participate in risk identification from “Bottom-up” so as to identify the Group’s overall risks.

Control Activities – The Group’s core property development business and trading of raw sugar involve well-established business processes. Control activities have traditionally been built on top-level reviews, segregation of duties and physical controls. We have been formalizing and documenting the control processes in policies and procedures. Written policies and procedures with defined limits of delegated authority are in place, which facilitate effective segregation of duties and controls.

風險管理及內部監控系統及程序

監控環境 – 本集團參考香港會計師公會發布的《內部監控與風險管理的基本架構》中所述之原則，建立一個妥善的監控環境下營運其業務。風險管理及內部監控覆蓋的範疇包括有效的運作、可靠的財務匯報以及適用的法例和規則之遵守。

風險評估 – 本集團持續致力提升風險管理程序和風險資訊質素，同時貫徹簡單切實的風險管理方向。我們致力將風險管理功能融入業務營運，制訂並維持一個可供各業務營運單位日常使用的風險管理系統。

董事會每年檢討及了解本集團及業務之風險因素，及管理層持續監察風險管理及內部監控系統的工作範疇及質素，以「由上而下」的監控確保風險管理功能融入業務營運中和發揮成效。

同時，業務營運單位以「由下而上」方式配合，要求營運單位主管參與識別營運風險，從而釐定本集團的整體風險。

監控工作 – 本集團的核心房地產開業務及原糖貿易已有成熟的營運流程配合運作。有關監控工作傳統上建基於高層審查、職責分工及實質監控等範疇。本集團一直努力將政策和程序的監控過程制度化及以書面記錄。本集團已制訂有關界定權限的書面政策和程序，以便有效劃分職責和控制權。

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Planning and budgeting processes are one of key control activities of the Group, which have been refined to take into consideration risk factors. All operating units prepare their respective operating plans pursuant to corporate objectives for consideration. In this process, they are required to identify material risks that may impact the achievement of their business objectives. Action items to mitigate the identified risks are developed for implementation as well as for achieving the budget and business objectives. Variance analyses are regularly performed and reported to the management of the Company and the Board. These help identify deficiencies and enable timely remedial actions to be taken.

Capital expenditures monitoring is also significant to the capital-intensive nature of the property business of the Group. Depending on the nature and the size of the projects, detailed analyses of expected capital expenditures are submitted to the heads of operating units, executive Directors or the Board for consideration and approval.

Monitoring Activities – The Board and Audit Committee oversee the process, monitored by internal and external professionals of the Group. The management of the Company has emphasized in its updated reports to the Audit Committee on movements of top risks and appropriate mitigating measures. There is at least one Audit Committee meeting substantially devoted to risks items.

項目規劃及預算制定過程是本集團的主要監控活動之一，並因應考慮風險因素的需要而作出改進。所有營運單位按照公司目標各自制訂營運計劃以供審核。過程中營運單位需要識別對實現業務目標可能有影響的重大風險，並制訂行動來緩解已識別的風險，務求達成預算和業務目標。業務營運單位定期進行差異分析，並向管理層和董事會匯報，以助找出不足之處和適時採取補救措施。

鑑於本集團房地產業務的資本密集性質，監控資本開支亦十分重要。視乎有關開支的性質及規模，有關資本開支需呈交營運單位主管、執行董事或董事會審核及批准。

監察工作 – 由董事會及審核委員會監督，而本集團內部及外聘專材監察。管理層已就最高風險的變化及適當的紓緩措施，加強向審核委員會匯報最新情況。審核委員會會議中，最少其中一次會議主要針對討論風險項目。

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Procedures and Internal Controls for Handling and Dissemination of Inside Information

In handling and dissemination of inside information, the Group:

- will conduct immediate dissemination once inside information is available and/or respective decision is made, except the inside information falling into the Safe Harbours of Securities and Futures Commission that allow non-disclosure;
- complies with applicable laws, rules and guidelines on disclosure of inside information issued by Securities and Futures Commission;
- decides and implements monitoring procedures regarding dissemination of inside information; and
- communicates with relevant persons about corporate information disclosure practices with respective training.

REVIEW ON EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL IN 2017

The Board and the Audit Committee reviewed the risk management and internal control systems of the Company for the Year and such review is conducted annually. The Board opts that during the Year, risk management and internal control systems are effective and sufficient, and no event leads to material impact on Group's financial, operational and compliance controls. Respective reviews cover the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, and the effectiveness of the Group's processes for financial reporting and Listing Rules compliance.

處理及發布內幕消息的程序和內部監控措施

在處理及發佈內幕消息方面，本集團：

- 一旦知悉內幕消息及／或在作出有關決定後須即時公佈，除非該等內幕消息屬於證券及期貨條例規定的安全港，無需披露；
- 於處理有關事務時恪守適用法律及法規以及證券及期貨事務監察委員會頒佈的《內幕消息披露指引》；
- 訂立及實施監控向公眾發佈內幕消息的程序；及
- 已向所有相關人員傳達有關企業資料披露政策的執行情況並提供相關培訓。

二零一七年檢討風險管理及內部監控之成效

董事會及審核委員會每年會對公司的風險管理及內部監控制度進行檢討。於本年度，董事會認為風險管理及內部監控制度有效及足夠，亦無發現任何可能對本集團財務監控、運作監控、合規監控以及風險管理功能可能構成重大影響的重要事項。檢討範圍涵蓋本集團會計、內部審計及財務匯報職能的資源、員工資歷及經驗，培訓課程及預算是否充足，以及有關財務報告及遵守《上市規則》規定之程序。

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RECOMMENDED BEST PRACTICES

Group's Risk Factors

As a basis of risk management, we should understand the Group's existing risk factors and respective change from time to time. Listed below are the nature of significant risk factors that the Group is facing, whilst the listed factors will not be exclusive:

Risk factors

- The Group may be unable to sell property investment at expected prices or terms due to volatility in the property market of the PRC.
- The Group is required to comply with numerous government rules and new regulations to be promulgated from time to time, and may be affected by tightening measures launched by the PRC government for regulating the real estate industry.
- The business of the Group may be significantly affected if the engaged external construction contractors encounter any problem during development of property given our full reliance on them to conduct all the construction projects.
- Principal revenues and expenses of the Group – Property development business are denominated in Renminbi. Investors may indirectly invest in the assets denominated in Renminbi. If Renminbi weakens against Hong Kong dollars, the asset value of the shares denominated in Hong Kong dollars will decline.
- Implementation fluency and efficiency of exchange control of the PRC will mitigate the ability of the Group's fund transfer.

推薦最佳常規

本集團風險事項

作為風險管理方針的基礎，我們必須了解本集團目前承受的風險狀況，以及這些風險如何隨時間而出現變化。下表闡述本集團數項主要重大風險的性質，惟並不構成已列有所有風險的清單：

風險事項

- 中國的房地產市場的波動，令本集團無法按預期的價格或條款出售房地產投資。
- 本集團須遵守多項政府法規及須受經常出台的新法規規管，可能因中國政府為調控房地產行業而頒佈的措施受影響。
- 現時依賴外聘建築承包商進行所有建設工程，若開發過程中聘用的外聘建築承包商發生問題，本集團業務將受到重大不利影響。
- 本集團主要收益及開支—房地產開發業務均以人民幣計值，投資者或會間接投資人民幣計值資產。如人民幣對港幣下調，以港幣計值股票的資產值將下降。
- 國內外匯管理的執行流暢度及效率會削弱集團調配資金的能力。

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COMMUNICATION WITH SHAREHOLDERS

The Board makes its endeavour to maintain an ongoing and transparent communication with all shareholders and, in particular, use general meetings to communicate with shareholders and encourage their participation. A shareholder's communication policy was adopted by the Board on 29 March 2012 aiming at providing the shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. The Company also uses various other means of communication with its shareholders, such as publication of annual and interim reports, announcements, circulars and additional information on the Group's business activities and development on the Company's website: www.chinauptown.com.hk.

Under the Code Provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. The whole Board and the auditor of the Company had attended the 2017 AGM to answer questions of the shareholders of the Company except that Mr. Poon Lai Yin Michael (the chairman of Audit Committee) could not attend the 2017 AGM due to other business engagement but he had appointed the other attended Directors as his representatives to answer questions of the shareholders of the Company. In the future, the Company will endeavour to encourage all the Directors to attend general meetings.

股東通訊

董事會致力不斷維持與全體股東之間具透明度的通訊，特別是以股東大會與股東溝通及鼓勵參與。股東通訊政策已於二零一二年三月二十九日獲董事會採納，該政策旨在確保股東及潛在投資者可隨時及適時地獲得本公司中肯及易於理解之資料。本公司亦透過各種其他方式與股東通訊，包括刊登年報及中期報告、公佈、通函以及有關本集團業務活動及發展之其他資料於本公司之網站：www.chinauptown.com.hk。

根據企業管治守則守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會，以對股東的意見能有公正的了解。全體董事會成員及本公司核數師已出席二零一七年股東週年大會回答本公司股東的提問，惟潘禮賢先生（審核委員會主席）因其他公務未能出席二零一七年股東週年大會，惟彼已委任其他出席董事作為其代表回答本公司股東之提問。未來，本公司將盡力鼓勵全體董事出席股東大會。

Corporate Governance Report

企業管治報告

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company Secretary may be sent by post to the Company's head office and principal place of business at Suite 1501, 15/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

SHAREHOLDERS' RIGHT

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Articles, an extraordinary general meeting may be convened by the Board upon requisition by any one or more shareholders holding not less than one-tenth of the paid up capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary at the Company's head office and principal place of business at Suite 1501, 15/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

Procedures for putting forward Proposals at a General Meeting

A shareholder shall make a written requisition to the Board or the Company Secretary at the Company's head office and principal place of business at Suite 1501, 15/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

本公司繼續促進投資者關係，並加強與現有股東及潛在投資者溝通。歡迎投資者、利益相關者及公眾人士提供建議。向董事會或公司秘書提出之查詢，可郵寄至本公司之總辦事處及主要營業地點，地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室。

股東之權利

股東召開股東特別大會之程序

根據細則，董事會可因應持有不少於本公司繳足股本十分之一且所持證券附有於本公司任何股東大會上投票之權利之任何一名或多名股東之要求召開股東特別大會。股東須向董事會或公司秘書提出書面要求，並將有關要求寄至本公司之總辦事處及主要營業地點（地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室），當中列明股東之持股信息、詳細聯繫方式、有關任何特定交易／業務之建議及其支持文件。

於股東大會上提呈建議之程序

股東須向董事會或公司秘書提出書面要求，並將有關要求寄至本公司之總辦事處及主要營業地點（地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室），當中列明股東之持股信息、詳細聯繫方式、擬於股東大會上提呈之有關任何特定交易／業務之建議及其支持文件。

Corporate Governance Report

企業管治報告

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary at the Company's head office and principal place of business at Suite 1501, 15/F, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong or send email to info@chinauptown.com.hk.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

CONSTITUTIONAL DOCUMENTS

During the Year, there is no change in the Company's constitutional documents.

向董事會發出股東查詢之程序

股東可隨時以書面方式將其查詢及關注事宜寄往本公司之總辦事處及主要營業地點（地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室）或電郵至info@chinauptown.com.hk，透過公司秘書轉交予董事會。

股東亦可於本公司之股東大會上向董事會作出查詢。

組織章程文件

於本年度，本公司之組織章程文件並無變化。

Environmental, Social and Governance Report

環境、社會及管治報告

1. INTRODUCTION

About The Report

Reporting Guidelines

This is the second “Environmental, Social and Governance (“ESG”) Report issued by China Uptown Group Company Limited (“Company”) and its subsidiaries (collectively, the “Group”). It has been prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities of the Stock Exchange (the “Listing Rules”).

Reporting Scope

This report covers ESG performance of the Company and its subsidiaries in both Hong Kong and the People’s Republic of China (PRC) from 1st January 2017 to 31st December 2017. This includes our office in Hong Kong and the Group’s property development business in the PRC.

Feedback

The report aims to be plain, clear and easy to read. The Group shall in the future continue to improve on content and delivery of information disclosed in the report. We welcome your feedback on the report for 2017 and any suggestions you have in terms of what you would like to see incorporated in our future reports. To contact us, you may do so at: info@chinauptown.com.hk.

1. 緒言

關於報告

報告指引

此乃中國上城集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)刊發的第二份環境、社會及管治(「環境、社會及管治」)報告。其乃遵照聯交所證券上市規則(「上市規則」)附錄27所載的環境、社會及管治報告指引編製。

報告範疇

本報告涵蓋本公司及其附屬公司自二零一七年一月一日至二零一七年十二月三十一日在香港及中華人民共和國(中國)的環境、社會及管治表現,當中包括我們的香港辦事處及本集團於中國的物業發展業務。

反饋

報告以簡明易讀為目標。本集團日後將繼續改善報告所披露的內容及傳達的資訊。我們歡迎閣下就二零一七年報告作出反饋,以及就任何希望納入日後報告的事宜提出建議。閣下可通過info@chinauptown.com.hk聯絡我們。

Environmental, Social and Governance Report

環境、社會及管治報告

ESG Management Approach

China Uptown has been actively responding to environment and social related aspects. Apart from maintaining business growth, we are committed to bearing our social responsibility. Acknowledging the impact of its business on the environment and the society, the Group invests in environmental protection, occupational health and safety as well as quality assurance, especially working closely with its stakeholders for mitigating risks and striving for outstanding performance in related aspects. We believe that such commitments help build a better, sustainable business.

As a property developer operating in China, we are aware of the stakeholders' expectations on upgrading of environment related practices followed in our business operations. We monitor construction projects strictly in terms of managing the site environment, reducing emissions, pollution and wastes in order to minimize the environmental impact of the construction work. Our operations meet all relevant environmental laws and national standards, and we strive for greener construction methods whenever possible.

Maintaining close communication with our business partners is key to the Group's sustainable development, especially in aspects of occupational health and safety and product quality. We have established effective monitoring mechanisms for ensuring safe and high quality construction. Besides communicating with our suppliers and contractors on safety and quality standards, stringent acceptance inspections and procedures are implemented for preventing safety hazards and meeting customers' expectations.

環境、社會及管治的管理方針

中國上城一直積極響應環境及社會相關議題。於維持業務增長的同時，我們承諾肩負社會責任。顧及業務對環境及社會造成的影響，本集團針對環保、職業健康與安全及質量保證等範疇作出投資，尤其著重與利益相關者緊密合作，務求降低風險及於相關方面爭取出色表現。我們相信上述承諾有助建立更理想及可持續發展的業務。

作為於中國經營的物業發展商，我們意識到利益相關者期望我們提升業務營運所奉行的環境相關實踐。我們從工地管理、減排、污染及廢物等方面嚴格監控建設項目，盡可能減少建築工程對環境的影響。我們的業務符合所有相關環境法例及國家標準，並於可行情況下盡量採用更環保的施工方法。

與業務夥伴保持密切溝通是本集團可持續發展的關鍵，尤其在職業健康與安全及產品質量方面。我們已建立有效監督機制，確保施工安全且質量上乘。除針對安全及質量標準與供應商及承包商進行溝通外，我們亦實施嚴格的驗收檢查程序，藉以預防安全隱患及滿足客戶期望。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group also attaches great importance to staff development. Our training programmes provide opportunities to our staff not only to attain necessary skills but to grow and achieve higher goals in their careers. We are striving for a win-win situation where the Company and its employees benefit through achieving common goals.

We understand that it is our long-term responsibility to protect the environment and enhance the social well-being of communities. The Group is committed to improving its ESG performance step-by-step through cooperating with stakeholders and we look forward to their valuable feedbacks and suggestions.

Environmental

The Group manages the environmental practices by regularly monitoring and reporting on relevant performance indicators. During the year, the Group has complied with relevant applicable environmental laws and regulations in Hong Kong and the People's Republic of China (the PRC) including certain Environment Air Quality Standard, Environmental Quality Standards for Surface Water, Environmental Quality Standard for Noise.

In particular, we strive for continuous improvement in environmental performance of existing property development projects, including integration of eco-efficient practices. As the awareness of our business partners is essential for fulfilling our environmental goals, we are committed to working in partnership with suppliers to ensure they are committed to adhering to our environmental standards and green procurement policy.

本集團亦非常重視員工發展。我們的培訓計劃為員工提供機會，不單學習必要技能，更可藉此於職業生涯實現更高目標。通過實現共同目標，公司與員工正努力締造雙方均獲益的雙贏局面。

我們深明保護環境及提高社區福祉是我們的長期責任。為逐步改善環境、社會及管治表現，本集團致力與利益相關者合作，樂意傾聽其寶貴意見及建議。

環境

本集團通過定期監控及報告相關績效指標管理環境慣例。年內，本集團一直遵守香港及中華人民共和國（「中國」）相關適用環境法例及法規，包括若干環境空氣質量標準、地表水環境質量標準及聲環境質量標準等。

我們尤其著重持續改善現有物業發展項目的環境表現，包括整合生態高效措施。由於業務合作夥伴對我們實現環境目標攸關重要，我們致力與供應商合作，確保其恪守我們的環境標準及綠色採購政策。

Environmental, Social and Governance Report

環境、社會及管治報告

For our offices, the Group is committed to the principle of recycling. We implement green office practices such as double-sided printing and copying, re-deployment of office furniture when possible, use of recycled paper for printing and copying, reducing energy consumption by switching off idle lightings, air conditioning and electrical appliances, etc.

Environmental Management

As a property project developer in Maoming, we cooperate with our contractors to ensure they achieve environmental objectives, for example, by following ISO 14001 Environmental Management System. Also, we include appropriate terms and conditions in construction contracts to ensure contractors are complied with all relevant environmental protection laws and regulations and implement effective measures to meet the requirements of the environmental regulator, including clearing the site and removing all construction facilities, remaining materials and waste.

In accordance with the environmental impact assessment conducted for our project, we make sure there are measures devised by our contractors to mitigate these impacts along the different stages of our projects. Further to the completion of the first and second phases of our property projects in Maoming, environmental on-site inspection was conducted by Maoming City Environmental Protection Department, complying with the requirements stipulated in the Environmental Impact Assessment report. Below are the measures taken in respect of mitigating air, water, noise pollution, as well as reducing municipal solid waste.

Dust

The construction sites are sprinkled to reduce and prevent re-entrainment of dust. All disposed waste materials, soil and other construction waste are cleared away promptly and covered by a cloth if they are stored for more than one week.

本集團於辦公室提倡回收原則，並推行各種環保辦公措施，例如雙面打印及複印、盡可能善用辦公設備、使用環保紙打印及複印、關掉閑置的照明、空調及電器以減少能源消耗等。

環境管理

作為茂名市物業項目發展商，我們與承包商合作以確保其達成環境目標，例如遵守ISO 14001環境管理體系。此外，我們於建築合約加插適當條款及條件，以確保承包商遵守一切相關環保法例及法規，並採取有效措施滿足環境監管機構的要求，包括清理工地以及移除所有施工設施、剩餘物料及廢物。

配合我們為項目進行的環境影響評估，我們確保承包商制定的措施足以紓緩項目不同階段的影響。按照環境影響評估報告的要求，茂名市環境保護局於我們完成茂名物業第一期及第二期工程後進行實地環境檢查。以下為我們於減輕空氣、水、噪音污染以及減少城市固體廢物方面採取的措施。

灰塵

於施工現場灑水以降低並防止灰塵二次夾帶。所有棄置廢料、土壤及其他建築廢物及時清理，如需儲存一週以上，則以布覆蓋。

Environmental, Social and Governance Report

環境、社會及管治報告

Noise

Construction work is strictly prohibited during rest hours. Besides, all transportation vehicles are restricted from honking. Low-noise emitting machines are used whenever possible. For high-noise emitting equipment, noise-elimination measures are implemented so as to reduce the disturbance caused to nearby residents.

Waste

We acknowledge that construction waste is generated during the process. Regulations are enforced so that they are not disposed on site carelessly. Metallic waste such as fixtures can be reused and recycled. Domestic waste is handled by the domestic hygiene department after collection. In 2017, no hazardous waste was produced. The total amount of non-hazardous waste produced at our business activities in PRC was 9 tonnes, while for our Hong Kong operations, the amount was 0.22 tonnes.

Effluent

Water discharge network and rainwater collection system are in place. Domestic sewage is collected and discharged into the sewage treatment plant in Maoming after pre-treatment in a septic tank. Temporary water collection pool and sedimentation basin are in place on site to collect washing and cooling water used in machines for oil separation and sedimentation. After processing, the water can be reused in construction activities.

Emissions Control

By communicating with our stakeholders, including contractors and suppliers, we aim to achieve collective effort to reduce, reuse and recycle waste, including construction and demolition waste and waste generated from part of our buildings' operations.

噪音

休息時間嚴禁施工。此外，所有運輸車輛不得響號。於可行情況下盡量使用低噪音機器，並針對高噪音設備實施消噪措施，以減少對鄰近居民造成的干擾。

廢物

我們明白施工過程難免產生建築廢物，並已執行法規確保於工地謹慎處置。固定裝置等金屬廢物可重複使用及回收。內部廢物經收集後交由國內衛生部門處理。於二零一七年，我們並無產生有害廢物。我們於中國的業務產生無害廢物總量為9噸，而香港業務則為0.22噸。

污水

我們已建立排水管網及雨水收集系統。內部污水經收集及化糞池預處理後排入茂名污水處理廠。工地設有臨時集水池及沉澱池，以便收集用於機油分離及沉澱的洗滌及冷卻水，經處理後可重新用於施工活動。

排放物控制

通過與承包商及供應商等利益相關者溝通，我們的目標是攜手減少、重用及回收廢物，包括建築及拆遷廢物以及部分建築物運作產生的廢物。

Environmental, Social and Governance Report

環境、社會及管治報告

We monitor measures implemented by our contractors for controlling emissions generated in property development projects in Maoming. Smoke shafts are placed at higher floors of residential buildings so as to collect kitchen flue gas and discharge it collectively from the roof. Facilities to discharge waste gas emitted by generators and the underground car garage have been in place; waste gas is discharged into the atmosphere from the roof.

Resources Consumption

In order to achieve sustainable use of resources, we have been adopting eco-efficient programs for our operations. During the year, we have reduced energy consumption and carried out water conservation measures to enhance energy and water usage efficiency. The table below presents an overview of resources consumption at our business operations in Hong Kong and PRC for 2017.

我們監察承包商為控制茂名物業發展項目所產生排放物而採取的措施。於住宅樓宇的較高樓層裝置煙囪，以收集廚房煙氣並從屋頂集體排放。排放發電機及地下車庫廢氣的設施已到位；廢氣從屋頂排入大氣。

資源消耗

為實現資源的可持續利用，我們一直為業務採用生態高效方案。年內，我們減少能源消耗並實施節水措施，以提高能源及水使用效率。下表呈列二零一七年我們於香港及中國營運業務的資源消耗概況。

		Unit 單位	2017 二零一七年
Electricity	電力	kWh 千瓦時	2,040,702
LPG	液化石油氣	Litres 公升	3,000
Water	水	m ³ 立方米	25,450

Environmental, Social and Governance Report

環境、社會及管治報告

Carbon emissions

The Group is striving to control and reduce carbon emissions of our operations by exercising controls and negotiate and communicate with stakeholders including contractors and suppliers for similar actions. Besides, we explore the potential for using renewable energy in all new property developments when applicable. On an ongoing basis, we have been gradually taking GHG emissions into consideration when making business decisions. The following table reports the Group's total carbon emissions from its business operations in Hong Kong and PRC in 2017.

Carbon Emissions 碳排放

Direct emissions (Scope 1) 直接排放 (範圍一)

Indirect emissions (Scope 2) 間接排放 (範圍二)

碳排放

本集團通過實施控制及與承包商及供應商等利益相關者磋商交流類似行動，力爭控制及減少業務所產生的碳排放。此外，我們探討在適用情況下就所有新開發物業使用可再生能源的潛力。我們於作出商業決策時持續逐步考慮溫室氣體排放。下表呈列二零一七年本集團於香港及中國營運業務的碳排放總量。

Unit 單位

2017
二零一七年

tCO₂e
二氧化碳
當量

tCO₂e
二氧化碳
當量

45.4

1,075.8

OUR PEOPLE & COMMUNITY

Our employees are the cornerstone of the Group's success, and we put strong emphasis on providing a favorable workplace to them.

Treating all employees in a fair manner regarding remuneration, leave, resignation and termination arrangements in accordance with relevant laws and regulations, the Group selects and recruits employees based on merit, regardless of age, race, gender, religion, family status or disability.

我們的員工及社區

本集團視員工為成功的基石，十分重視為他們創造有利的工作環境。

根據相關法例及法規，公平對待全體員工的薪酬、離職、辭職及辭退安排，本集團挑選及招聘員工時著眼於個人長處，不分年齡、種族、性別、宗教、家庭狀況或殘疾情況。

Environmental, Social and Governance Report

環境、社會及管治報告

We provide equal opportunities to employees for training and development, based on their talents and needs, enabling them to reach their full potential. Reward and promotion are based on ability, performance, contribution and experience. During the reporting period, the Group has strictly complied with all relevant labour and employment laws. Child and forced labour are strictly prohibited in our recruitment policy.

Committed to maintaining a diverse, safe and respectful workplace, the Group has a non-discrimination policy in place. No workplace harassment is allowed. Employees are encouraged to directly report to the senior management if they experience such incidents in which investigations will be initiated immediately. Below is an overview of the composition of our employees by gender, age and position:

我們因應員工的才能及需求提供平等的培訓及發展機會，助其充分發揮潛能。獎勵及晉升取決於能力、表現、貢獻及經驗。於報告期內，本集團嚴格遵守所有相關勞動及僱傭法例。我們的招聘政策絕不容許童工及強制勞工。

為維護多元化、安全及互相尊重的工作環境，本集團訂有反歧視政策。我們絕不容許工作場所騷擾，並鼓勵員工於遇到有關情況時直接向高級管理層匯報以便立即展開調查。以下為我們按性別、年齡及職位劃分的員工結構：

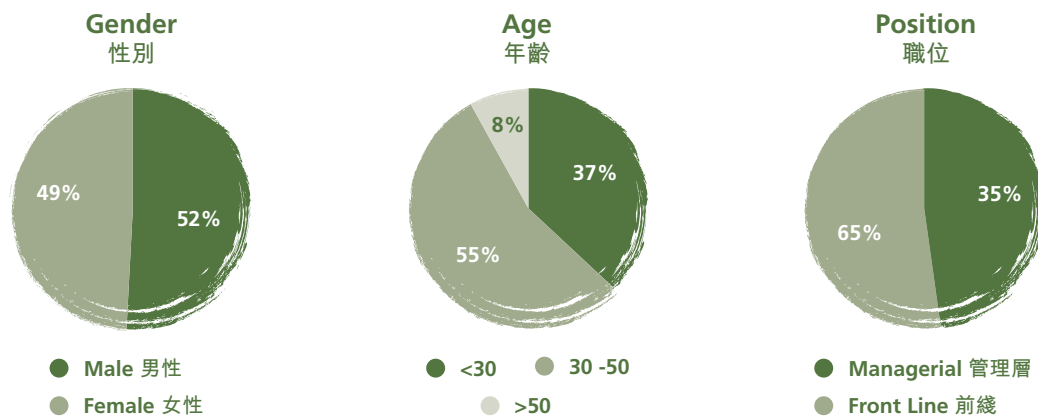


Figure 1: Employees composition by gender, age and position

圖一：按性別、年齡及職位劃分的員工結構

In 2017, our total turnover rate and new hire rate were 15%. The following section presents our turnover and new hire rate by age category for the reporting period.

於二零一七年，我們的總員工流失率及新員工入職率均為15%。下表呈列我們於報告期內按年齡組別劃分的員工流失率及新員工入職率。

Environmental, Social and Governance Report

環境、社會及管治報告

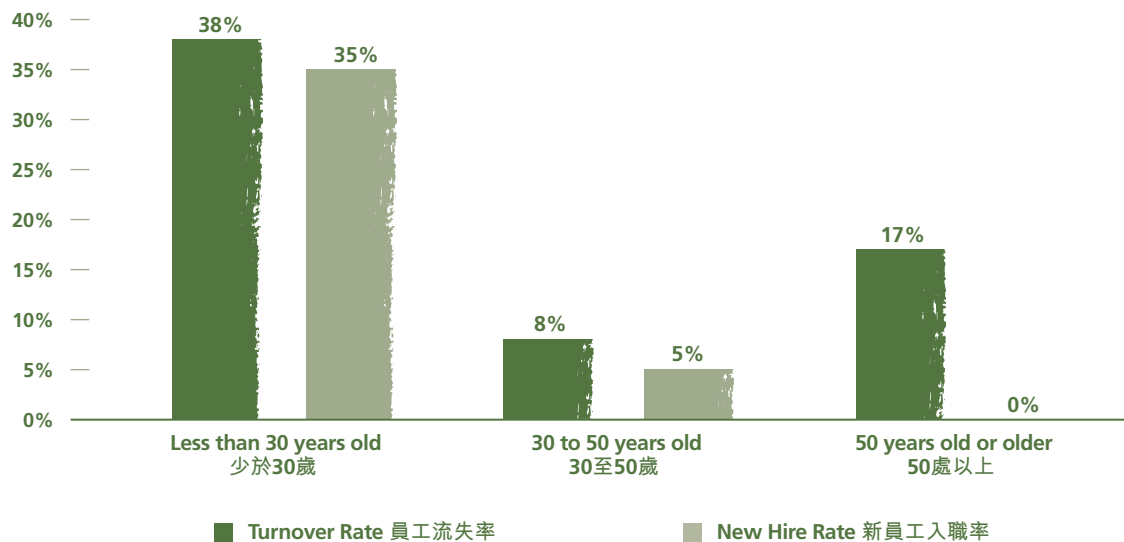


Figure 2: Turnover and new hire rate by age category

圖二：按年齡組別劃分的員工流失率及新員工入職率

Health and Safety

健康與安全

The Group ensures safety practices at construction sites are strictly complied with national standards. Sub-contractors are required to set up emergency action plans, to provide necessary equipment and machines to minimize occupational hazards.

本集團確保建築工地的安全措施嚴格遵守國家標準。分包商須制定應變行動計劃及提供必要的設備與機器，盡可能減少職業危害。

Supervising engineers carry out inspections to monitor safety practices and performance of the contractors during construction. A safety measures plan is submitted to the supervising engineer and the Group for approval before construction.

監理工程師負責檢查工作，以監督承包商於施工期間的安全慣例及表現。施工前須向監理工程師及本集團提交安全措施計劃以供審批。

Safety training is offered to employees and assessed continuously to maintain the standards and safety management. Our contractors are required to comply with all relevant environmental and hygiene management related laws and regulations to provide a safe and healthy working environment. There were no work-related fatalities recorded and no significant incidents of non-compliance on occupational health and safety issues were reported during the year.

為員工提供安全培訓並不斷進行評估以維持標準及安全管理。我們的承包商必須遵守所有環境及衛生管理相關法例及法規，以提供安全及健康的工作環境。年內並無發生與工作有關的致命事故，亦無發現任何嚴重不符合職業健康及安全問題的情況。

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Training and Development

Employees are our greatest asset for ensuring long-term success. We believe that it is crucial to devote resources for training and strengthen the competencies of our employees. Therefore, the Group invests resources in training for employees, including directors, senior management and frontline staff, not only to upgrade related skills for fulfillment of job related duties but also to build capacity for achieving the Group's business goals. The Group provides suitable training and development opportunities to assist employees to meet their training objectives. For certain courses which have significant impact or are related to major updates of regulations of the group, we require mandatory participation from relevant employees.

Regular training includes weekly customer report, sales summary and marketing training to help employees understand the latest market situation while monthly training is to set future sales targets. We have also provided specific training for opening of model rooms, market competition, price and sales skills to enhance the competency of our employees. Other than internal training, the Company encourages self-development of employees through taking up external training programs and seminars so as to enhance their understanding and abilities.

In 2017, 63% of male employees and 65% of female employees received training, while 40% of managerial staff and 85% of front line employees were trained. The average training hours completed per employee was 52 hours.

培訓及發展

員工是確保我們長遠成功的最大資產。我們認為有必要投放資源培訓及加強員工能力。因此，本集團針對員工（包括董事、高級管理層及前線員工）培訓作出投資，一方面提升履行職務相關職責的相關技能，另一方面培養能力推動本集團實現業務目標。本集團提供合適的培訓及發展機會，協助員工達成培訓目標。我們強制要求相關員工參與若干對本集團主要法規更新有重大影響或與之有關的課程。

定期培訓包括每週客戶報告、銷售總結及營銷培訓，協助員工了解最新市場狀況，而每月培訓則旨在確立未來銷售目標。我們亦提供建立樣板房、市場競爭、價格及銷售技巧的具體培訓，藉此提高員工能力。除內部培訓外，本公司鼓勵員工自我發展，通過參與外部培訓計劃及研討會增強理解及能力。

於二零一七年，63%之男性員工及65%之女性員工已接受培訓，及40%之管理層及85%之前線人員已獲培訓。每名員工的平均培訓時數為52小時。

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環境、社會及管治報告

Community Investment

Striving to become a responsible corporate citizen, the Group is willing to take responsibility. We value social involvement and reach-out to the communities in need. We made a donation of RMB100,000 to community projects to provide assistance and support for social development. The Group will continue to work with partners in the communities and expand our contribution to the society.

Operational Excellence

By implementing good operating practice, we believe an integrated supply chain and a stringent process of quality assurance help us to provide high standard properties.

Supply Chain Management

Our business involves property development from construction phase, marketing to selling and management. Our business partners in the supply chain are of paramount importance in our daily operational practices. To ensure alignment with our values and standards, contractors and suppliers are selected carefully based on a list of criteria, review of past record, financial strength and dedication to maintain high international quality, environmental and safety standards. For best practices and products, contractors with ISO 9001, ISO 14001 and OHSAS 18001 certifications are given high priority in forming business partnerships.

We maintain a close relationship with our suppliers and contractors with regular communication. Items regarding construction period and details, insurance and financial matters, quality and safety requirements are clearly laid out in the contract to assure standard practices along the supply chain.

社區投資

本集團願意承擔責任，致力成為負責任的企業公民。我們重視社會參與，積極支援社區內有需要人士。我們向社區項目捐款人民幣100,000元，為社會發展提供援助及支持。本集團將繼續與社區夥伴合作，擴大對社會的貢獻。

卓越營運

通過實施良好的營運慣例，我們相信經整合的供應鏈及嚴格的質量保證流程有助提供優質物業。

供應鏈管理

我們的業務涉及物業發展，涵蓋建設、營銷、銷售以至管理階段。供應鏈業務合作夥伴對我們的日常營運慣例舉足輕重。為確保與我們的價值觀及標準一致，我們考慮一系列條件、過往記錄、財政實力以及對高水平國際質量、環境及安全標準的堅持，精心挑選承包商及供應商。為達致最佳慣例及產品，我們於建立業務合作夥伴關係時優先考慮通過ISO 9001、ISO 14001及OHSAS 18001認證的承包商。

我們通過定期溝通與供應商及承包商保持密切關係。合約清楚列明有關建設週期及細節、保險及財務事宜、質量及安全要求的條款，以確保供應鏈標準得到實踐。

Environmental, Social and Governance Report

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Contractors are not allowed to infringe upon any rights of other parties when using public utilities or interrupting the lives of the residents in the community. We manage our supply chain by closely monitoring and validating their ESG practices, so as to maintain high standards and ensure alignment of the Group's goals, as well as serving as future reference.

Product Responsibility

We are committed to providing the best quality products and service to our customers. We work with reliable suppliers and contractors to ensure compliance to all regulatory requirements of quality, health and safety of the construction process and the completed properties. Contractors are required to set up specific on-site quality and operating safety management structures. Environmental and hygiene conditions during construction are guided by the government's regulations.

Since the construction work is carried out by contractors, monitoring of the construction process and the final acceptance inspection is vital to the Group in ensuring quality of the property. Construction works in Maoming are monitored by an independent supervising engineer appointed by the Group, who regularly inspects materials and equipment. Approval should be given before commencing the construction work.

When construction is completed, and essential requirements are met, the contractor should submit an application to the Group to request end-of-construction checking. Properties are checked by professionals from the Group, the supervising engineer and the government for quality assurance. Inspections of the properties are carried out on-site on aspects of fire safety, environment and quality according to the national and provincial standards and procedures.

承包商在使用公共服務或介入社區居民生活時，不得侵犯他人的任何權利。我們通過密切監控及驗證其環境、社會及管治慣例管理供應鏈，從而保持高標準並確保切合本集團目標，同時作為未來參考。

產品責任

我們致力為客戶提供最優質的產品及服務。我們與可靠的供應商及承包商合作，確保符合建築工程質量、健康及安全以及已建成物業的所有監管要求。承包商須建立具體的工地質量及運作安全管理架構。施工期間的環境及衛生條件受政府法規規範。

由於建築工程由承包商負責，監察施工過程及竣工驗收對本集團確保物業質量至關重要。茂名市建築工程由本集團委任的獨立監理工程師監督，該工程師亦負責定期檢查物料及設備。建築工程施工前必須取得批准。

完成施工並達成基本要求後，承包商應向本集團提交竣工驗收申請。物業質量保證檢查由本集團專業人員、監理工程師及政府負責。根據國家及省級標準及程序，物業驗收過程中涉及消防安全、環境及質量的部分須於實地進行。

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A certificate is then issued to the contractor after approval of the construction works. For any discrepancy identified during the checking process, liability is assigned to the responsible party specified in the contract, with correction and re-checking required. All inspection reports are recorded and kept for reference. We have already obtained the acceptance certificate from the authority for the completed properties in Maoming.

建築工程一經批准，承包商將獲發證書。如於驗收過程中發現任何缺失，合約指定責任方須承擔責任並進行修正及重檢。所有驗收報告均予記錄及保留作參考。我們已就茂名市已建成物業取得當局的驗收證書。

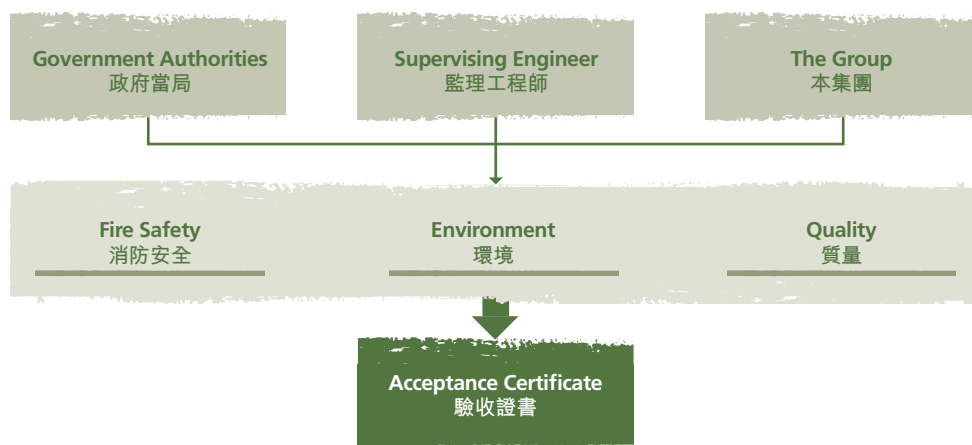


Figure 3: Procedures of acceptance inspection

圖三：驗收程序

Regarding property sales services, the Group strictly adheres to ethical market communications, including advertising and promotion. We provide full and relevant information about our properties to customers for making informed decisions. In addition, we also select and coordinate with qualified property management companies to ensure residents are satisfied with the property.

針對物業銷售服務，本集團於廣告及推廣等市場傳訊方面嚴守道德標準。我們向客戶提供有關物業的完整及關聯資訊，以便客戶作出知情決定。此外，我們亦選擇合資格物業管理公司並與之協調，以確保居民對物業感到滿意。

The Group encourages and appreciates customer feedback for the betterment of our products and services in accordance with their needs and opinions. During the year, we were not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

本集團鼓勵客戶作出反饋，樂意配合其需要及意見改進產品及服務。年內，我們並無發現任何不符合健康與安全、廣告、標籤、產品與服務私隱事宜及補救方法的法規及法規而對本集團產生重大影響的情況。

Environmental, Social and Governance Report

環境、社會及管治報告

Anti-corruption

Business ethics are viewed as important for the Group's operations. All employees at different levels are required to comply with anti-corruption laws and regulations. Any discovered cases have to be reported to the relevant authorities. Reporting to senior management is encouraged in case of any inappropriate gratification received or provided to other parties or possible corruption cases. Investigation of related matters is handled seriously when necessary. Relevant training courses are also provided to employees to equip them with related knowledge.

We reject any collaboration with suppliers and contractors who have a corruption prosecution record, including procurement and tendering process. Anti-corruption agreement is signed as an appendix to contracts, which requires strict compliance with corruption laws and regulations in the country during the contract period.

In case of any corruption cases, the contractor may bear the legal responsibility and for compensation of any loss, and we reserve the right to terminate the contract. During the reporting period, there were no reports of any breach of laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

反貪污

商業道德對本集團營運極為重要。各級員工均須遵守反貪污法例及法規。一旦發現任何案件，必須向有關當局報告。我們鼓勵員工向高級管理層報告任何不正當收受或供給他人利益或懷疑貪污情況，並視乎需要認真調查有關事件。我們亦為員工提供相關培訓課程，確保其掌握此方面的知識。

我們拒絕與曾經干犯貪污罪行的供應商及承包商合作，包括採購及招標程序。我們以合約附件形式簽署反貪污協議，要求於合約期內嚴格遵守國家貪污法例及法規。

一旦發現任何貪污案件，承包商或須承擔法律責任並賠償任何損失，我們亦保留終止合約的權利。於報告期內，並無發現違反任何對本集團有重大影響的有關賄賂、勒索、欺詐及洗黑錢的法例及法規。

Environmental, Social and Governance Report

環境、社會及管治報告

Performance Data Summary

績效數據摘要

	Unit 單位	2017 二零一七年	2016 二零一六年
Employee Structure 僱員架構			
By Geographical Distribution 按地域分佈			
Maoming 茂名		60	55
Hong Kong 香港		11	11
Total 總計		71	66
By Age 按年齡			
<30		26	27
31-50		39	34
>50		6	5
By Gender 按性別			
Male 男性		36	34
Female 女性		35	32
By Educational Background 按教育背景			
Degree or above 學位或以上		50	48
High school or below 高中或以下		21	18
By Employee Category 按員工類別			
Management 管理層		34	23
Front line 前線		37	43

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	Unit 單位	2017 二零一七年
Employee Structure 僱員架構		
Employee Turnover Rate 員工流失率		
By Age 按年齡		
<30		10%
31-50		4%
>50		1%
By Gender 按性別		
Male 男性		6%
Female 女性		10%
Employee New Hire Rate 新員工入職率		
By Age 按年齡		
<30		13%
31-50		3%
>50		0%
By Gender 按性別		
Male 男性		4%
Female 女性		7%
Percentage of Employees Trained 受訓員工百分比		
By Gender 按性別		
Male 男性		63%
Female 女性		65%
By Employee Category 按員工類別		
Management 管理層		40%
Front line 前線		85%
Average training hours 平均培訓時數		52

Environmental, Social and Governance Report

環境、社會及管治報告

		Unit 單位	2017 二零一七年
Safety 安全	Safety Performance 安全表現		
	Work-related injuries 工傷		0
	Lost days due to work injuries 因工傷損失工作日數		0
	Work related fatalities 與工作有關的致命事故		0
	Training on Occupational Health and Safety 職業健康與安全培訓		
	Total personal-times training 個人培訓總次數		960
	Total training hours 總培訓時數		580
	Percentage of employee trained 受訓員工百分比		63%

Environmental, Social and Governance Report

環境、社會及管治報告

		Unit 單位	2017 二零一七年
Environment 環境	Total Resources Consumption		
	資源消耗總量		
	Electricity 電力	kWh 千瓦時	2,040,702
	Natural Gas 天然氣	m ³ 立方米	–
	LPG 液化石油氣	kg 千克	3,000
	Petrol 汽油	litre 公升	13,651.3
	Water 水	Tons 公噸	25,450
	Greenhouse Gases Emissions		
	溫室氣體排放		
	GHG emissions 溫室氣體排放	tCO ₂ e 二氧化碳當量	1,121.2
	Scope I 範圍一	tCO ₂ e 二氧化碳當量	45.4
	Scope II 範圍二	tCO ₂ e 二氧化碳當量	1,075.8
	Air Pollutants from Vehicles		
	車輛空氣污染物		
	NOx 氮氧化物	kg 千克	16.4
	SOx 硫氧化物	kg 千克	0.2
	PM 懸浮顆粒	kg 千克	1.5
	Waste		
	廢物		
	Common waste without recycling 未回收普通廢物	Tons 公噸	9.22
Community 社區	Donation 捐款	RMB '000 人民幣千元	10

Report of Directors

董事會報告

The Directors are pleased to present their report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are engaged in (i) property development and investment; and (ii) trading of raw sugar. Details of the principal subsidiaries of the Company are set out in note 32 to the consolidated financial statements.

An analysis of the Group's turnover by business segments and geographical segments for the Year is set out in note 6 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's results for the Year are set out in this annual report on pages 89 to 187. The Directors do not recommend the payment of any dividend in respect of the Year.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities, and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out on page 4 of this annual report. This summary does not form a part of the audited consolidated financial statements.

BUSINESS REVIEW

The review of the major business segments of the Group during the Year is as follows:

Property Development and Investment

The revenue attributed to the property development and investment business amounted to approximately RMB547,341,000 (2016: approximately RMB479,111,000) representing sales of properties of approximately RMB546,659,000 (2016: approximately RMB479,111,000) and rental income of approximately RMB682,000 (2016: Nil).

董事謹此欣然提呈本集團本年度之董事會報告及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。本集團之主要業務為(i)物業發展及投資；及(ii)原糖貿易。有關本公司主要附屬公司的詳情載於綜合財務報表附註32。

本集團本年度營業額業務分類及地區分類的分析載於綜合財務報表附註6。

業績及股息

本集團本年度之業績載於本年報第89至187頁。董事不建議派發任何本年度股息。

五年財務摘要

本集團過去五個財政年度已公佈之業績、資產及負債及非控制性權益概要（節錄自經審核綜合財務報表）載於本年報第4頁。此概要並不構成經審核綜合財務報表之部份。

業務回顧

本集團於本年度之主要業務分部回顧如下：

物業發展及投資

物業發展及投資業務應佔之收益約人民幣547,341,000元（二零一六年：約人民幣479,111,000元），即物業銷售約人民幣546,659,000元（二零一六年：約人民幣479,111,000元）及租金收入約人民幣682,000元（二零一六年：無）。

Report of Directors

董事會報告

The Group owns the Project. The Project would be developed into a composite of residential and commercial properties in three phases.

As disclosed in the Company's 2016 annual report, the construction of properties of phase 1 and 2 was completed in second half of year 2016, and the properties were delivered to the customers according to the delivery schedule of sales agreements in second half of year 2016 and in 2017. As a result, the financial performance of the property development business has significantly improved since second half of year 2016. Moreover, as majority of the properties were contracted for pre-sale in previous years and recognised as sales in accordance with scheduled delivery during the Year, the property development business remains stable as compared to second half of year 2016.

During the Year, a portion of the commercial properties of phase 1 and 2 of the Project of approximately 4,000 square metres was leased and reclassified as investment properties of the Group. Fair value change on investment properties of approximately RMB43,644,000 (2016: Nil) was recorded during the Year which contributed significantly to the improved result.

The construction of phase 3 of the Project has commenced in 2016 and will be completed in late 2018 and 2019. The total gross floor area of phase 3 of the Project is approximately 188,000 square metres with residential and commercial properties of saleable floor area of approximately 128,000 square metres, which mainly consists of nine buildings of 32 floors each.

本集團擁有該項目。該項目將分三期發展為住宅與商用物業為一體的綜合發展項目。

誠如本公司二零一六年年報所披露，第一期與第二期之物業興建於二零一六年下半年竣工，且物業於二零一六年下半年及二零一七年已按銷售協議交付時間表交付予客戶。因此，物業發展業務之財務表現自二零一六年下半年以來大幅改善。此外，大部分物業於以前年度已獲訂約預售並於本年度根據預定交付確認為銷售，相比二零一六年下半年，物業發展業務保持穩定。

於本年度，該項目第一期及第二期商用物業面積約4,000平方米的部份已予租賃並重新分類為本集團之投資物業。本年度已錄得投資物業之公允值變動約人民幣43,644,000元（二零一六年：無），大幅促進業績改善。

該項目第三期已於二零一六年動工並將於二零一八年末至二零一九年竣工。該項目第三期總建築面積約為188,000平方米，而住宅及商用物業之可銷售面積約128,000平方米，並主要由九幢32層高樓宇組成。

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董事會報告

Trading of raw sugar

The Group has started its business in trading of raw sugar since late 2014. During the Year, turnover attributable to the trading of raw sugar business amounted to approximately RMB68,558,000 (2016: Nil). The sales represented the raw sugar acquired from the supplier in ASEAN countries and sold to the customer in Europe. Reference is made to the announcements of the Company dated 22 January 2018 and 14 February 2018 and circular of the Company dated 6 March 2018, Techwayson Trading Limited, a wholly-owned subsidiary of the Company, has entered into a master agreement and a supplement agreement with China Sugar to purchase raw cane sugar from China Sugar for a period of 34 months ended 31 December 2020. The management of the Company is of the view that such arrangement could enhance the sugar procurement network of the Group for a more rapid expansion of its trading of raw sugar business.

MARKET OUTLOOK AND PROSPECTS

In 2017, the PRC economy remained complicated. Tightening policies and measures of the real estate market remained. In order to regulate the development of real estate industry in the PRC continuously, the government has announced a series of regulatory policies focusing on a long-term and effective mechanism to regulate the industry and, at the same time, develop a sustainable and healthy growth of the real estate market.

原糖貿易

本集團自二零一四年末起已展開原糖貿易業務。於本年度，原糖貿易業務應佔營業額約人民幣68,558,000元（二零一六年：無），該銷售額即為向東盟國家供應商採購並出售予歐洲客戶的原糖。茲提述本公司日期為二零一八年一月二十二日及二零一八年二月十四日之公告及本公司日期為二零一八年三月六日之通函，本公司之全資附屬公司德維森貿易有限公司就向中國糖業購買原蔗糖與中國糖業訂立總協議及補充協議，年期為截至二零二零年十二月三十一日止三十四個月。本公司管理層認為，有關安排可加強本集團之糖採購網絡，以便更迅速地拓展其原糖貿易業務。

市場展望及前景

於二零一七年，中國經濟依然複雜多變。房地產市場的收緊政策及措施仍將不變。為持續規管中國房地產行業之發展，政府已宣佈一系列監管政策專注於長期有效之機制以監管該行業，與此同時，已形成房地產市場之可持續及穩健發展。

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Government policies and financial policies were tightened, particularly in the first and second tier cities. However, driven by urbanization of third tier and satellite cities, the management of the Company is confident that our real estate project in Maoming City will not be materially affected. In particular (1) good reputation of the Project since the delivery of phase 1 & 2 of the Project; (2) approximately 50% (based on planned gross floor area) of residential properties of phase 3 of the Project were contracted for sales during the Year; (3) average selling price of phase 3 of the Project gradually increased and the property market in Maoming was rather stable during the Year and will be similar in the foreseeable future; and (4) the local city transformation created a strong end-user housing demands in the district of the Project.

While the Company is cautious in its investment policies, the continuous urbanisation in the PRC and infrastructure development in western Guangdong province, including completion of the new regional airport and the China high-speed railway, the management of the Company is optimistic on the pre-sale of the remaining properties of phase 3 of the Project which will be launched in 2018.

Regarding the trading of raw sugar business, it is the goal of the Group to expand its supply chain worldwide and to diversify its customer base in the coming years. As described above, securing a steady supply source will significantly improve the overall business flow and enhance the ability of the Group in exploring new customers. The raw cane sugar price is at a relatively low range (with reference to Sugar no.11 contract of New York Intercontinental Exchange) as compared to recent 2 years with a rather stable fluctuation in recent months. A relatively stable price trend, however, in the view of the management of the Company will lower the trading risk and be beneficial in exploring new business opportunity.

政府政策及金融政策均有所收緊，一線及二線城市尤甚。然而，在三線及衛星城市的城市化推動下，本公司管理層堅信茂名市房地產項目將不會受到重大影響，具體原因在於(1)自該項目第一期與第二期交付以來該項目之口碑良好；(2)該項目第三期約50%（根據規劃建築總面積計算）住宅物業已於本年度訂約銷售；(3)該項目第三期之平均售價逐步上升及茂名之物業市場於本年度相當穩定及於可預見未來亦將如此；及(4)當地城市轉型帶來終端用戶對該項目所在地區住房之強勁需求。

雖然本公司實施審慎投資政策，但中國城市化進程持續及粵西地區基建發展，包括新地區機場及中國高鐵的建成，令本公司管理層對於將在二零一八年推出的該項目第三期的餘下物業預售持樂觀態度。

原糖貿易業務方面，本集團之目標為於未來數年在全球範圍擴展其供應鏈及分散其客戶基礎。誠如上文所述，覓得穩定供應來源將大幅提升整體業務流及增強本集團發掘新客戶之能力。與近兩年相比，原蔗糖價格範圍相對較低（經參考紐約洲際交易所第11號糖期貨合約），近月的波動相當穩定。然而，本公司管理層認為，相對穩定的價格趨勢將降低貿易風險及有利於探索新商機。

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董事會報告

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including market risk, credit risk, and liquidity risk. The risk management policies and practices of the Group are shown in notes 35 and 36 to the consolidated financial statements.

Environmental Policies and Performance

The Group commits to the long term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

The Group also commits to the principle and practice of recycling and reducing. To help conserve the environment, it implements green office practices such as re-deployment of office furniture as far as possible, encourage use of recycled paper for printing and copying, double-sided printing and copying, reduce energy consumption by switching off idle lightings, air conditioning and electrical appliances.

Compliance with the Relevant Laws and Regulations

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Relationship with Suppliers, Customers and other Stakeholders

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders to meet its immediate and long-term goals.

主要風險及不確定因素

本集團之財務狀況、經營業績、業務及前景將受眾多風險及不確定因素影響，包括市場風險、信貸風險及流動資金風險。本集團之風險管理政策及實踐呈列於綜合財務報表附註35及36。

環境政策及表現

本集團致力於其經營所在環境及社區之長期可持續性。本集團以對環境負責之方式行事，盡力遵守有關環保之法律及法規，並採取有效措施達致資源有效利用、能源節約及廢物減少。

本集團亦奉行循環利用和節約之原則與實務。為幫助保護環境，本集團實施綠色辦公室行動，如盡可能重新安置淘汰的辦公室傢具、鼓勵使用廢舊紙張打印及複印、提倡雙面打印和複印、以及通過關閉閒置的照明、空調及電器減少能源消耗。

遵守相關法律及法規

就董事會所知，本集團已於各重要方面遵守對本集團業務及經營產生重大影響之相關法律及法規。於本年度，本集團概無嚴重違反或不遵守適用法律及法規。

與供應商、客戶及其他持份者的關係

本集團明白與其供應商、客戶及其他持份者維持良好關係，對達致即時及長遠目標極為重要。

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董事會報告

During the Year, there were no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders.

PERMITTED INDEMNITY

Pursuant to the memorandum of association of the Company and Articles, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Such permitted indemnity provision has been in force throughout the Year. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

PROPERTY, PLANT AND EQUIPMENT

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

ORDINARY SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's ordinary share capital and share options are set out in notes 25 and 26 to the consolidated financial statements.

於本年度，本集團與其供應商、客戶及／或其他持份者並無發生重大及嚴重糾紛。

獲准許的彌償

根據本公司組織章程大綱及細則、適用法律及法規，每名董事就彼等或彼等任何一人基於其職位履行其職務而產生或蒙受的所有訴訟、費用、收費、損失、損害及開支，均可自本公司的資產及溢利獲得彌償，確保免於就此受損。該等獲准許的彌償條文已於本年度內生效。本公司已就本集團董事及行政人員購買合適的董事及行政人員責任保險。

物業、廠房及設備

本集團於本年度之物業、廠房及設備之變動詳情載於綜合財務報表附註16。

普通股本及購股權

本公司之普通股本及購股權變動詳情載於綜合財務報表附註25及26。

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董事會報告

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles and the laws of the Cayman Islands which would oblige the Company to offer new shares of the Company on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

RESERVES

Details of movement in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 93 of this annual report.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2017, including the share premium less the accumulated losses of the Company, available for distribution, calculated in accordance with the provisions of Companies Law of the Cayman Islands, amounted to approximately RMB25,492,000 (2016: approximately RMB42,438,000).

Under the laws of the Cayman Islands, the share premium is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The reserves of the Company available for distribution further depend on the dividend distributable by the Company's subsidiaries.

優先購買權

根據細則及開曼群島法例，並無有關優先購買權之規定，以致本公司必須向其現有股東按持股比例發行本公司之新股份。

購買、出售或贖回上市證券

於本年度，本公司或其任何附屬公司概無購入、出售或贖回任何本公司股份。

儲備

本集團於本年度之儲備變動詳情載於本年報第93頁之綜合權益變動表中。

可供分派儲備

於二零一七年十二月三十一日，根據開曼群島公司法之條文計算，本公司可供分派之可供分派儲備包括本公司股份溢價減累計虧損，為約人民幣25,492,000元（二零一六年：約人民幣42,438,000元）。

根據開曼群島法例，股份溢價可分配予本公司股東，惟緊隨建議分派股息當日本公司將能償還其於日常業務過程中到期之債務。本公司可供分派之儲備進一步取決於本公司附屬公司可供分派之股息。

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董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's five largest customers were less than 30% of the Group's total revenue for the Year.

The information in respect of the Group's purchases attributable to the major suppliers during the Year is as follows:

主要客戶及供應商

於本年度，本集團五大客戶應佔總銷售額少於本集團總收益之30%。

於本年度，本集團主要供應商應佔採購額詳情如下：

Percentage of
the Group's total
purchases
佔本集團
總採購額
百分比

The largest supplier	最大供應商	77%
Five largest suppliers in aggregate	五大供應商總計	93%

At no time during the Year, none of the Directors, their close associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the total number of the Company's shares in issue) had any beneficial interest in the five largest customers and suppliers.

董事、彼等之緊密聯繫人士或根據董事所知擁有本公司已發行股份總數之5%以上之本公司任何股東概無於本年度任何時間擁有五大客戶及供應商之任何實益權益。

DIRECTORS

The Directors during the Year and up to the report date are:

Executive Directors

Mr. Liu Feng (*Chairman*)
Mr. Chen Xian (*Vice-Chairman*)
Mr. Lau Sai Chung (*Chief Executive Officer*)
Ms. Xia Dan (Resigned on 31 January 2018)

Mr. Liu Zhongxiang

Independent Non-executive Directors

Mr. Poon Lai Yin Michael
Mr. Char Shik Ngor Stephen
Ms. Li Jiansheng

董事

以下為於本年度及截至報告日期之董事：

執行董事

劉鋒先生 (*主席*)
陳賢先生 (*副主席*)
劉世忠先生 (*行政總裁*)
Xia Dan女士 (於二零一八年一月三十一日辭任)
劉忠翔先生

獨立非執行董事

潘禮賢先生
查錫我先生
李建生女士

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Mr. Liu Feng, Mr. Lau Sai Chung and Mr. Char Shik Ngor Stephen shall retire from office by rotation pursuant to article 87(1) of the Articles, and being eligible, offer themselves for re-election at the forthcoming AGM.

BIOGRAPHIES OF DIRECTORS

Biographical details of the Directors are set out in pages 13 to 16 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company without fixed term. Each of the executive Directors may receive double pay and discretionary bonus, the amount of which will be determined by the Board as its absolute discretion having regard to the operation results of the Company.

Each of the independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Mr. Char Shik Ngor Stephen and Ms. Li jiansheng, has entered into a letter of appointment with the Company for a term of three years.

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

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party at any time during the Year.

劉鋒先生、劉世忠先生及查錫我先生須根據細則第87(1)條於應屆股東週年大會上輪值退任，並合乎資格，願意於應屆股東週年大會上膺選連任。

董事簡歷

董事簡歷詳情載於本年報第13至16頁。

董事服務合約

每位執行董事已與本公司簽訂服務協議並沒有固定任期。各執行董事或可收取雙薪及酬情花紅，有關金額將由董事會全權酌情按本公司之經營業績而釐定。

獨立非執行董事潘禮賢先生、查錫我先生及李建生女士各自己與本公司訂立委任函，年期為三年。

本公司並無與擬於應屆股東週年大會上重選連任之董事訂立任何不可由本公司於一年內無償終止（法定補償除外）之服務合約。

董事合約權益

於本公司或其任何附屬公司於本年度內任何時間訂立與本集團業務有重大關連之任何合約中，董事概無擁有任何直接或間接之重大實益權益。

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董事會報告

INDEPENDENCE CONFIRMATION

The Company has received, from each of the independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Mr. Char Shik Ngor Stephen and Ms. Li Jiansheng, an annual confirmation of their independence pursuant to the Listing Rules and the Company considers all of the independent non-executive Directors are independent.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the highest paid individuals of the Group are set out in note 12 to the consolidated financial statements.

RELATED PARTY/CONNECTED TRANSACTION

The Directors consider that those related party transactions disclosed in note 29 to the consolidated financial statements did not fall under the definition of “connected transactions” or “continuing connected transactions” (as the case may be) in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders’ approval requirements under the Listing Rules. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Details of the continuing connected transaction which happened after the Year are under the section “Events After the Reporting Period”.

Save as disclosed above, there were no significant related party transactions and connected transactions entered into by the Group.

EMOLUMENT POLICY

The emoluments of the Directors are reviewed by the Remuneration Committee, having regard to the Company’s operating results, individual performance and comparable market statistics, and approved by the Board.

Details of the related party and connected party transactions are set out in note 29 to the consolidated financial statements.

確認獨立性

本公司已接獲各獨立非執行董事（即潘禮賢先生、查錫我先生及李建生女士）按照上市規則發出之獨立性年度確認書，而本公司認為全體獨立非執行董事屬獨立人士。

董事及五位最高薪人士酬金

董事及本集團最高薪人士的酬金詳情載於綜合財務報表附註12。

關連方／關連交易

董事認為，綜合財務報表附註29所披露之該等關連方交易不屬於上市規則第14A章之「關連交易」或「持續關連交易」（視乎情況而定），其須遵守上市規則項下之任何申報、公佈或獨立股東批准規定。董事確認，本公司已遵守上市規則第14A章之披露規定。

有關本年度發生的持續關連交易詳情載於「報告期後事項」一節。

除上文所披露者外，本集團概無訂立重大關連方交易及關連交易。

薪酬政策

董事之酬金乃根據本公司之經營業績、個人表現及可比較市場數據由薪酬委員會審議並經董事會批准。

關連人士及關連方交易之詳情於綜合財務報表附註29刊載。

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董事會報告

DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2017, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (1) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (2) which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (3) which are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

董事於本公司股份及相關股份的權益及淡倉

於二零一七年十二月三十一日，本公司之董事或主要行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有(1)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例有關條文被視為或當作擁有之權益或淡倉）；或(2)須記入根據證券及期貨條例第352條須設立的登記冊的權益及淡倉；或(3)根據標準守則而須通知本公司及聯交所之權益及淡倉如下：

Name of Directors 董事姓名	Capacity/Nature of interests 身份／權益性質	Number of ordinary share(s) held 所持普通股數目	Number of underlying shares held pursuant to share options 根據購股權持有的相關股份數目	Approximate percentage of the total number of shares of the Company in issue 佔本公司已發行股份總數的概約百分比
Mr. Liu Zhongxiang 劉忠翔先生	Beneficial owner 實益擁有人	–	15,000,000 (Note 1) (附註1)	0.98
	Interest of a controlled corporation 受控制公司的權益	242,105,262 (Note 2) (附註2)	–	15.88
Mr. Liu Feng 劉鋒先生	Beneficial owner 實益擁有人	–	4,000,000 (Note 1) (附註1)	0.26
Mr. Chen Xian 陳賢先生	Beneficial owner 實益擁有人	–	10,000,000 (Note 1) (附註1)	0.66
Mr. Lau Sai Chung 劉世忠先生	Beneficial owner 實益擁有人	–	8,000,000 (Note 1) (附註1)	0.52
		148,000	–	0.01

Report of Directors

董事會報告

Name of Directors 董事姓名	Capacity/Nature of interests 身份／權益性質	Number of ordinary share(s) held 所持 普通股數目	Number of underlying shares held pursuant to share options 根據購股權 持有的相關 股份數目	Approximate percentage of the total number of shares of the Company in issue 佔本公司 已發行股份 總數的概約 百分比
Ms. Xia Dan Xia Dan女士	Beneficial owner 實益擁有人	–	5,000,000 (Note 1) (附註1)	0.33
	Interest of a controlled corporation 受控制公司的權益	79,500,000 (Note 3) (附註3)	–	5.21
Mr. Poon Lai Yin Michael 潘禮賢先生	Beneficial owner 實益擁有人	–	1,000,000 (Note 1) (附註1)	0.07
Mr. Char Shak Ngor Stephen 查錫我先生	Beneficial owner 實益擁有人	–	1,000,000 (Note 1) (附註1)	0.07
Ms. Li Jiansheng 李建生女士	Beneficial owner 實益擁有人	–	1,000,000 (Note 1) (附註1)	0.07

Notes:

- These shares of the Company represent the share options granted by the Company on 13 July 2017 under the share option scheme of the Company.
- These shares of the Company are held by China Sugar Holdings Limited which is 100% owned by Mr. Liu Zhongxiang. By virtue of the SFO, Mr. Liu Zhongxiang is deemed to be interested in the shares of the Company held by China Sugar Holdings Limited.
- These shares are held by Mega Edge International Limited which is 100% owned by Ms. Xia. By virtue of the SFO, Ms. Xia is deemed to be interested in the ordinary shares of the Company held by Mega Edge International Limited.

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executive of the Company nor their associates had any interest or short position in shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- 該等本公司股份代表本公司於二零一七年七月十三日根據本公司購股權計劃授出之購股權。
- 該等本公司股份由中國糖業集團有限公司擁有，而中國糖業集團有限公司為劉忠翔先生100%擁有。根據證券及期貨條例，劉忠翔先生被視為擁有中國糖業集團有限公司所持本公司股份之權益。
- 該等股份由Mega Edge International Limited擁有，而Mega Edge International Limited為Xia女士100%擁有。根據證券及期貨條例，Xia女士被視為擁有Mega Edge International Limited所持本公司普通股之權益。

除上文所披露者外，於二零一七年十二月三十一日，本公司董事及主要行政人員以及彼等的聯繫人士概無於本公司或其相聯法團的股份、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置之登記冊或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

Report of Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2017, so far as was known to the Directors, the following persons (other than the Directors or the chief executive of the Company) has interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of division 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholder required to be kept by the Company under section 336 of the SFO.

Long position in ordinary shares

主要股東

於二零一七年十二月三十一日，董事獲悉以下人士（除本公司董事或主要行政人員外）於本公司股份或相關股份中擁有權益或淡倉，而根據證券及期貨條例第XV部第2及3分部須向本公司披露，或記入本公司根據證券及期貨條例第336條之規定須存置之主要股東登記冊內。

於普通股之好倉

Name of substantial shareholders 主要股東姓名／名稱	Capacity/Nature of interests 身份／權益性質	Number of ordinary share(s) held 所持普通股數目	Number of underlying shares held pursuant to share options 根據購股權持有的相關股份數目	Approximate percentage of the total number of shares of the Company in issue 佔本公司已發行股份總數的概約百分比
Mr. Liu Zhongxiang 劉忠翔先生	Beneficial owner 實益擁有人	–	15,000,000 (Note 1) (附註1)	0.98
	Interested in controlled corporation 受控制公司的權益	242,105,262 (Note 1) (附註1)	–	15.88
China Sugar Holdings Limited 中國糖業集團有限公司	Beneficial owner 實益擁有人	242,105,262 (Note 1) (附註1)	–	15.88
Guangdong Nanyue Bank First Direct Branch* 廣東南粵銀行股份有限公司 第一直屬支行	Person having a security interest in shares 擁有股份之擔保權益之人士	242,105,262 (Note 2) (附註2)	–	15.88
Mr. Zhang Wei 張偉先生	Beneficial owner 實益擁有人	90,000,000	–	5.90

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董事會報告

Name of substantial shareholders 主要股東姓名／名稱	Capacity/Nature of interests 身份／權益性質	Number of ordinary share(s) held 所持普通股數目	Number of underlying shares held pursuant to share options 根據購股權持有的相關股份數目	Approximate percentage of the total number of shares of the Company in issue 佔本公司已發行股份總數的概約百分比
Ms. Xia Dan Xia Dan女士	Beneficial owner 實益擁有人	–	5,000,000 (Note 3) (附註3)	0.33
	Interested in controlled corporation 受控制公司的權益	79,500,000 (Note 3) (附註3)	–	5.21
Mega Edge International Limited (Note 3) Mega Edge International Limited (附註3)	Beneficial owner 實益擁有人	79,500,000 (Note 3) (附註3)	–	5.21

Notes:

- 242,105,262 shares of the Company are beneficially owned by China Sugar Holdings Limited, a company wholly owned by Mr. Liu Zhongxiang, and therefore Mr. Liu Zhongxiang is deemed to be interested in these shares of the Company under the SFO. 15,000,000 shares of the Company which are personally owned by Mr. Liu Zhongxiang represent the share options granted to him by the Company under the share option scheme of the Company on 13 July 2017.
- China Sugar Holdings Limited has provided a share charge in respect of the 242,105,262 shares held by it in favour of Guangdong Nanyue Bank First Direct Branch*.
- 79,500,000 shares of the Company are beneficially owned by Mega Edge International Limited, a company wholly owned by Ms. Xia, and therefore Ms. Xia is deemed to be interested in these shares of the Company under the SFO. 5,000,000 shares of the Company which are personally owned by Ms. Xia represent the share options granted to her by the Company under the share option scheme of the Company on 13 July 2017.

* For identification purpose only

附註：

- 中國糖業集團有限公司實益擁有242,105,262股本公司股份，而中國糖業集團有限公司為劉忠翔先生全資擁有之公司，因此根據證券及期貨條例，劉忠翔先生被視為擁有該等本公司股份之權益。劉忠翔先生個人擁有之15,000,000股本公司股份代表本公司於二零一七年七月十三日根據本公司購股權計劃向其授予之購股權。
- 中國糖業集團有限公司就其持有之242,105,262股股份向廣東南粵銀行股份有限公司第一直屬支行提供股份押記。
- Mega Edge International Limited實益擁有79,500,000股本公司股份，而Mega Edge International Limited為Xia女士全資擁有之公司，因此根據證券及期貨條例，Xia女士被視為擁有該等本公司股份之權益。Xia女士個人擁有之5,000,000股本公司股份代表本公司於二零一七年七月十三日根據本公司購股權計劃向其授予之購股權。

* 僅供識別

Report of Directors

董事會報告

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at 31 December 2017, had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Save for the shareholders as disclosed herein, the Directors are not aware of any persons, who, as at 31 December 2017, were entitled to exercise or control the exercise of 5% or more of the voting power at the general meeting of the Company and were also, a practicable matter, able to direct or influence the management of the Company.

SHARE OPTION SCHEME

A share option scheme was adopted by the shareholders of the Company at the AGM held on 30 November 2009 (the "Share Option Scheme"). The Share Option Scheme will remain in force for a period of 10 years commencing from the date of adoption of the Share Option Scheme from 30 November 2009 (the "Date of Adoption") (that is from 30 November 2009 to 29 November 2019). The purpose of the Share Option Scheme is to enable the Company to grant share options to the participants who, in the sole discretion of the Board, have made or may make contribution to the Group or any invested entity as well as to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economics interest in attaining the long term business objectives of the Group.

除上文所披露者外，於二零一七年十二月三十一日，本公司董事及主要行政人員概不知悉任何人士於本公司股份或相關股份中擁有權益或淡倉，而根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或記入本公司根據證券及期貨條例第336條之規定須存置之登記冊內。

除本文所披露之股東外，董事並不知悉有任何人士於二零一七年十二月三十一日，有權於本公司股東大會上行使或控制行使5%或以上表決權，及實際上可直接管理本公司或影響本公司之管理。

購股權計劃

購股權計劃已於二零零九年十一月三十日舉行之股東週年大會上經本公司股東批准採納（「購股權計劃」）。購股權計劃自二零零九年十一月三十日（「採納日期」）採納購股權計劃日期起計十年期間（即二零零九年十一月三十日至二零一九年十一月二十九日）內仍為有效。購股權計劃旨在令本公司可由董事會全權酌情決定對為本集團或任何被投資實體作出或可能作出貢獻之參與者授予購股權，以及給予獎勵並協助本集團保留現有僱員及招聘額外僱員，並向其提供直接經濟利益，為達致本集團之長遠業務目標而努力。

Report of Directors

董事會報告

The Company may grant to eligible participants (including any directors, non-executive directors, employees, advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group whom the Board considers, in its sole discretion, have contributed or will contribute to the Group) options to subscribe for shares of the Company, subject to a maximum of 10% of the total number of shares of the Company in issue as at the adoption date and as at the approval date of refreshment from time to time, excluding for this purpose shares issued on the exercise of options. The subscription price will be determined by the Board and will not be less than the highest of (i) the nominal value of the Company's shares, (ii) the average of the closing price of the shares quoted on the main board of the Stock Exchange on the five trading days immediately preceding the grant date and (iii) the closing price of the shares on the grant date.

Upon acceptance of the options, the grantee of the Share Option Scheme shall pay HK\$1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within 21 days from the date of grant. The exercise period of any option granted under the Share Option Scheme is determined by the Board upon granting the options but in any event must not be more than 10 years commencing on the date of grant. The exercise period of options granted was disclosed belows.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of shareholders' approval, in aggregate exceed 10% of the aggregate number of shares of the Company in issue as at the date of approval of the Share Option Scheme. The Board may seek approval by the shareholders at general meeting to refresh the 10% limit. However, the total number of shares available for issue under exercise of options which may be granted under the Share Option Scheme in these circumstances must not exceed 10% of the total number of shares of the Company in issue as at the date of approval of the refreshment of the 10% limit.

本公司可向合資格參與者（包括董事會全權酌情認為曾經或將會對本集團作出貢獻之本集團任何成員公司之任何董事、非執行董事、僱員、顧問、諮詢顧問、分銷商、承建商、供應商、代理、客戶、業務夥伴、合營業務夥伴、創辦人及服務供應商）授出購股權以認購本公司股份，惟最多可認購於購股權計劃採納日期及於不時更新之批准日期的已發行股份總數之10%（不包括就此目的行使購股權而發行的股份）。認購價將由董事會釐定，其將不會低於下列價值之較高者：(i)本公司股份的面值，(ii)緊接於購股權授出日期前五個交易日於聯交所主板所報股份的平均收市價，及(iii)購股權授出日期的收市價。

購股權計劃之承授人接納購股權時須向本公司支付港幣1.00元作為授出代價。授出購股權之要約必須於授出日期後21日內接納。任何根據購股權計劃授出之購股權之行使期由董事會於授出購股權時釐定，且於任何情況下不得超過授出日期起計十年。已授出購股權之行使期披露如下。

於未經股東批准之情況下，於行使根據購股權計劃及本公司任何其他購股權計劃將予授出之所有購股權將可能予以發行之股份數目，合共最多不得超過批准購股權計劃日期本公司已發行股份總數之10%。董事會可於股東大會上尋求股東批准更新10%上限。然而，於此情況下，行使根據購股權計劃可能授出之購股權而可予發行之股份總數不得超過於批准更新10%上限日期本公司已發行股份總數之10%。

Report of Directors

董事會報告

On 27 May 2016, the shareholders of the Company had approved the refreshment of 10% limit of the grant of options under the Share Option Scheme. After the grant of 64,000,000 options on 13 July 2017, the total number of shares available for issue under the Share Option Scheme is 88,447,852 shares of the Company, representing approximately 5.80% of the total number of shares of the Company in issue as at the date of this annual report. The closing price of the shares of the Company immediately before 13 July 2017, on which the share options were granted, was HK\$0.245 per share.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issue from time to time and the maximum number of shares in respect of which options may be granted to each eligible participant shall not exceed 1% of the total number of shares of the Company in issue for the time being in any 12-month period up to and including the date of offer of the grant.

During the Year, no share option was lapsed, cancelled and exercised.

於二零一六年五月二十七日，本公司股東已批准更新購股權計劃項下授出購股權10%限額。於二零一七年七月十三日授出64,000,000份購股權後，根據購股權計劃可予發行之股份總數為88,447,852股本公司股份，佔於本年報日期本公司已發行股份總數之約5.80%。本公司於緊接二零一七年七月十三日（購股權獲授出）前之股份收市價為每股港幣0.245元。

根據購股權計劃及本公司任何其他購股權計劃可能授出之購股權所涉及之股份數目，最多不得超逾本公司不時已發行股份總數之30%，而於截至及包括要約授出日期止任何12個月期間可授予各合資格參與者之購股權所涉及之股份數目，最多不可超逾本公司當時已發行股份總數之1%。

於本年度，概無購股權已失效、已註銷及獲行使。

Report of Directors

董事會報告

Details of the share options movements during the Year under the Share Option Scheme are as follows:

於本年度，購股權計劃項下之購股權變動詳情如下：

Name or category of grantees 姓名或承授人類別	Date of grant of share options 授出購股權日期	Exercise Price (HK\$) 行使價(港幣元)	Exercise Period 行使期	Vesting Period 歸屬期	Number of share options 購股權數目		
					Balance as at 1/1/2017 於二零一七年一月一日之結餘	Granted during the Year 於本年度授出	Balance as at 31/12/2017 於二零一七年十二月三十一日之結餘
Executive Director and beneficial owner of a substantial shareholder of the Company 本公司執行董事及主要股東之實益擁有人							
Liu Zhongxiang 劉忠翔	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	–	15,000,000	15,000,000
Directors 董事							
Liu Feng 劉鋒	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	–	4,000,000	4,000,000
Chen Xian 陳賢	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	–	10,000,000	10,000,000
Lau Sai Chung 劉世忠	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	–	8,000,000	8,000,000
Xia Dan Xia Dan	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	–	5,000,000	5,000,000
Poon Lai Yin, Michael 潘禮賢	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	–	1,000,000	1,000,000
Char Shak Ngor Stephen 查錫我	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	–	1,000,000	1,000,000
Li Jiansheng 李建生	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	–	1,000,000	1,000,000
Other employees 其他僱員							
In aggregate 合共	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	–	19,000,000	19,000,000
Total 總計						64,000,000	64,000,000

Report of Directors

董事會報告

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Option Scheme" and "Directors' Interests and Short Positions in the Shares and Underlying Shares of the Company" above, at no time during the Year was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company (including their spouses and children under age of 18) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

No Director had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the Year and up to the date of this annual report.

MANAGEMENT CONTRACTS

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

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied throughout the Year with the Code Provisions of CG Code, except A.6.7. Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" section of this annual report.

購買本公司證券的權利

除上文「購股權計劃」及「董事於本公司股份及相關股份之權益及淡倉」等節所披露者外，本公司或其任何附屬公司或其任何同系附屬公司於本年度內任何時間概無參與訂立任何安排，讓董事或本公司主要行政人員（包括彼等配偶及年齡未滿十八歲之子女）擁有任何權利認購本公司或其任何相聯法團（定義見證券及期貨條例）之證券或藉購入本公司或任何其他法人團體之股份或債券而獲取利益。

董事在競爭業務之權益

於本年度及截至本年報日期，根據上市規則，董事概無於與本集團業務直接或間接競爭或可能競爭之業務中擁有權益。

管理合約

於本年度並無訂立或存在任何有關本公司業務之全部或任何重大部份之管理及行政合同。

企業管治

董事認為，本公司於本年度內已遵守企業管治守則之守則條文，惟第A.6.7條除外。本公司之企業管治常規詳情載於本年報「企業管治報告」一節。

Report of Directors

董事會報告

EVENTS AFTER THE REPORTING PERIOD

On 22 January 2018, Techwayson Trading Limited (“Techwayson”), a wholly-owned subsidiary of the Company, entered into the master agreement (the “Master Agreement”) with China Sugar, a substantial shareholder of the Company, for purchase of raw cane sugar from China Sugar Holdings Limited. On 14 February 2018, Techwayson and China Sugar entered into a supplement agreement (the “Supplemental Agreement”) to supplement and amend certain terms of the Master Agreement. The Master Agreement dated 22 January 2018 as supplemented and amended by the Supplemental Agreement dated 14 February 2018 (the “Revised Master Agreement”) has been approved by independent shareholders of the Company at the Company’s extraordinary general meeting convened on 21 March 2018.

China Sugar is wholly-owned by Mr. Liu Zhongxiang, the executive Director. Accordingly, China Sugar, Mr. Liu Zhongxiang and Mr. Liu Feng are the connected persons to the Company as defined under the Listing Rules and the transaction under the Revised Master Agreement constitutes continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

For the details, please refer to the (i) announcement dated 22 January 2018 and 14 February 2018; (ii) circular, notice of extraordinary general meeting and proxy form dispatched on 6 March 2018 and (iii) poll results of extraordinary general meeting dated 21 March 2018.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge or its Directors as at the date of this annual report, the Company has maintained sufficient public float as required under the Listing Rules.

報告期後事項

於二零一八年一月二十二日，本公司全資附屬公司德維森貿易有限公司（「德維森」）與本公司主要股東中國糖業訂立總協議（「總協議」），以向中國糖業集團有限公司購買原蔗糖。於二零一八年二月十四日，德維森與中國糖業訂立一份補充協議（「補充協議」），以補充及修改總協議之若干條款。日期為二零一八年一月二十二日的總協議（經日期為二零一八年二月十四日的補充協議補充及修訂）（「經修訂總協議」）已獲本公司獨立股東於本公司於二零一八年三月二十一日召開的股東特別大會上批准。

中國糖業由執行董事劉忠翔先生全資擁有。因此，中國糖業、劉忠翔先生及劉鋒先生為本公司之關連人士（定義見上市規則），而根據上市規則第14A章，經修訂總協議項下之交易構成本公司之持續關連交易。

有關詳情，請參閱(i)日期為二零一八年一月二十二日及二零一八年二月十四日的公告；(ii)於二零一八年三月六日寄發的股東特別大會通函、通告及委任代表表格及(iii)日期為二零一八年三月二十一日的股東特別大會投票結果。

公眾持股量

於本年報日期，根據本公司可以得悉之公開資料所示及根據董事所知，本公司已維持上市規則所規定之充足公眾持股量。

Report of Directors

董事會報告

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process, risk management and internal control systems of the Group. The Audit Committee currently comprises Mr. Poon Lai Yin Michael (Chairman), Mr. Char Shik Ngor Stephen and Ms. Li Jiansheng. The Audit Committee has reviewed and discussed with the management and the external auditor the financial reporting matters including the annual results for the Year.

CHANGES IN INFORMATION OF DIRECTORS

The remuneration package of the Directors were reviewed and adjusted as follows:

The remuneration package of Mr. Liu Feng, the Chairman and executive Director, have been adjusted upward to HK\$194,200 per month, with effect from 31 January 2018;

The remuneration package of Mr. Chen Xian, the vice-chairman and executive Director, have been adjusted upward to HK\$168,400 per month, with effect from 31 January 2018;

The remuneration package of Mr. Lau Sai Chung, the Chief Executive Officer and executive Director, have been adjusted upward to HK\$151,900 per month, with effect from 31 January 2018; and

The remuneration package of Mr. Liu Zhongxiang, the executive Director, have been adjusted upward to HK\$70,000 per month, with effect from 31 January 2018.

Mr. Poon Lai Yin Michael, the independent non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 31 January 2018 and the remuneration package remained unchanged.

審核委員會

本公司已成立審核委員會並遵守上市規則的要求訂立書面職權範圍，其目的為審閱及監督本集團之財務申報程序、風險管理及內部監控系統。審核委員會目前由潘禮賢先生（主席）、查錫我先生及李建生女士組成。審核委員會已與管理層及外聘核數師審閱及討論財務申報事宜，包括本年度之年度業績。

董事資料變動

董事薪酬待遇已經檢討及調整如下：

主席兼執行董事劉鋒先生之薪酬待遇已上調至每月港幣194,200元，自二零一八年一月三十一日起生效；

副主席兼執行董事陳賢先生之薪酬待遇已上調至每月港幣168,400元，自二零一八年一月三十一日起生效；

行政總裁兼執行董事劉世忠先生之薪酬待遇已上調至每月港幣151,900元，自二零一八年一月三十一日起生效；及

執行董事劉忠翔先生之薪酬待遇已上調至每月港幣70,000元，自二零一八年一月三十一日起生效。

獨立非執行董事潘禮賢先生已與本公司訂立委任函，自二零一八年一月三十一日起為期三年，薪酬待遇維持不變。

Report of Directors

董事會報告

AUDITOR

A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming AGM.

On Behalf of the Board

Liu Feng
Chairman

Hong Kong, 29 March 2018

核數師

本公司將於應屆股東週年大會上提呈一項決議案，以續聘德勤•關黃陳方會計師行為本公司之核數師。

代表董事會

劉鋒
主席

香港，二零一八年三月二十九日

Independent Auditor's Report 獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF CHINA UPTOWN GROUP COMPANY LIMITED

中國上城集團有限公司

(incorporated in the Cayman Islands with limited liability)

致中國上城集團有限公司全體股東

(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of China Uptown Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 89 to 187, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

意見

本核數師已審核列載於第89至187頁中國上城集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表,其中包括於二零一七年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

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

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

意見基礎

我們根據香港會計師公會頒佈之香港審計準則（「香港審計準則」）進行審核。根據該等準則，我們的責任於本報告核數師就審核綜合財務報表之責任一節中進一步詳述。根據香港會計師公會之「專業會計師道德守則」（「守則」），我們獨立於貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得之審核憑證能充足及適當地為我們的意見提供基礎。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最為重要之事項。該等事項乃於我們審核整體綜合財務報表及達成我們對其的意見時進行處理，而我們不會對該等事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

How the matter was addressed in our audit

如何於審核中處理該事項

Revenue recognised from sale of properties

We identified revenue recognised from sale of properties as a key audit matter as it is significant to the consolidated statement of profit or loss and management judgement is involved in determining the appropriate point to recognise sale of properties.

由於就物業銷售確認之收益對綜合損益表之重要性及於確定物業銷售之適當節點時涉及管理層判斷，我們將就物業銷售確認之收益識別為關鍵審核事項。

The Group's revenue from sale of properties for the year ended 31 December 2017 amounted to approximately RMB547 million, representing 89% of the Group's total revenue. As disclosed in note 5 to the consolidated financial statements, revenue from sale of properties is recognised when the development of the relevant properties have been completed and the properties have been delivered to the purchasers pursuant to the sale and purchase agreements.

截至二零一七年十二月三十一日止年度，貴集團物業銷售之收益為約人民幣547,000,000元，佔貴集團總收益之89%。誠如綜合財務報表附註5所披露，物業銷售之收益於完成發展有關物業且物業已根據買賣協議交予買方時確認。

就物業銷售確認之收益

Our procedures in relation to revenue recognised from sale of properties included:

我們有關就物業銷售確認之收益之程序包括：

- Obtaining an understanding and evaluating the Group's internal control over the process of revenue recognition of sale of properties; and
- 了解及評估 貴集團有關就物業銷售確認收益程序之內部監控；及
- Assessing whether the criteria for the delivery of properties have been fulfilled by checking, on a sample basis, to the terms of the sales and purchase agreements, the relevant completion certificate for construction work, the delivery notices sent to the purchasers.
- 按抽樣基準評估轉交物業的標準是否已根據買賣協議的條款、建造工程相關完成證書、寄發予買方的交付通知達成。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

How the matter was addressed in our audit

如何於審核中處理該事項

Valuation of investment properties

We identified the valuation of investment properties as a key audit matter due to significance of the balance to the consolidated financial statements as a whole, combined with significant judgements associated with determining the fair value. As at 31 December 2017, the Group's investment properties in People's Republic of China (the "PRC"), amounted to approximately RMB94 million. Fair value change on investment properties of RMB44 million was recognised in the consolidated statement of profit or loss for the year ended 31 December 2017.

由於投資物業結餘對整體綜合財務報表之重要性及與釐定公允值有關之重大判斷，我們將投資物業之估值識別為關鍵審核事項。於二零一七年十二月三十一日，貴集團於中華人民共和國（「中國」）之投資物業為約人民幣94,000,000元。截至二零一七年十二月三十一日止年度，已於綜合損益表內確認投資物業之公允值變動人民幣44,000,000元。

As disclosed in note 15 to the consolidated financial statements, these investment properties are stated at fair value based on a valuation carried out by an independent professional property valuer (the "Valuer"). In determining the fair value of investment properties, the Valuer has used direct comparison approach by making reference to comparable sales evidences as available in the relevant market to reflect current market conditions as of the end of the reporting period. The key input used in valuing the investment properties by the Valuer is market observable transactions of similar properties.

誠如綜合財務報表附註15所披露，該等投資物業乃根據獨立專業物業估值師（「估值師」）進行之估值按公允值列賬。於釐定投資物業之公允值時，估值師已使用直接比較法並參考相關市場上可用之可比較銷售證據，以反映直至報告期末之現行市況。估值師對投資物業進行估值時所用之關鍵輸入數據為類似物業之市場可觀察交易。

投資物業之估值

Our procedures in relation to valuation of investment properties included:

我們有關投資物業之估值之程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer;
- 評估估值師之勝任程度、能力和客觀性；
- Obtaining an understanding from the Valuer about the valuation methodology, the performance of the property markets, significant assumptions adopted, critical judgemental areas on key inputs and data used in the valuation; and
- 了解估值師的估值方法、物業市場的表現、主要採用的假設及主要輸入數據和用作估值之數據作出關鍵性判斷的地方；及
- Assessing the accuracy of information provided by the management to the Valuer by checking to the sales prices of comparable properties on a sample basis.
- 透過抽樣方式檢查可資比較物業之售價，從而評估管理層向估值師提供資料之準確性。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

How the matter was addressed in our audit

如何於審核中處理該事項

Valuation of properties under development and properties held for sale

We identified the valuation of properties under development (the "PUD") and properties held for sale (the "PFS") (collectively referred to as the "Properties") as a key audit matter as it is significant to the consolidated financial statements and significant judgements are involved in the determination of the net realisable value (the "NRV") of the Properties.

由於在建物業（「在建物業」）及持作出售物業（「持作出售物業」）（統稱為「該等物業」）之估值對綜合財務報表之重要性及於釐定該等物業之可變現淨值（「可變現淨值」）時涉及重大判斷，我們將其識別為關鍵審核事項。

在建物業及持作出售物業之估值

Our procedures in relation to valuation of properties under development and properties held for sale included:

我們有關在建物業及持作出售物業之估值之程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer;
- 評估估值師之能力、實力及客觀性；
- Obtaining an understanding from the Valuer about the valuation methodology, the performance of the property markets, significant assumptions adopted, critical judgemental areas on key inputs and data used in the valuation;
- 向估值師了解估值方法、物業市場表現、所採納之重大假設、估值所採用之主要輸入值之重大判斷範疇及數據；
- Assessing the accuracy of information provided by the management to the Valuer by comparing details of existing lease agreement, on a sample basis;
- 透過按抽樣基準比較現有租約詳情，評估管理層向估值師所提供之資料之準確性；

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

How the matter was addressed in our audit

如何於審核中處理該事項

Valuation of properties under development and properties held for sale (Continued)

The Group's PUD of approximately RMB744 million and PFS of approximately RMB395 million are situated in the PRC as at 31 December 2017 as disclosed in note 17 to the consolidated financial statements. The management of the Group determined the NRV of the Properties with reference to the estimated market prices of the Properties and valuation performed by the Valuer, which takes into account a number of factors including the current market prices of properties of a comparable standard and location. The management of the Group also needs to estimate the construction costs to be incurred to complete the development of the PUD.

於二零一七年十二月三十一日，貴集團約人民幣744,000,000元之在建待售物業及約人民幣395,000,000元之已建成持作出售物業均位於中國（誠如綜合財務報表附註17所披露）。貴集團管理層於計及多項因素（包括具備可資比較標準及位置之物業之當前市價）後參考該等物業之估計市價估值師進行之估值釐定該等物業之可變現淨值。貴集團管理層亦需估計完成發展在建待售物業將產生之建設成本。

在建物業及持作出售物業之估值（續）

- Evaluating the reasonableness of the estimated future cost to completion of the PUD, on a sample basis, by comparing it to the actual development cost, estimated marketing expenses and sales-related taxes of similar completed properties of the Group and comparing the adjustments made by the management to current market data; and
- 通過將 貴集團類似已建成物業的實際開發成本、估計營銷開支及銷售相關稅項與管理層對當前市場數據作出的調整進行比較，評估完成在建待售物業的估計未來成本的合理性；及
- Assessing the management's estimation of the NRV of the Properties, on a sample basis, by comparing the estimated selling prices of the Properties to the recent market prices achieved in the same project or by comparable properties, based on our knowledge of the Group's business and the PRC real estate industry.
- 按抽樣基準，通過對比對該等物業預估物業售價與相同項目或可比較物業近期的市場價格，根據我們對 貴集團業務及中國房地產行業的了解，評估管理層對該等物業可變現淨值的估計。

Independent Auditor's Report

獨立核數師報告

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified audit opinion on those statements on 27 March 2017.

Other Information

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

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of 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.

其他事項

貴集團截至二零一六年十二月三十一日止年度之綜合財務報表已獲於二零一七年三月二十七日就該等報表發表無保留審核意見之另一核數師審核。

其他資料

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

我們對綜合財務報表作出之意見並不包括其他資料，我們亦不會對其他資料發表任何形式之核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，並於此過程中，考慮其他資料是否與綜合財務報表或我們於審核中所得知的情況有重大抵觸，或似乎有重大錯誤陳述。基於我們已執行之工作，倘我們認為此其他資料有重大錯誤陳述，我們須報告有關事實。就此，我們毋須作出報告。

董事及負責管治者就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實董事認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

於編製綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關的事項，以及採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，或除此之外並無其他實際可行之辦法。

負責管治者須負責監督 貴集團之財務申報程序。

核數師就審核綜合財務報表須承擔之責任

我們的目標為合理確定綜合財務報表整體而言是否不存在由於欺詐或錯誤而導致之重大錯誤陳述，並根據我們的協定委聘條款僅向全體股東發出載有我們意見之核數師報告，除此之外別無其他目的。我們不會就本報告內容向任何其他人士負上或承擔任何責任。合理確定屬高層次之核證，惟根據香港審計準則進行之審核工作概不保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤而產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審核時，我們運用專業判斷，並於整個審核過程中保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當之審核憑證，作為我們意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部控制之情況，因此未能發現因欺詐而導致之重大錯誤陳述的風險高於未能發現因錯誤而導致之重大錯誤陳述的風險。

Independent Auditor's Report

獨立核數師報告

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 了解與審核有關的內部控制，以設計適當的審核程序，但並非為對 貴集團內部控制之效能發表意見。
- 評估董事所採用會計政策之合適性及作出會計估計和相關披露之合理性。
- 對董事採用持續經營為會計基礎之恰當性作出結論，並根據所獲得之審核憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對 貴集團之持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，我們須於核數師報告中提請注意綜合財務報表中的相關披露，或倘有關披露不足，則修訂我們之意見。我們的結論乃基於截至核數師報告日期所獲得之審核憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表之整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內實體或業務活動之財務資料獲取充足適當之審核憑證，以就綜合財務報表發表意見。我們須負責集團審核之方向、監督及執行。我們須為我們的審核意見承擔全部責任。

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

我們與負責管治者就（其中包括）審核之計劃範圍、時間安排及重大審核發現進行溝通，該等發現包括我們於審核過程中識別之內部控制之任何重大缺失。

Independent Auditor's Report

獨立核數師報告

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

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

The engagement partner on the audit resulting in the independent auditor's report is Chan Tsz Wai.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

29 March 2018

我們亦向負責管治者作出聲明，說明我們已符合有關獨立性之相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性之所有關係及其他事宜，以及相關防範措施（如適用）。

從與負責管治者溝通之事項中，我們釐定對本期間綜合財務報表之審核至關重要之事項，因而構成關鍵審核事項。我們於核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見之情況下，倘合理預期於報告中溝通某事項造成之負面後果超出產生之公眾利益，則我們決定不應於報告中溝通有關事項。

出具本獨立核數師報告之審核項目合夥人為陳子偉。

德勤•關黃陳方會計師行
執業會計師
香港

二零一八年三月二十九日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		NOTES 附註		
Continuing operations	持續經營業務			
Revenue	收益	5	615,899	479,111
Cost of sales	銷售成本		(496,338)	(394,009)
Gross profit	毛利		119,561	85,102
Other income	其他收入	7	296	1,117
Selling and marketing expenses	銷售及營銷費用		(7,796)	(7,027)
Administrative expenses	行政費用		(35,477)	(26,988)
Fair value change on investment properties	投資物業之公允值變動	15	43,644	–
Fair value change on held-for-trading investments	持作交易用途之投資之公允值變動		(13)	(4)
Finance costs	財務成本	8	(6,701)	(9,720)
Profit before taxation	除稅前溢利		113,514	42,480
Income tax expense	所得稅開支	9	(60,898)	(35,246)
Profit for the year from continuing operations	年內持續經營業務溢利		52,616	7,234
Discontinued operation	已終止經營業務			
Profit for the year from discontinued operation	年內已終止經營業務溢利	10	–	2,805
Profit for the year	年內溢利	11	52,616	10,039
Profit for the year attributable to owners of the Company	本公司之擁有人應佔年內溢利			
– from continuing operations	– 來自持續經營業務		44,702	3,555
– from discontinued operation	– 來自已終止經營業務		–	1,057
			44,702	4,612
Profit for the year attributable to non-controlling interests	非控制性權益應佔年內溢利			
– from continuing operations	– 來自持續經營業務		7,914	3,679
– from discontinued operation	– 來自已終止經營業務		–	1,748
			7,914	5,427
			52,616	10,039
Basic earnings per share (RMB cents)	每股基本盈利 (人民幣分)	14		
From continuing and discontinued operations	來自持續經營業務及已終止經營業務		2.93	0.30
From continuing operations	來自持續經營業務		2.93	0.23
Diluted earnings per share (RMB cents)	每股攤薄盈利 (人民幣分)	14		
From continuing and discontinued operations	來自持續經營業務及已終止經營業務		2.93	N/A不適用
From continuing operations	來自持續經營業務		2.93	N/A不適用

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit for the year	年內溢利	52,616	10,039
Other comprehensive income (expense)	其他全面收益(開支)		
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益之項目:</i>		
Exchange differences arising on translation of functional currency to presentation currency	因將功能貨幣換算為呈列貨幣產生之匯兌差額	(7,574)	(2,015)
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目:</i>		
Exchange differences arising on translation of financial statements of foreign operations	因換算海外業務之財務報表產生之匯兌差額	9,844	565
Reclassification of cumulative translation reserve to profit or loss upon disposal of a subsidiary	累計換算儲備於出售附屬公司時重新分類至損益	-	557
		2,270	(893)
Total comprehensive income for the year	年內全面收益總額	54,886	9,146
Total comprehensive income attributable to:	以下應佔全面收益總額:		
Owners of the Company	本公司之擁有人	46,972	3,719
Non-controlling interests	非控制性權益	7,914	5,427
		54,886	9,146

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	NOTES 附註			
Non-current Assets		非流動資產		
Investment properties	15	投資物業	93,815	–
Property, plant and equipment	16	物業、廠房及設備	19,030	19,359
Deferred tax assets	24	遞延稅項資產	–	3,578
			112,845	22,937
Current Assets		流動資產		
Properties under development	17	在建物業	744,072	354,831
Properties held for sale	17	持作出售物業	394,860	891,580
Trade and other receivables	18	貿易及其他應收款項	83,328	138,068
Held-for-trading investments		持作交易用途之投資	27	40
Tax recoverable		可收回稅項	–	16,099
Restricted bank deposit	19	有限制銀行存款	8,015	7,888
Pledged bank deposits	20	已抵押銀行存款	12,908	34,044
Bank balances and cash	20	銀行結存及現金	26,322	42,795
			1,269,532	1,485,345
Current Liabilities		流動負債		
Trade and other payables	21	貿易及其他應付款項	564,953	744,739
Consideration payable		應付代價	–	16,942
Loan payable	22	應付貸款	16,656	–
Amount due to a director	29	應付董事款項	2,714	3,160
Tax payable		應付稅項	20,919	–
Secured bank borrowings	23	有抵押銀行借款	119,304	133,539
			724,546	898,380
Net Current Assets		流動資產淨值	544,986	586,965
Total Assets Less Current Liabilities		總資產減流動負債	657,831	609,902
Non-current Liability		非流動負債		
Deferred tax liabilities	24	遞延稅項負債	63,436	75,874
Net Assets		資產淨值	594,395	534,028

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

			2017 二零一七年	2016 二零一六年
		NOTE 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Capital and Reserves	資本及儲備			
Share capital	股本	25	136,015	136,015
Reserves	儲備		420,344	367,891
Equity attributable to owners of the Company	本公司之擁有人應佔權益		556,359	503,906
Non-controlling interests	非控制性權益		38,036	30,122
Total Equity	權益總額		594,395	534,028

The consolidated financial statements on pages 89 to 187 were approved and authorised for issue by the Board of Directors on 29 March 2018 and are signed on its behalf by:

第89至187頁之綜合財務報表於二零一八年三月二十九日獲董事會批准及授權刊發，並由下列董事代表簽署：

Mr. Liu Feng
劉鋒先生
DIRECTOR
董事

Mr. Lau Sai Chung
劉世忠先生
DIRECTOR
董事

Consolidated Statement of Changes In Equity

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 本公司之擁有人應佔權益						Non-	Total
		Share capital	Share premium	Translation reserve	Share options reserve	Accumulated losses	Sub-total	controlling interests	
		股本	股份溢價	換算儲備	購股權儲備	累計虧損	小計	非控制性權益	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於二零一六年一月一日	136,015	567,100	(41,383)	-	(161,545)	500,187	22,176	522,363
Profit for the year	年內溢利	-	-	-	-	4,612	4,612	5,427	10,039
Exchange differences arising on translation of functional currency to presentation currency	因將功能貨幣換算為呈列貨幣產生之匯兌差額	-	-	(2,015)	-	-	(2,015)	-	(2,015)
Exchange differences arising on translation of financial statements of foreign operations	因換算海外業務之財務報表產生之匯兌差額	-	-	565	-	-	565	-	565
Reclassification of cumulative translation reserve to profit or loss upon disposal of a subsidiary (note 10)	累計換算儲備於出售附屬公司時重新分類至損益(附註10)	-	-	557	-	-	557	-	557
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	-	-	(893)	-	4,612	3,719	5,427	9,146
Derecognised upon disposal of a subsidiary (note 10)	出售附屬公司時終止確認(附註10)	-	-	-	-	-	-	2,519	2,519
At 31 December 2016	於二零一六年十二月三十一日	136,015	567,100	(42,276)	-	(156,933)	503,906	30,122	534,028
Profit for the year	年內溢利	-	-	-	-	44,702	44,702	7,914	52,616
Exchange differences arising on translation of functional currency to presentation currency	因將功能貨幣換算為呈列貨幣產生之匯兌差額	-	-	(7,574)	-	-	(7,574)	-	(7,574)
Exchange differences arising on translation of financial statements of foreign operations	因換算海外業務之財務報表產生之匯兌差額	-	-	9,844	-	-	9,844	-	9,844
Total comprehensive income for the year	年內全面收益總額	-	-	2,270	-	44,702	46,972	7,914	54,886
Recognition of share-based payment expenses	確認以股份為基礎的付款開支	-	-	-	5,481	-	5,481	-	5,481
At 31 December 2017	於二零一七年十二月三十一日	136,015	567,100	(40,006)	5,481	(112,231)	556,359	38,036	594,395

Consolidated Statement of Cash Flows

綜合現金流量表

For the year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before taxation from continuing operations	來自持續經營業務之除稅前溢利	113,514	42,480
Profit before taxation from discontinued operation	來自已終止經營業務之除稅前溢利	–	2,805
		113,514	45,285
Adjustments for:	調整項目：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	837	803
Fair value change on held-for-trading investments	持作交易用途之投資之公允值變動	13	4
Fair value change on investment properties	投資物業之公允值變動	(43,644)	–
Finance costs	財務成本	6,701	9,720
Interest income	利息收入	(296)	(1,117)
Loss on disposal of a subsidiary	出售附屬公司之虧損	–	763
Share-based payment expenses	以股份為基礎的付款開支	5,481	–
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	82,606	55,458
Increase in properties under development	在建物業增加	(384,098)	(156,064)
Decrease in properties held for sale	持作出售物業減少	446,549	394,009
Decrease (increase) in trade and other receivables	貿易及其他應收款項減少(增加)	52,881	(64,541)
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(175,531)	39,534
Cash generated from operations	經營所得現金	22,407	268,396
People's Republic of China (the "PRC") Enterprise Income Tax ("EIT") paid	已付中華人民共和國(「中國」)企業所得稅(「企業所得稅」)	(8,083)	(8,987)
PRC Land Appreciation Tax ("LAT") paid	已付中國土地增值稅(「土地增值稅」)	(24,657)	(14,042)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營活動(所用)所得現金淨額	(10,333)	245,367

Consolidated Statement of Cash Flows

綜合現金流量表

For the year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Withdrawal of pledged bank deposits	提取已抵押銀行存款	76,007	342,472
Interest received	已收利息	441	972
Placement of pledged bank deposits	存放已抵押銀行存款	(54,871)	(322,060)
Repayment of consideration payable	償還應付代價	(16,942)	-
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,718)	(130)
Placement of restricted bank deposit	存放有限制銀行存款	(127)	(237)
Net cash outflow from disposal of a subsidiary (note 10)	出售附屬公司之 現金流出淨額(附註10)	-	(73)
NET CASH FROM INVESTING ACTIVITIES	投資活動所得現金淨額	2,790	20,944
FINANCING ACTIVITIES	融資活動		
New bank borrowings raised	新籌集之銀行借款	149,498	20,544
New loan raised	新籌集之貸款	17,342	-
Advance from a director	來自一名董事之墊款	-	3,043
Repayment of bank borrowings	償還銀行借款	(163,226)	(252,715)
Interest paid	已付利息	(12,207)	(27,668)
Repayment to a director	向一名董事還款	(446)	-
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(9,039)	(256,796)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物之 (減少)增加淨額	(16,582)	9,515
Effect of foreign exchange rate changes	匯率變動之影響	109	256
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及現金等價物	42,795	33,024
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	於年末之現金及 現金等價物 其中包括銀行結存及現金	26,322	42,795

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

1. GENERAL AND BASIS OF PREPARATION

China Uptown Group Company Limited (the “Company”) is an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in property development and investment as well as trading of raw sugar. The activities of its principal subsidiaries are set out in note 32 to the consolidated financial statements.

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

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

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

1. 一般資料及編製基準

中國上城集團有限公司(「本公司」)乃於開曼群島註冊成立之受豁免有限公司及其股份在香港聯合交易所有限公司(「香港聯交所」)主板上市。本公司之註冊辦事處及主要營業地址已於年報中之「公司資料」一節披露。

本公司為投資控股公司。本公司及其附屬公司(統稱為「本集團」)主要從事物業發展及投資以及原糖貿易。其主要附屬公司之業務載於綜合財務報表附註32。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

本年度強制生效之香港財務報告準則之修訂

本集團於本年度首次應用以下香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則之修訂：

香港會計準則第7號之修訂	披露計劃
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號之修訂	作為香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分

除下文所述者外，於本年度應用香港財務報告準則之修訂並無對本集團於本年度及過往年度之財務表現及狀況及／或綜合財務報表所載披露構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

Amendments to HKFRSs that are mandatorily effective for the current year (Continued) *Amendments to HKAS 7 “Disclosure Initiative”*

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

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

A reconciliation between the opening and closing balances of these items is provided in note 37. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosures in note 37, the application of these amendments has had no impact on the Group’s consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本年度強制生效之香港財務報告準則之修訂（續）

香港會計準則第7號「披露計劃」之修訂

本集團於本年度首次應用該等修訂。該等修訂要求實體作出披露，以使財務報表使用者能評估融資活動所產生之負債變動，包括現金及非現金變動。此外，該等修訂亦規定倘該等財務資產所得現金流量計入或未來現金流量將計入融資活動之現金流量，則須披露該等財務資產之變動。

具體而言，該等修訂規定須披露下列各項：(i) 融資現金流量之變動；(ii) 因取得或失去附屬公司或其他業務之控制權而產生之變動；(iii) 外幣匯率變動之影響；(iv) 公允值變動；及(v) 其他變動。

有關該等項目期初及期末結餘的對賬載於附註37。與該等修訂之過渡性條文一致，本集團並無披露過往年度之比較資料。除附註37的額外披露外，採納該等修訂並無對本集團綜合財務報表造成影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	財務工具 ¹
香港財務報告準則第15號	來自客戶合約之收益及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及墊付代價 ¹
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理之不確定性 ²
香港財務報告準則第2號之修訂	以股份為基礎的支付交易之分類及計量 ¹
香港財務報告準則第4號之修訂	與香港財務報告準則第4號保險合約一併應用之香港財務報告準則第9號財務工具 ¹
香港財務報告準則第9號之修訂	具有負補償之提前還款特點 ²

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ²

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

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

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

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

Except as described below, the directors of the Company anticipate that the application of other new and amendments to HKFRSs and interpretations will have no material impact on the results and the financial position of the Group in the foreseeable future.

HKFRS 9 “Financial Instruments”

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

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間之資產銷售或貢獻 ³
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益 ²
香港會計準則第28號之修訂	作為香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分轉移投資物業 ¹
香港會計準則第40號之修訂	香港財務報告準則二零一五年至二零一七年週期之年度改進 ²

¹ 於二零一八年一月一日或之後開始之年度期間生效。

² 於二零一九年一月一日或之後開始之年度期間生效。

³ 於待定日期或之後開始之年度期間生效。

⁴ 於二零二一年一月一日或之後開始之年度期間生效。

除下文所述者外，本公司董事預期應用其他新訂香港財務報告準則及香港財務報告準則之修訂及詮釋於可見未來將不會對本集團之業績及財務狀況造成重大影響。

香港財務報告準則第9號「財務工具」

香港財務報告準則第9號引入財務資產及財務負債分類及計量之新規定、財務資產之一般對沖會計及減值規定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

HKFRS 9 "Financial Instruments" (Continued)

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號「財務工具」（續）

與本集團有關之香港財務報告準則第9號之主要規定如下：

- 所有屬香港財務報告準則第9號範圍內之已確認財務資產其後均須按攤銷成本或公允值計量。具體而言，於目的為收取合約現金流量的業務模式下持有以及附有純粹作本金及尚未償還本金利息付款的合約現金流量的債務投資，一般於其後會計期間結束時按攤銷成本計量。於目的為同時收回合約現金流量及出售財務資產的業務模式下持有的債務工具，以及合約條款令於特定日期產生的現金流量純粹為支付本金及未償還本金的利息的債務工具，一般按公允值計入其他全面收益計量。所有其他財務資產於其後會計期間按公允值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇，於其他全面收益呈列並非持作買賣的股權投資公允值的其後變動，僅股息收入一般於損益確認；及
- 就財務資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

HKFRS 9 “Financial Instruments” (Continued)

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

Classification and measurement

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

All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號「財務工具」（續）

根據本集團於二零一七年十二月三十一日之財務工具及風險管理政策，本公司董事預期初步應用香港財務報告準則第9號有下列潛在影響：

分類及計量

分類為按攤銷成本列賬之應收貸款之債務工具於目的為收回純粹為支付本金及未償還本金的利息的合約現金流量的業務模式下持有。因此，該等財務資產於應用香港財務報告準則第9號後繼續按攤銷成本計量。

所有其他財務資產及財務負債將繼續按與香港會計準則第39號下現行計量相同之基準進行計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

HKFRS 9 “Financial Instruments” (Continued)

Impairment

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

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would be increased as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on other receivables. Any further impairment recognised under expected credit loss model would impact the opening retained earnings and increase the deferred tax assets as at 1 January 2018.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號「財務工具」（續）

減值

大致上，本公司董事預計應用香港財務報告準則第9號的預期信貸虧損模式，將導致提早就有關本集團按攤銷成本計量的財務資產，以及於本集團應用香港財務報告準則第9號時須作出減值撥備的其他項目尚未產生的信貸虧損計提撥備。

根據本公司董事的評估，若本集團須應用預期信貸虧損模式，則本集團於二零一八年一月一日將予確認的累計減值虧損金額將較根據香港會計準則第39號確認的累計金額有所增加，主要是由於其他應收款項的預期信貸虧損撥備。按預期信貸虧損模式確認的任何進一步減值將影響於二零一八年一月一日的年初保留盈利及增加遞延稅項資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

HKFRS 15 “Revenue from Contracts with Customers”

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

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

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第15號「來自客戶合約之收益」

香港財務報告準則第15號獲頒佈，以建立單一綜合模型供實體用於就客戶合約所產生的收益進行會計處理。香港財務報告準則第15號將於生效時取代當前的收益確認指引，當中包括香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

香港財務報告準則第15號的核心原則為實體應確認收益，以按反映實體就交換已承諾提供予客戶的貨品或服務預期享有的代價金額描述轉讓該等貨品或服務。具體而言，該準則就收益確認引入五步方針：

- 第1步：識別與客戶的合約
- 第2步：識別合約的履約責任
- 第3步：釐定交易價格
- 第4步：分配交易價格至合約的履約責任
- 第5步：當（或隨著）實體達成履約責任時確認收益

根據香港財務報告準則第15號，實體會在（或隨著）達成履約責任時（即特定履約責任的相關貨品或服務的「控制權」轉移至客戶時）確認收益。香港財務報告準則第15號內已加入較為規範性的指引，以處理特定情況。另外，香港財務報告準則第15號要求作出廣泛披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

HKFRS 15 “Revenue from Contracts with Customers” (Continued)

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

The directors of the Company have assessed the impact on application of HKFRS 15 and did not anticipate a material impact on revenue from the sale of properties and trading of sugar. However, application of HKFRS 15 may have impact on the following areas: the Group has considered all the relevant facts and circumstances in assessing whether the property sales contracts contain significant financing component, including the difference between the amount of promised consideration and the cash selling price of the property; and the combined effect of the expected length of time between the Group transfers the property to the customer and the customer pays for the property and the prevailing interest rates in the relevant market. The Group has applied the practical expedient in HKFRS 15 and has not considered the financing component of contracts which are expected to be completed within one year from the date of payment made by customers. Accordingly, the directors of the Company expect that the significant financing component included in the property sales contracts would have potential financial impact on opening accumulated losses, inventory of properties and pre-sale deposits of the Group at 1 January 2018.

HKFRS 16 “Leases”

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

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第15號「來自客戶合約之收益」 (續)

二零一六年，香港會計師公會就香港財務報告準則第15號有關識別履約責任、主體對代理代價及發牌的應用指引作出澄清。

本公司董事已評估應用香港財務報告準則第15號之影響並預期其不會對物業銷售及糖貿易之收益造成重大影響。然而，應用香港財務報告準則第15號或會對以下範疇構成影響：於評估物業銷售合約是否包含重大融資部分時，本集團已考慮所有相關事實及情況，包括承諾代價及與物業現金出售價之金額差異、本集團將物業轉讓予客戶及客戶就物業付款的預計時間差異之綜合影響以及有關市場的現行利率。本集團已應用香港財務報告準則第15號中實用的權宜之策，且並無考慮預期自客戶付款日期起計一年內完成之合約之融資組成部分。因此，本公司董事預期，計入物業銷售合約之重大融資組成部分將對本集團於二零一八年一月一日之期初累計虧損、物業存貨及預售按金造成潛在財務影響。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號引進了一個綜合模型以識別租賃安排以及處理出租人及承租人的會計方法。香港財務報告準則第16號於其生效時將會取代香港會計準則第17號「租賃」及相關詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

HKFRS 16 “Leases” (Continued)

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

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

Furthermore, extensive disclosures are required by HKFRS 16.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第16號「租賃」（續）

香港財務報告準則第16號按一項已識別資產是否由一名客戶控制的基準區分租賃及服務合約。除短期租賃及低價值資產租賃外，承租人在會計上對經營及融資租賃之區分會被刪除，而所有承租人之租賃將以確認使用權資產及相應負債之模式取代。

使用權資產初步按成本計量，其後以成本（惟若干情況除外）減累計折舊及減值虧損計量，並就任何租賃負債重新計量作出調整。租賃負債乃按當日未支付之租賃付款的現值初步計量。其後，租賃負債按利息及租賃付款，以及租賃修訂等的影響作調整。就現金流量分類而言，本集團現時將有關自用租賃土地的前期預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第16號時，有關租賃負債之租賃付款將被分配為本金及利息部分，其將由本集團作為融資現金流量呈列。

此外，香港財務報告準則第16號要求詳盡之披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

HKFRS 16 “Leases” (Continued)

As at 31 December 2017, the Group had non-cancellable operating lease commitments of RMB31,000 as disclosed in note 30. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the directors of the Company do not anticipate that a right-of-use asset and a corresponding liability in respect of all these leases will be recognised as they qualify for low value or short-term leases.

In addition, the Group currently consider refundable rental deposits received of RMB309,000 as at 31 December 2017 as obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits received would be considered as advanced lease payments.

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

Amendments to HKAS 40 “Transfers of Investment Property”

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in HKAS 40 may evidence a change in use, and that a change in use is possible for properties under construction. For example, change in use for transfer from properties under development in the ordinary course of business to investment properties could be evidenced by inception of an operating lease to another party. Currently, the Group accounts for such transfer only upon commencement of an operating lease.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第16號「租賃」（續）

於二零一七年十二月三十一日，本集團擁有不可撤銷經營租賃承擔人民幣31,000元（如附註30所披露）。初步評估顯示，該等安排將符合租賃之定義。於應用香港財務報告準則第16號後，本公司董事預期將不會就所有該等租賃確認使用權資產及對應負債，原因為其符合低值或短期租賃資格。

此外，本集團目前認為，香港會計準則第17號適用於二零一七年十二月三十一日之已收可退還租賃按金人民幣309,000元（作為租賃責任）。根據香港財務報告準則第16號項下租賃付款之定義，有關按金並非與相關資產使用權有關之付款，因此，有關按金之賬面值或會調整至攤銷成本且有關調整被視為額外租賃付款。對已收可退還租賃按金作出之調整將被視為預付租賃付款。

此外，應用新規定可能導致上文所述計量、呈列及披露發生變動。

香港會計準則第40號「轉移投資物業」之修訂

該等修訂澄清，轉至或轉自投資物業需要評估物業是否符合或已不再符合投資物業的定義，並以可觀察的憑證支持用途已改變的觀點。該修訂進一步澄清，除香港會計準則第40號所列情況外，其他情況可作為用途已改變的憑證，而在建物業亦有可能出現用途改變的情況。例如，在日常業務過程中將在建物業的用途改變為投資物業，可由向另一方開始的經營租賃作憑證。目前，本集團僅在經營租賃開始時將有關轉撥入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

Amendments to HKAS 40 “Transfers of Investment Property” (Continued)

The directors of the Company anticipate that the application of these amendments will result in early recognition of such transfers on the Group’s consolidated financial statements in future periods should there be a change in use of any of its properties.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and held-for-trading investments, which are measured at fair values, as explained in the accounting policies set out below.

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第40號「轉移投資物業」之修訂（續）

本公司董事預期，倘其任何物業之用途改變，應用此等修訂將導致本集團於未來期間就該等轉撥於本集團綜合財務報表中提前確認。

3. 重要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯交所證券上市規則及香港公司條例所規定之適用披露。

除投資物業及持作交易用途之投資按公允值計量外，綜合財務報表乃根據歷史成本基準編製（如下文所載會計政策所闡釋）。

歷史成本一般以貨品及服務交易代價的公允值為基準。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

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

3. 重要會計政策 (續)

公允值為市場參與者於計量日進行之有序交易所出售資產可收取或轉讓負債須支付之價格，不論該價格是否可直接觀察或使用另一估值技術估算。於估計資產或負債之公允值時，本集團會考慮市場參與者於計量當日對資產或負債定價時所考慮之資產或負債特徵。該等綜合財務報表中作計量及／或披露目的之公允值以此為基礎確定，惟香港財務報告準則第2號「*以股份為基礎的付款*」範圍內的以股份為基礎的支付交易、香港會計準則第17號「*租賃*」範圍內的租賃交易及與公允值存在一定相似性但非公允值之計量項目（如香港會計準則第2號「*存貨*」的可變現淨值或香港會計準則第36號「*資產減值*」的使用價值）除外。

非財務資產之公允值計量計入市場參與者透過使用其資產之最高及最佳用途或透過將資產出售予將使用其最高及最佳用途之另一市場參與者而能夠產生經濟利益之能力。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

3. 重要會計政策 (續)

此外，就財務報告目的而言，公允值計量根據公允值計量輸入資料可觀察程度及輸入資料對公允值計量之整體重要性分為第一級、第二級或第三級，內容如下：

- 第一級輸入資料為實體可於計量日獲取之同類資產或負債於活躍市場的未經調整報價；
- 第二級輸入資料乃計入第一級的報價以外的輸入資料，為資產或負債可直接或間接觀察資料；及
- 第三級輸入資料為資產或負債不可直接觀察輸入資料。

主要會計政策載列如下。

綜合基準

綜合財務報表綜合計算本公司及受本公司控制之實體及其附屬公司之財務報表。當本公司滿足以下條件時，即視為有控制權：

- 有權控制投資對象；
- 自參與投資對象營運所得浮動回報之承擔或權利；及
- 能夠使用其權力影響回報金額。

倘有事實及情形表明上文所列三項控制要素中的一項或多項發生變動，則本集團重新評估其是否有權控制投資對象。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

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

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in the normal course of business, net of discounts and sales related taxes.

3. 重要會計政策 (續)

綜合基準 (續)

附屬公司綜合始於本集團取得附屬公司控制權時，終於本集團喪失附屬公司控制權時。特別是，年內購入或出售附屬公司之收入及開支（從本集團取得控制之日起至本集團不再控制附屬公司之日）計入綜合損益表。

損益及其他各項全面收益項目歸於本公司擁有人及非控制性權益。附屬公司全面收入總額歸於本公司擁有人及非控制性權益，即使附屬公司的全面收支總額導致非控制性權益產生虧絀結餘。

如有需要，會對附屬公司之財務報表作出調整，致令其會計政策與本集團所採用者一致。

所有與本集團成員公司之間交易相關的集團內資產及負債、權益、收入、開支及現金流量於綜合賬目時悉數抵銷。

於附屬公司之非控制性權益與本集團於當值之權益分開呈列。

確認收益

收益按已收或應收代價之公允值計量及指於日常業務過程中之應收金額（已扣除折扣及銷售相關稅項）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Revenue from sale of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers. Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

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

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 重要會計政策 (續)

確認收益 (續)

當收益金額能可靠計量、未來經濟利益可能流向本集團及當本集團各活動(如下文所述)之具體條件已達成時,則確認收益。

銷售貨品之收入於交付貨品及轉讓所有權時確認。

日常業務過程中銷售物業之收入乃於各物業建成並交付予買家時確認。在以上收入確認條件達成前收取之按金及分期付款記錄於綜合財務狀況表中流動負債下。

利息收入是按時間基準,並參照未償還本金額及按所適用的實際利率計算,而實際利率為可將透過財務資產的預期年期內的估計未來現金收入精確地貼現至於初步確認的該資產賬面淨值的利率。

本集團有關確認經營租賃收益之會計政策於下文有關租賃之會計政策詳述。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasehold land and buildings

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) is allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

3. 重要會計政策 (續)

租賃土地及樓宇

當本集團就一項包括租賃土地及樓宇元素的物業權益付款時，本集團根據對於各元素所有權附帶的絕大部分風險及回報是否已轉移至本集團之評估而將各元素分別作出分類，除非明確顯示兩項元素均屬經營租賃則除外，其時整項物業入賬列作經營租賃。具體而言，整項代價（包括任何一次性預付款項）按租賃土地及樓宇元素於初步確認時之租賃權益相對公允值之比例在租賃土地與樓宇元素之間分配。

物業、廠房及設備

物業、廠房及設備按成本扣減其後累計折舊及其後累計減值虧損（如有）列入綜合財務狀況表內。

折舊乃採用直線法以撇銷資產成本減其估計可使用年期之剩餘價值確認。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動的影響按預期基準入賬。

物業、廠房及設備乃於出售後或預期持續使用該資產將不會產生未來經濟利益時取消確認。出售或停止使用一項物業、廠房及設備所產生之損益乃按出售所得款項與資產賬面值之差額計算，並於損益表內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Properties under development and properties held for sale

Properties under development and properties held for sale are stated at the lower of cost and net realisable value. Cost includes the cost of land, development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value determined by the management based on prevailing market conditions.

Properties under development are transferred to properties held for sale upon completion.

The Group transfers a property from inventories to investment properties when there is a change in use to hold the property to earn rentals and/or for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the commencement of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

3. 重要會計政策 (續)

在建物業及持作出售物業

在建物業及持作出售物業按成本及可變現淨值兩者中的較低者列賬。成本包括土地成本、所產發展開支及(倘適當)資本化借貸成本。可變現淨值是乃由管理層根據現行市況釐定。

在建物業於建成時轉撥至持作出售物業。

本集團於用途變為持有物業以賺取租金或/及實現資本增值(而非於日常業務過程中出售)時,將物業從存貨轉撥至投資物業(證據為給予另一方的經營租賃開始)。轉撥日期之物業公允值與其先前賬面值之間的任何差異於損益確認。

投資物業

投資物業乃持作賺取租金及/或實現資本增值的物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後,投資物業(包括持作出售投資物業)乃使用公允值模型按公允值計量。本集團根據經營租賃持有作賺取租金及/或資本增值用途之所有物業權益乃分類及入賬為物業投資及使用公允值模型計量。投資物業公允值變動產生之收益或虧損計入其所產生期間之損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment properties (Continued)

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

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the relevant lease.

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

The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the term of the relevant lease. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

3. 重要會計政策 (續)

投資物業 (續)

投資物業於出售時或當永久停止使用或預期不再帶來未來經濟利益時取消確認。因物業取消確認產生之任何收益或虧損(按出售所得款項淨額與資產賬面值之差額計算)乃於物業取消確認之期內列入損益。

租約

當租約條款將所有權的絕大部分風險及回報轉讓予承租人時，該等租約即分類為融資租約。所有其他租約分類為經營租約。

本集團作為出租人

經營租賃的租金收入乃以直線法於相關租賃期內在綜合損益表內確認。

倘訂立經營租賃可以獲得租賃優惠(包括免租期)，該等優惠作為遞延應收租金確認。優惠整體利益以直線法確認為租金收入減少，惟如另有系統性基準較時間性模式更具代表性，租賃資產之經濟效益據此被消耗除外。

本集團作為承租人

經營租賃付款(包括收購根據經營租約持有之土地之成本)乃按有關租賃年期以直線法確認為開支。倘訂立經營租賃可獲得租賃獎勵，則該等獎勵確認為負債。獎勵的利益總額按直線法確認為租金開支減少。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised and included in finance costs in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and state-managed retirement benefit schemes are recognised as expenses or capitalised in contracts in progress, where appropriate, when employees have rendered services entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

3. 重要會計政策 (續)

借貸成本

因收購、興建或生產需要長時間籌備方可供其擬定用途或銷售之合資格資產所產生之直接借貸成本，計入該等資產之成本中，直至該等資產已大致上可供其擬定用途或銷售。尚未用於合資格資產之特定借貸作短期投資賺取之投資收入，於合資格資本化之借貸成本中扣除。

所有其他借貸成本於產生期間的損益確認並計入財務成本。

退休福利成本

強制性公積金計劃（「強積金計劃」）及國家管理之退休福利計劃之款額於僱員提供合資格獲取該供款之服務時確認為開支或（如適用）撥入在建合約。

短期員工福利

短期僱員福利於僱員提供服務時按預期予以支付福利的未貼現金額計量。除非香港財務報告準則規定或准許將福利計入資產之成本，否則所有短期僱員福利均確認為開支。

僱員的累積福利（如工資、薪金、年假及病假）於扣除任何已付款項後確認負債。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees others providing similar services are measured at fair value of the equity instruments at the grant date.

The fair value of equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, for share options with non-market performance vesting conditions, the Group revises its estimates of the number of options that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

3. 重要會計政策 (續)

以權益結算以股份為基礎的支付交易

付予提供類似服務之其他僱員之以權益結算以股份為基礎的付款乃按股本工具於授出日期之公允值計量。

以權益結算以股份為基礎的付款之公允值乃於授出日期根據本集團對將最終歸屬之股本工具之估計釐定(並無計及所有非市場歸屬條件),於歸屬期間按直線法支銷,權益(購股權儲備)相應增加。

於報告期末,就具有非市場表現歸屬條件之購股權而言,本集團根據對所有相關非市場歸屬條件之評估修訂其預期歸屬之估計購股權數目。歸屬期內修訂原先估計之影響(如有)乃於損益內確認以令累計開支反映經修訂估計,並對購股權儲備作出相應調整。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

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

3. 重要會計政策 (續)

稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利與綜合損益表所報「除稅前溢利」不同，乃由於其他年度應課稅或可扣稅收入或開支及毋須課稅或不可扣稅項目所致。本集團之即期稅項負債乃按報告期末已實施或實質上已實施之稅率計算。

遞延稅項指就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之暫時差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於一般可能出現應課稅溢利以抵銷可扣稅之暫時差額時就所有可扣稅暫時差額確認。倘暫時差額源自商譽或初步確認不影響應課稅溢利或會計溢利之交易（業務合併除外）中其他資產及負債，則不會確認該等遞延稅項資產及負債。

遞延稅項負債乃按於附屬公司之投資所產生應課稅暫時差額確認，惟若本集團可控制暫時差額之撥回，且暫時差額有可能於可見將來不會撥回之情況除外。從與該等投資相關的可扣除暫時差額產生的遞延稅項資產只有達到一定的程度才可確認，即有足夠的應課稅溢利來抵銷能夠利用暫時差額利益並預期於可預見將來撥回。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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

3. 重要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於各報告期末檢討，並於可能不再有足夠應課稅溢利收回該項資產全部或部分之情況下調減。

遞延稅項資產及負債是按預期於償還負債或變現資產期間使用的稅率計算，基於報告期末前已實施或實質上已實施的稅率（及稅法）。

遞延稅項負債和資產的計量反映報告期末按本集團預期收回或結算資產和負債的賬面值而將引致的稅務影響。

就使用公允值模式計量的投資物業的遞延稅項的計量而言，該等物業的賬面值被推定可透過銷售全部收回，除非該推定被駁回。當投資物業可折舊及以目的為消耗投資物業隨著時間所體現之絕大部分經濟利益的業務模式而非透過銷售持有時，該項推定被駁回。

即期及遞延稅項在損益內確認，除了涉及在其他全面收益中或直接在權益中確認的項目，在這種情況下，即期及遞延稅項亦分別在其他全面收益中或直接在權益中確認。就因對業務合併進行初始會計處理而產生之即期稅項或遞延稅項而言，稅務影響乃計入業務合併之會計處理中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

The functional currency of the Company is Hong Kong Dollar while the consolidated financial statements are presented in Renminbi ("RMB") for consistent presentation as prior years.

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

3. 重要會計政策 (續)

外幣

本公司的功能貨幣為港幣，而綜合財務報表乃以人民幣（「人民幣」）呈列，以與過往年度呈列一致。

編製個別集團實體之財務報表時，以該實體功能貨幣以外貨幣（外幣）進行之交易乃按於交易日期當時之匯率確認入賬。於報告期末，以外幣列值之貨幣項目以結算當日之匯率重新換算。以外幣歷史成本計算之非貨幣項目毋須重新換算。

結清貨幣項目及重新換算貨幣項目之匯兌差額於其產生期間於損益確認，惟並無計劃且不可能結清之應收或應付海外業務之貨幣項目產生之匯兌差額（因而構成海外業務淨投資之一部分）除外，其初步於其他全面收益確認並於出售或部份出售本集團權益時由權益重新分類至損益。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按各報告期末適用之匯率換算為本集團之呈列貨幣（即人民幣）。收入及開支項目乃按期間平均匯率換算，惟匯率於該期間波動幅度較大除外（在此情況下，採用交易日適用之匯率）。所產生匯兌差額（如有）均於其他全面收益確認並於匯兌儲備項下之權益中累計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

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

3. 重要會計政策 (續)

財務工具

當一間集團實體成為有關工具合約條文之訂約方時，財務資產及財務負債於綜合財務狀況表內確認。

財務資產及財務負債首先以公允值計量。首次確認時，因收購或發行財務資產及財務負債產生之直接交易成本將視乎情況加入或扣除自財務資產或財務負債之公允值。

財務資產

財務資產分為以下特定類型：按公允值計入損益（「按公允值計入損益」）之財務資產以及貸款及應收款項。有關分類取決於財務資產之性質及目的，並於初步確認時釐定。所有財務資產之日常買賣，於交易日確認及終止確認。日常買賣乃指購買或出售根據有關市場規則或慣例設定之時限內交付之財務資產。

實際利率法

實際利率法是一種計算債務工具的攤銷成本及於有關期間攤分利息收入的方法。實際利率乃將估計日後現金收入（包括所有支付或收取構成整體實際利率之費用及利率差價、交易成本及其他溢價或折價）按債務工具之預期使用年期，或較短期間（倘適用）實際貼現至初步確認之賬面淨值之利率。

債務工具之利息收入乃按實際利率基準確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is held for trading.

A financial asset is classified as held for trading if:

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

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

按公允值計入損益之財務資產

倘財務資產乃持作交易，則財務資產獲分類為按公允值計入損益。

倘財務資產屬下列情況，則分類為持作交易：

- 購入之主要目的為於近期出售；或
- 初步確認時，是一組已確定之財務工具之一部分，由本集團集合管理，且有一個最近之短期獲利回吐實際格局；或
- 是一個衍生工具，並非指定為和有效之對沖工具。

按公允值計入損益之財務資產均以公允值列賬，重新計量產生之任何收益或虧損則於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, restricted bank deposit, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

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

Impairment of financial assets

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

Objective evidence of impairment could include:

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

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生財務資產，而其在活躍市場並無報價。繼初步確認之後，貸款及應收款項（包括貿易及其他應收款項、有限制銀行存款、已抵押銀行存款以及銀行結存及現金）均以實際利率法按攤銷成本計量後扣除任何減值。

利息收入以實際利率法確認，惟短期應收款項除外（其利息確認不屬重大）。

財務資產減值

財務資產（按公允值計入損益之財務資產除外）均於各報告期末進行評估，以釐定是否出現減值跡象。財務資產在初步確認後，當有客觀證據證明當一個或多個事件發生，對該財務資產的估計未來現金流量有所影響，財務資產將被視作減值。

客觀的減值證據包括：

- 發行者或交易對方出現重大財務困難；或
- 違反合約，如拖欠或無力支付利息或本金；或
- 借款方有可能破產或展開債務重組。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

有關應收賬款組合減值之客觀證據可包括本集團過往收取款項之經驗、超過各自之信貸期之延遲付款數目增加，以及與拖欠應收賬款相關之國家或本地經濟狀況顯著變動。

就按攤銷成本入賬之財務資產而言，已確認之減值虧損金額為資產之賬面值與按財務資產之原實際利率貼現後之估計未來現金流量之現值兩者之間的差額。

就按成本列賬之財務資產而言，減值虧損金額乃按資產賬面值與按類似財務資產之當前市場回報率貼現之估計未來現金流量之現值兩者間之差額計量。有關減值虧損將不會於其後期間撥回。

除於撥備賬扣減賬面值之貿易及其他應收款項外，所有財務資產之賬面值乃經減值虧損直接扣除。撥備賬之賬面值變動將於損益確認。倘應收賬款被視為不可收回，則予以撇銷以抵扣撥備賬。其後撥回先前撇銷之款額則計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

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

Equity instruments

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

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

倘減值虧損款額於往後期間減少，而有關減少與確認減值虧損後發生之事項客觀相關，則早前確認之減值虧損將透過損益撥回，惟資產於減值撥回當日之賬面值不得超出並無確認減值時應有之攤銷成本。

財務負債和股本工具

集團實體所發行債務及股本工具乃根據所訂立合約安排之內容及財務負債和股本工具之定義分類為財務負債或股本。

股本工具

股本工具為證明於一間實體之資產經扣除其所有負債後之資產剩餘權益之任何合約。本集團發行之股本工具乃以已收所得款項扣除直接發行成本確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, consideration payable, loan payable, amount due to a director and secured bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

3. 重要會計政策 (續)

財務工具 (續)

財務負債和股本工具 (續)

實際利率法

實際利率法是一種計算債務工具的攤銷成本及於有關期間攤分利息收入的方法。實際利率乃將估計日後現金收入（包括所有支付或收取構成整體實際利率之費用及利率差價、交易成本及其他溢價或折價）按債務工具之預期使用年期，或較短期間（倘適用）實際貼現至初步確認之賬面淨值之利率。

利息開支乃按實際利率基準確認。

按攤銷成本計量之財務負債

財務負債（包括貿易及其他應付款項、應付代價、應付貸款、應付董事款項及有抵押銀行借款）其後使用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

3. 重要會計政策 (續)

財務工具 (續)

財務負債和股本工具 (續)

財務擔保合同

財務擔保合同為合同發行者根據某項債務工具之條款，因某特定債務人於到期日未能償還款項而須支付特定款項以補償合同持有者招致損失的一項合同。

本集團發行的財務擔保合同首次以其公允值計量，倘並非指定為按公允值計入損益，則後續以下列較高者計量：

- 根據香港會計準則第37號「撥備、或然負債及或然資產」釐定的合同項下需承擔的金額；及
- 首次確認金額減去於擔保期間確認的累計攤銷（如適用）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Derecognition

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

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

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

3. 重要會計政策 (續)

終止確認

僅於資產現金流量之合約權利屆滿時，或將財務資產及其所有權之絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認該等財務資產。倘本集團並未轉讓亦未保留所有權之絕大部分風險及回報，並繼續控制已轉讓資產，則本集團就其可能須支付之金額確認其於資產及相關負債的保留權益。倘本集團保留所轉讓財務資產所有權的絕大部分風險及回報，則本集團會繼續確認財務資產及就已收取之所得款項確認有抵押借貸。

於終止確認財務資產時，該項資產賬面值與已收及應收代價及於其他全面收益中確認及於權益中累計的累計盈虧兩者的差額會於損益內確認。

當且僅當本集團的責任獲解除、獲註銷或屆滿時，本集團方會終止確認財務負債。被終止確認的財務負債的賬面值與已付及應付代價兩者的差額於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment of non-financial assets

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

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

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

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

3. 重要會計政策 (續)

非財務資產減值

本集團於各報告期末檢討其有形資產之賬面值，以釐定該等資產是否已出現減值虧損跡象。倘出現有關跡象，則會估計該資產之可收回金額，以釐定減值虧損（如有）程度。

倘無法估計單一資產之可收回金額，本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理及一貫之分配基準，企業資產亦會被分配至個別現金產生單位，否則或會被分配至可合理地及按一貫分配基準而識別之最小現金產生單位中。

可收回金額是公允值減去出售成本與使用價值兩者中之較高者。在評估使用價值時，估計未來現金流量乃以可反映當時市場對貨幣時間價值及資產特有風險評估（估計未來現金流量尚未就此作出調整）的除稅前貼現率貼現至現值。

倘某項資產（或現金產生單位）之可收回金額估計低於其賬面值，則該項資產（或現金產生單位）之賬面值須減低至其可收回金額。減值虧損即時於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment of non-financial assets (Continued)

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

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations, that the directors have been in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

3. 重要會計政策 (續)

有形資產減值虧損 (續)

倘減值虧損隨後撥回，則該項資產（或現金產生單位）之賬面值乃增至其可收回金額之經修訂估計，惟已增加之賬面值不得超過於過往年度資產（或現金產生單位）並無確認任何減值虧損時釐定之賬面值。減值虧損撥回即時於損益內確認為收益。

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用本集團的會計政策（如附註3所述）時，董事須對未能即時自其他來源取得的資產及負債賬面值作出判斷、估計及假設。估計及有關假設乃以過往經驗及被視為相關的其他因素為基礎。實際結果可能會與該等估計有所不同。

估計及相關假設乃按持續基準審閱。會計估計的修訂乃於估計被修訂的期間（倘修訂僅影響該期間），或於修訂期間及未來期間（倘修訂影響本期間及未來期間）確認。

於應用會計政策時作出之關鍵判斷

以下為關鍵判斷，惟涉及董事於應用本集團會計政策過程中所作出且對綜合財務報表內確認之金額具有最重大影響之估計之判斷除外。

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

Critical judgments in applying accounting policies (Continued)

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in measuring the Group's deferred taxation on investment properties, the directors have determined that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale. For the properties on which the 'sale' presumption is not rebutted, the Group has further recognised deferred taxes on changes in fair value of investment properties in relation to the PRC LAT, which is the additional tax to be charged if a property in the PRC is recovered through sale.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 關鍵會計判斷及估計不明朗因素的主要來源 (續)

於應用會計政策時作出之關鍵判斷 (續)

投資物業之遞延稅項

就計量由使用公允價值模型計量之投資物業所產生的遞延稅項負債而言，董事已檢討本集團的投資物業組合及斷定本集團並無投資物業以隨時間流逝耗盡大體上包含在投資物業內的所有經濟得益為商業目的。因此，於計量本集團投資物業之遞延稅項時，董事認為，以公允價值模式計量的投資物業之賬面值可透過出售悉數收回。就「銷售」假設成立之物業而言，本集團已進一步就中國土地增值稅確認投資物業公允價值變動之遞延稅項，土地增值稅為透過銷售將位於中國之物業收回須繳納之額外稅項。

估計不明朗因素的主要來源

以下為有關未來之主要假設及於報告期末估計不明朗因素之其他主要來源，彼等有重大風險導致下個財政年度內之資產及負債之賬面值作出重大調整。

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

Key sources of estimation uncertainty (Continued)

Fair value of investment properties

Investment properties are stated at fair value based on the valuations performed by an independent professional property valuer.

In determining the fair value of investment properties situated in the PRC, the valuer has used direct comparison method which involves estimates of the fair value to similar properties adjusts to reflect current market conditions as of the end of the reporting period.

In relying on those valuation reports, the directors have exercised their judgements and are satisfied that the methods of valuations are reflective of the current market conditions. Note 15 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of investment properties.

PRC LAT

The Group is subject to the LAT in the PRC. The provision of the LAT is based on the management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation with the tax authorities for its property development projects. The final outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the period in which such tax is finalised with local tax authorities.

4. 關鍵會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

投資物業之公允值

投資物業乃根據獨立專業物業估值師進行之估值按公允值列賬。

於釐定位於中國之投資物業之公允值時，估值師使用直接比較法，該方法涉及估計類似物業之經調整公允值以反映截至報告期末之當前市況。

於倚賴該等估值報告時，董事已作出判斷並信納估值方法反映當前市況。附註15載有有關估值技術、釐定投資物業之公允值所用之輸入數據及關鍵假設之資料。

中國土地增值稅

本集團須支付中國的土地增值稅。土地增值稅之撥備乃基於管理層根據相關中國稅務法律及法規之規定之理解所作出之最佳估計。實際土地增值稅項負債需待物業發展項目完成後由稅務當局決定。本集團尚未向稅務當局落實其物業發展項目之土地增值稅計算。最後結果可能與最初記錄金額有所不同，且該等差異將影響向本地稅務當局落實有關稅項期間之所得稅開支及相關所得稅撥備。

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

Estimated net realisable value of properties under development

In determining whether allowances should be made to the Group's properties under development, the directors of the Company make reference to the valuation performed by an independent professional property valuer and take into consideration the current market environment and the estimated market value prices (i.e. the estimated selling price less estimated costs to sell) less estimated costs to completion of the properties. An allowance is made if the estimated market value is less than the carrying amount. If the actual net realisable value of properties under development is less than expected as a result of a change in market condition and/or significant variation in the budgeted development cost, material provision for impairment losses may result. At 31 December 2017, the carrying amount of properties under development was RMB744,072,000 (2016: RMB354,831,000). No impairment has been provided for both years.

Estimated net realisable value of properties held for sale

The management of the Group determines the net realisable value of properties held for sale by using prevailing market data such as most recent sales transactions and internal estimates of cost based on quotes from contractors. These estimates require judgement as to the anticipated sale prices by reference to the valuation performed by an independent professional property valuer and recent sales transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales), the legal and regulatory framework and general market conditions. If the actual net realisable value of properties held for sale are less than expected as a result of changes in market conditions, material provision for impairment losses may result. At 31 December 2017, the carrying amount of properties held for sale was approximately RMB394,860,000 (2016: RMB891,580,000). No impairment has been provided for both years.

4. 關鍵會計判斷及估計不明朗因素的主要來源 (續)

在建物業之估計可變現淨值

在確定是否應向本集團的在建物業作出撥備時，本公司董事會參考獨立專業物業估值師進行之估值及考慮目前市場環境和估計市價（即估計售價減去估計銷售成本）減估計完成物業之成本。如果估計市價低於賬面值需作出撥備。如果在建物業的實際可變現淨值由於市場條件的變化及／或重大偏離預算開發成本而低於預期，需作出重大減值虧損撥備。於二零一七年十二月三十一日，在建物業的賬面值為人民幣744,072,000元（二零一六年：人民幣354,831,000元）。該兩個年度內概無計提減值撥備。

持作出售物業之估計可變現淨值

本集團管理層透過使用最近銷售交易等當前市場數據及基於承建商報價所作之內部成本估計，釐定持作出售物業之可變現淨值。該等估計須透過參考獨立專業物業估值師進行之估值及鄰近位置之近期銷售交易、新物業銷售率、市場推廣成本（包括促銷所需之價格折扣）、法律及規管架構及一般市況判斷預期售價。倘持作出售物業之實際可變現淨值由於市況變化而低於預期，則或會作出重大減值虧損撥備。於二零一七年十二月三十一日，持作出售物業之賬面值為約人民幣394,860,000元（二零一六年：人民幣891,580,000元）。該兩個年度內概無計提減值撥備。

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5. REVENUE

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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Sales of properties	物業銷售	546,659	479,111
Sales of raw sugar	原糖銷售	68,558	-
Rental income	租金收入	682	-
		615,899	479,111

6. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the executive directors of the Company) (the "CODM") in order to allocate resources to the segments and to assess their performance.

The Group's operating segments under HKFRS 8 "Operating Segments" are identified as the follows:

- Property development and investment: this segment primarily develops and sells office premises, commercial and residential properties. This segment also generates rental income from investment properties and achieves gain from the appreciation in the properties' values in the long term. All the Group's activities in this segment are carried out in the PRC.
- Trading of raw sugar: this segment trades raw sugar on a worldwide basis.

Property development and investment and trading of raw sugar also represent the Group's reportable segments. The segment information reported in this note does not include any amounts for the discontinued operation, which is described in more detail in note 10.

5. 收益

本集團年內來自持續經營業務之收益分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
物業銷售		546,659	479,111
原糖銷售		68,558	-
租金收入		682	-
		615,899	479,111

6. 分部資料

本集團根據主要營運決策者（「主要營運決策者」，即本公司執行董事）定期審閱以向分部分配資源及評估其表現之有關本集團分部之內部報告確定其經營分部。

根據香港財務報告準則第8號「經營分部」，本集團之經營分部識別如下：

- 物業發展及投資：該分部主要發展及銷售辦公室物業、商業及住宅物業。該分部亦自投資物業產生租金收入及自物業長期增值取得收益。本集團該分部之所有活動均於中國開展。
- 原糖貿易：該分部於全球範圍進行原糖貿易。

物業發展及投資以及原糖貿易亦為本集團之可呈報分部。本附註報告之分部資料並不包括已終止經營業務之任何金額，其乃於附註10進一步詳述。

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6. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by operating and reportable segment.

Continuing operations

For the year ended 31 December 2017

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw sugar 原糖貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收益	547,341	68,558	615,899
Segment profit	分部溢利	132,739	2,274	135,013
Bank interest income	銀行利息收入			296
Fair value change on held-for-trading investments	持作交易用途之投資之 公允值變動			(13)
Finance costs	財務成本			(458)
Unallocated corporate expenses	未分配公司開支			(21,324)
Profit before taxation	除稅前溢利			113,514

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw sugar 原糖貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收益	479,111	–	479,111
Segment profit (loss)	分部溢利 (虧損)	57,804	(485)	57,319
Bank interest income	銀行利息收入			1,117
Fair value change on held-for-trading investments	持作交易用途之投資之 公允值變動			(4)
Finance costs	財務成本			(342)
Unallocated corporate expenses	未分配公司開支			(15,610)
Profit before taxation	除稅前溢利			42,480

持續經營業務

截至二零一七年十二月三十一日止年度

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw sugar 原糖貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit/loss represents the profit/loss of each segment without allocation of bank interest income, fair value change on held-for-trading investments, certain finance costs and unallocated corporate expenses (i.e. central administration costs and directors' emoluments). This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Continuing operations

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Segment assets	分部資產		
– Property development and investment	– 物業發展及投資	1,339,710	1,425,988
– Trading of raw sugar	– 原糖貿易	2	–
Unallocated corporate assets	未分配企業資產		
– Deferred tax assets	– 遞延稅項資產	–	3,578
– Held-for-trading investments	– 持作交易用途之投資	27	40
– Tax recoverable	– 可收回稅項	–	16,099
– Bank balances and cash	– 銀行結存及現金	26,322	42,795
– Others	– 其他	16,316	19,782
Consolidated total assets	綜合資產總值	1,382,377	1,508,282
Segment liabilities	分部負債		
– Property development and investment	– 物業發展及投資	(636,861)	(807,104)
– Trading of raw sugar	– 原糖貿易	(33,559)	(56,395)
Unallocated corporate liabilities	未分配企業負債		
– Consideration payable	– 應付代價	–	(16,942)
– Loan payable	– 應付貸款	(16,656)	–
– Amount due to a director	– 應付董事款項	(2,714)	(3,160)
– Tax payable	– 應付稅項	(20,919)	–
– Secured bank borrowings	– 有抵押銀行借款	(12,304)	(13,539)
– Deferred tax liabilities	– 遞延稅項負債	(63,436)	(75,874)
– Others	– 其他	(1,533)	(1,240)
Consolidated total liabilities	綜合負債總額	(787,982)	(974,254)

6. 分部資料 (續)

(a) 分部收益及業績 (續)

經營分部之會計政策與附註3所述本集團會計政策相同。分部溢利／虧損指各分部未分配銀行利息收入、持作交易用途之投資之公允值變動、若干財務成本及未分配公司開支（即中央行政費用及董事酬金）所產生之溢利／虧損。此乃報告予主要經營決策者用於資源分配及業績評估的措施。

(b) 分部資產及負債

本集團資產及負債之分析按報告及經營分部呈列如下：

持續經營業務

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6. SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than deferred tax assets, held-for-trading investments, tax recoverable, bank balances and cash and certain other assets; and
- all liabilities are allocated to operating segments other than consideration payable, loan payable, amount due to a director, tax payable, secured bank borrowings, deferred tax liabilities and certain other liabilities.

(c) Other segment information

Continuing operations

2017

6. 分部資料 (續)

(b) 分部資產及負債 (續)

為監控分部之間的分部表現和分配資源的目的：

- 除遞延稅項資產、持作交易用途之投資、可收回稅項、銀行結存及現金以及若干其他資產外，所有資產均分配至經營分部；及
- 除應付代價、應付貸款、應付董事款項、應付稅項、有抵押銀行借款、遞延稅項負債及若干其他負債外，所有負債均分配至經營分部。

(c) 其他分部資料

持續經營業務

二零一七年

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw sugar 原糖貿易 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>	<i>計量分部損益或分部資產時已計入之款項：</i>				
Additions to non-current assets (Note)	添置非流動資產 (附註)	1,718	-	-	1,718
Fair value change on investment properties	投資物業之公允值變動	43,644	-	-	43,644
Finance costs	財務成本	4,504	2,004	193	6,701
Depreciation of property, plant and equipment	物業、廠房及設備折舊	394	-	443	837
<i>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:</i>	<i>定期向主要經營決策者提供但不計入計量分部損益或分部資產的款項：</i>				
Fair value change on held-for trading investments	持作交易用途之投資之公允值變動	-	-	13	13
Bank interest income	銀行利息收入	-	-	(296)	(296)
Income tax expense	所得稅開支	60,898	-	-	60,898

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

(c) Other segment information (Continued)

2016

6. 分部資料 (續)

(c) 其他分部資料 (續)

二零一六年

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw sugar 原糖貿易 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>	<i>計量分部損益或分部資產時已計入之款項:</i>				
Additions to non-current assets (Note)	添置非流動資產 (附註)	130	-	-	130
Finance costs	財務成本	9,020	358	342	9,720
Depreciation of property, plant and equipment	物業、廠房及設備折舊	364	-	439	803
<i>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:</i>	<i>定期向主要經營決策者提供但不計入計量分部損益或分部資產的款項:</i>				
Fair value change on held-for trading investments	持作交易用途之投資之公允值變動	-	-	4	4
Bank interest income	銀行利息收入	-	-	(1,117)	(1,117)
Income tax expense	所得稅開支	35,246	-	-	35,246

Note: Non-current assets included investment properties and property, plant and equipment.

附註：非流動資產包括投資物業以及物業、廠房及設備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

(d) Geographical information

For the year ended 31 December 2017, 100% (2016: 100%) of the Group's revenue and assets were derived from customers and operations based in the PRC including Hong Kong (by country of domicile) and accordingly, no further analysis of the Group's geographical information is disclosed.

(e) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

6. 分部資料 (續)

(d) 地理資料

截至二零一七年十二月三十一日止年度，由於本集團100%（二零一六年：100%）來自客戶及營運之收益及資產均位於中國（包括香港）（所在國家），故並無進一步披露本集團之地區分類資料分析。

(e) 主要客戶資料

於相應年度來自對本集團總銷售貢獻超過10%的客戶之收益如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Customer A (Note)	客戶A (附註)	68,558	-

Note: It is revenue generated from trading of raw sugar to this customer and this customer did not contribute any revenue of the Group in the year ended 31 December 2016.

附註：其乃與該客戶進行原糖貿易產生之收益且該客戶於截至二零一六年十二月三十一日止年度並無為本集團貢獻任何收益。

7. OTHER INCOME

7. 其他收入

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	296	1,117

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

8. FINANCE COSTS

8. 財務成本

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest expenses on	利息開支：		
– bank borrowings	– 銀行借款	10,106	28,104
– bank overdraft	– 銀行透支	–	1
– receipts in advance	– 預收款項	1,738	358
Total borrowing costs	總借款成本	11,844	28,463
Less: Amount capitalised in properties under development	減：在建物業的資本化金額	(5,143)	(18,743)
		6,701	9,720

9. INCOME TAX EXPENSE

9. 所得稅開支

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Continuing operations	持續經營業務		
Current tax	即期稅項		
PRC EIT	中國企業所得稅	37,148	19,567
PRC LAT	中國土地增值稅	32,610	20,342
		69,758	39,909
Underprovision in prior years	過往年度撥備不足		
PRC EIT	中國企業所得稅	–	1
Deferred taxation (note 24)	遞延稅項(附註24)		
Current year	本年度	(8,860)	(4,664)
		60,898	35,246

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

9. INCOME TAX EXPENSE (Continued)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made as the Group's assessable profit for the current year was wholly absorbed by tax losses brought forward.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation of land value, with certain allowable exemptions and deductions.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

9. 所得稅開支 (續)

於兩個年度之香港利得稅乃按估計應課稅溢利之16.5%計算。由於本集團於本年度之應課稅溢利全數被結轉之稅項虧損抵銷，故並無計提香港利得稅撥備。

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，於兩個期間內，中國附屬公司的稅率均為25%。

土地增值稅撥備是按有關中國稅務法律及法規所載之規定作出估計。土地增值稅已就土地增值價值按30%至60%的遞增稅率作出撥備（附帶若干許可的豁免及減免）。

根據中國企業所得稅法，自二零零八年一月一日起，中國附屬公司須就其賺取之溢利所宣派之股息繳納預扣稅。綜合財務報表並未就中國附屬公司累計溢利引致之暫時差額作出遞延稅項撥備，概因本集團能夠控制撥回暫時差額之時間，而暫時差額可能不會於可預見將來撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

9. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

9. 所得稅開支 (續)

於年內之稅項開支與綜合損益表中的除稅前溢利之對賬如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before taxation (from continuing operations)	除稅前溢利 (來自持續經營業務)	113,514	42,480
Tax calculated at applicable tax rates (Note)	按適用稅率計算之稅項 (附註)	30,000	13,924
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	6,836	11,350
Tax effect of income not taxable for tax purpose	非課稅收入之稅務影響	(1)	(2)
Underprovision in respect of prior years	過往年度撥備不足	-	1
Provision of PRC LAT for the year	年內中國土地增值稅撥備	32,610	20,342
Tax effect of PRC LAT deductible for PRC EIT	可就中國企業所得稅扣減 中國土增稅之稅務影響	(8,153)	(5,086)
Utilisation of tax losses previously not recognised	動用過往未確認之稅項虧損	(423)	(8,489)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	-	70
Others	其他	29	3,136
Income tax expense (relating to continuing operations)	所得稅開支 (與持續經營業務有關)	60,898	35,246

Note: The weighted average applicable tax rate is 26.4% (2016: 32.8%)

附註：加權平均適用稅率為26.4% (二零一六年：32.8%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

10. DISPOSAL OF A SUBSIDIARY (DISCONTINUED OPERATION)

Disposal of trading of electronic products operation

On 31 December 2015, the Group entered into a sale and purchase agreement to (i) dispose of its 51% equity interest in Fame Electronics Limited ("Fame"), which carried out all of the Group's trading of electronic products operation, and (ii) assign its non-interest bearing shareholder's loan to an independent third party, at a total consideration of HK\$100,000 (equivalent to RMB84,000). The disposal was completed and control over Fame was passed to the acquirer on 30 March 2016.

The profit for the year from discontinued operation is set out below:

10. 出售一間附屬公司(已終止經營業務)

出售電子產品貿易業務

於二零一五年十二月三十一日，本集團訂立買賣協議，以按總代價港幣100,000元（相當於人民幣84,000元）向獨立第三方(i)出售於長榮電子有限公司（「長榮」）51%權益，其經營本集團全部電子產品貿易業務，及(ii)轉讓其不計息股東貸款。於二零一六年三月三十日，出售事項已完成且長榮之控制權已移交至收購方。

來自已終止經營業務之年內溢利載列如下：

		From 1 January 2016 to 30 March 2016 自二零一六年 一月一日至 二零一六年 三月三十日 RMB'000 人民幣千元
Profit of trading of electronic products operation	電子產品貿易業務之溢利	3,568
Loss on disposal of trading of electronic products operation	出售電子產品貿易業務之虧損	(763)
		<hr/> 2,805 <hr/>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

10. DISPOSAL OF A SUBSIDIARY (DISCONTINUED OPERATION)

(Continued)

10. 出售一間附屬公司(已終止經營業務) (續)

出售電子產品貿易業務(續)

Disposal of trading of electronic products operation (Continued)

The results of the trading of electronic products operation for the period were as follows:

期內電子產品貿易業務之業績如下：

		From 1 January 2016 to 30 March 2016 自二零一六年 一月一日至 二零一六年 三月三十日 RMB'000 人民幣千元
Revenue	收益	-
Other income	其他收入	3,569
Administrative expenses	行政費用	(1)
Profit before taxation	除稅前溢利	3,568
Income tax expense	所得稅開支	-
Profit for the period	期內溢利	3,568

Profit for the year from discontinued operation has been arrived at after charging (crediting):

年內已終止經營業務之溢利已扣除(計入)：

		From 1 January 2016 to 30 March 2016 自二零一六年 一月一日至 二零一六年 三月三十日 RMB'000 人民幣千元
Auditor's remuneration	核數師酬金	-
Reversal of impairment loss recognised in respect of amount due from a fellow subsidiary	應收同系附屬公司款項已確認之 減值虧損撥回	(3,569)

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

10. DISPOSAL OF A SUBSIDIARY (DISCONTINUED OPERATION)

(Continued)

Disposal of trading of electronic products operation (Continued)

During the period from 1 January 2016 to 30 March 2016, the trading of electronic products operation spent RMB859,000 in the Group's operating activities and contributed RMB301,000 to the Group's financing cash flows.

Upon the completion, the Company ceased to hold any interest in Fame. The net liabilities of Fame at the date of disposal were as follows:

Analysis of assets and liabilities over which control was lost

10. 出售一間附屬公司(已終止經營業務) (續)

出售電子產品貿易業務(續)

於二零一六年一月一日至二零一六年三月三十日期間，電子產品貿易業務於本集團之經營活動支出人民幣859,000元及向本集團之融資現金流量貢獻人民幣301,000元。

於完成後，本集團不再持有長榮任何權益。長榮於出售日期之淨負債如下：

失去控制權之資產及負債分析

As at
30 March 2016
於二零一六年
三月三十日
RMB'000
人民幣千元

Current assets	流動資產	
Trade and other receivables	貿易及其他應收款項	477
Bank balances and cash	銀行結存及現金	157
		634
Current liabilities	流動負債	
Trade and other payables	貿易及其他應付款項	(2,646)
Amounts due to the Group excluding Fame	應付本集團(長榮除外)款項	(3,930)
		(6,576)
Net liabilities disposed of	已出售之淨負債	(5,942)

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

10. DISPOSAL OF A SUBSIDIARY (DISCONTINUED OPERATION)

(Continued)

10. 出售一間附屬公司(已終止經營業務) (續)

Loss on disposal of a subsidiary

出售一間附屬公司之虧損

RMB'000
人民幣千元

Cash consideration	現金代價	84
Net liabilities disposed of	已出售之淨負債	5,942
Shareholder's loan assigned	已轉讓股東貸款	(3,713)
Non-controlling interests	非控制性權益	(2,519)
Cumulative exchange difference in respect of the net liabilities of a subsidiary reclassified from equity to profit or loss	由權益重新分類至損益之一間附屬公司淨負債之累計匯兌差額	(557)
Loss on disposal of Fame	出售長榮之虧損	(763)

Net cash outflow on disposal of subsidiary

出售附屬公司之現金流出淨額

RMB'000
人民幣千元

Cash consideration received	已收現金代價	84
Less: bank balances and cash disposed of	減: 已出售之銀行結存及現金	(157)
		(73)

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

11. PROFIT FOR THE YEAR

Profit for the year from continuing operations has been arrived at after charging:

Continuing operations

11. 年內溢利

來自持續經營業務之年內溢利已扣除以下各項：

持續經營業務

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Directors' remuneration (note 12a)	董事薪酬(附註12a)	11,041	7,851
Other staff costs	其他員工成本	7,803	7,768
Retirement benefits scheme contributions	退休福利計劃供款	646	635
Share-based payment expense for other staffs	其他員工以股份為基礎的 支付開支	1,627	-
		21,117	16,254
Auditor's remuneration	核數師酬金	1,110	1,164
Cost of properties held for sale recognised as expenses (included in cost of sales)	確認為開支的持作出售物業成本 (計入銷售成本)	432,483	394,009
Net foreign exchange loss	匯兌虧損淨額	794	21
Depreciation of property, plant and equipment	物業、廠房及設備折舊	837	803
Operating lease rentals in respect of equipment	設備之經營租賃租金	28	28
Operating lease rentals in respect of rental premises	租賃物業之經營租賃租金	-	3

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the eight (2016: eight) directors and the chief executive were as follows:

12. 董事、主要行政人員及僱員酬金

(a) 董事及主要行政人員酬金

已向或應向八位(二零一六年:八位)董事及主要行政人員支付之酬金如下:

		Executive directors 執行董事					Independent non-executive directors 獨立非執行董事			Total 總計
		Mr. CHEN Xian 陳賢先生 RMB'000 人民幣千元	Mr. LAU Sai Chung 劉世忠先生 RMB'000 人民幣千元	Mr. LIU Feng 劉鋒先生 RMB'000 人民幣千元	Mr. LIU Zhongxiang 劉忠翔先生 RMB'000 人民幣千元	Ms. XIA Dan Xia Dan女士 RMB'000 人民幣千元	Mr. POON Lai Yin, Michael 潘禮賢先生 RMB'000 人民幣千元	Mr. CHAR Stephen 查錫我先生 RMB'000 人民幣千元	Mr. LI Jiansheng 李建生先生 RMB'000 人民幣千元	
For the year ended 31 December 2017	截至二零一七年 十二月三十一日止年度									
Directors' fees	董事袍金	-	-	-	-	-	156	156	156	468
Salaries and allowances	薪金及津貼	1,608	1,451	1,855	668	618	-	-	-	6,200
Discretionary bonus	酌情花紅	67	61	77	28	26	-	-	-	259
		1,675	1,512	1,932	696	644	156	156	156	6,927
Retirement benefits scheme contributions	退休福利計劃供款	52	52	52	52	52	-	-	-	260
Share-based payment expense	以股份為基礎的支付開支	856	685	343	1,284	428	86	86	86	3,854
Total	總計	2,583	2,249	2,327	2,032	1,124	242	242	242	11,041

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

12. 董事、主要行政人員及僱員酬金 (續)

(a) 董事及主要行政人員酬金 (續)

	Executive directors 執行董事					Independent non-executive directors 獨立非執行董事			Total 總計
	Mr. CHEN Xian 陳賢先生 RMB'000 人民幣千元	Mr. LAU Sai Chung 劉世忠先生 RMB'000 人民幣千元	Mr. LIU Feng 劉鋒先生 RMB'000 人民幣千元	Mr. LIU Zhongxiang 劉忠翔先生 RMB'000 人民幣千元	Ms. XIA Dan Xia Dan女士 RMB'000 人民幣千元	Mr. POON Lai Yin, Michael 潘禮賢先生 RMB'000 人民幣千元	Mr. CHAR Shik Ngor, Stephen 查錫我先生 RMB'000 人民幣千元	Mr. LI Jiansheng 李建生先生 RMB'000 人民幣千元	
For the year ended 31 December 2016 截至二零一六年 十二月三十一日止年度									
Directors' fees 董事袍金	-	-	-	-	-	154	154	154	462
Salaries and allowance 薪金及津貼	1,719	1,551	1,983	714	661	-	-	-	6,628
Discretionary bonus 酌情花紅	132	119	153	55	51	-	-	-	510
	1,851	1,670	2,136	769	712	154	154	154	7,600
Retirement benefits scheme contributions 退休福利計劃供款	51	51	51	47	51	-	-	-	251
Total emoluments 酬金總額	1,902	1,721	2,187	816	763	154	154	154	7,851

Notes:

- (i) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- (ii) The discretionary bonus is determined with reference to the prevailing market conditions, corporate and individual responsibility and performance during the years ended 31 December 2017 and 2016.
- (iii) Mr. Lau Sai Chung is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.
- (iv) Neither the chief executive nor any of the directors waived or agreed to waive any emoluments paid by the Group during the years ended 31 December 2017 and 2016.

附註：

- (i) 上文所示執行董事之酬金乃與彼等於本公司及本集團之事務管理服務有關。上文所示獨立非執行董事之酬金乃與彼等擔任本公司董事之服務有關。
- (ii) 該酌情花紅乃經參考截至二零一七年及二零一六年十二月三十一日止年度之現行市況、企業及個人責任及表現而釐定。
- (iii) 劉世忠先生亦為本公司行政總裁，以上所披露之酬金包括其作為行政總裁所提供服務之酬金。
- (iv) 截至二零一七年及二零一六年十二月三十一日止年度，概無主要行政人員或任何董事放棄或同意放棄本集團所支付之任何酬金。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

Of the five individuals with highest emoluments in the Group, four (2016: four) were directors and the chief executive of the Company whose emoluments are set out above. The emoluments of the remaining one (2016: one) individual were as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	873	861
Discretionary bonus	酌情花紅	73	-
Share-based payment expense	以股份為基礎的支付開支	514	-
Retirement benefits scheme contributions	退休福利計劃供款	52	51
		1,512	912

Emoluments of the five individuals with highest emoluments including directors were within the following bands:

12. 董事、主要行政人員及僱員酬金 (續)

(b) 僱員酬金

本集團五名最高酬金個別人士中，四名（二零一六年：四名）為本公司之董事及主要行政人員，彼等之酬金已於上文列載。剩餘一名（二零一六年：一名）個別人士之酬金如下：

五名最高酬金個別人士（包括董事）之酬金介乎以下範圍內：

		Number of individuals (including directors) 員工數目（包括董事）	
		2017 二零一七年	2016 二零一六年
Nil to HK\$1,000,000 (equivalent to approximately RMB867,000 (2016: RMB856,000))	零至港幣1,000,000元 (相當於約人民幣867,000元 (二零一六年： 人民幣856,000元))	-	1
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately RMB867,001 to RMB1,301,000 (2016: RMB856,001 to RMB1,284,000))	港幣1,000,001元至 港幣1,500,000元（相當於約 人民幣867,001元至人民幣 1,301,000元（二零一六年： 人民幣856,001元至人民幣 1,284,000元））	-	1

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12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments (Continued)

12. 董事、主要行政人員及僱員酬金 (續)

(b) 僱員酬金 (續)

		Number of individuals (including directors) 員工數目 (包括董事)	
		2017	2016
		二零一七年	二零一六年
HK\$1,500,001 to HK\$2,000,000 (equivalent to approximately RMB1,301,000 to RMB1,735,000 (2016: RMB1,284,001 to RMB1,712,000))	港幣1,500,001元至港幣2,000,000元 (相當於約人民幣1,301,000元至人民幣1,735,000元 (二零一六年: 人民幣1,284,001元至人民幣1,712,000元))	1	-
HK\$2,000,001 to HK\$2,500,000 (equivalent to approximately RMB1,735,001 to RMB2,169,000 (2016: RMB1,712,001 to RMB2,140,000))	港幣2,000,001元至港幣2,500,000元 (相當於約人民幣1,735,001元至人民幣2,169,000元 (二零一六年: 人民幣1,712,001元至人民幣2,140,000元))	1	2
HK\$2,500,001 to HK\$3,000,000 (equivalent to approximately RMB2,169,001 to RMB2,602,000 (2016: RMB2,140,001 to RMB2,568,000))	港幣2,500,001元至港幣3,000,000元 (相當於約人民幣2,169,001元至人民幣2,602,000元 (二零一六年: 人民幣2,140,001元至人民幣2,568,000元))	3	1
		5	5

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(c) No emolument have been paid by the Group to the directors and the chief executive of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 December 2017 and 2016.

13. DIVIDEND

No dividends were declared and proposed by the Company during the year ended 31 December 2017 and 2016, nor has any dividend been proposed since the end of the reporting period (2016: nil).

14. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

12. 董事、主要行政人員及僱員酬金 (續)

(c) 截至二零一七年及二零一六年十二月三十一日止年度，本集團概無向本公司董事及主要行政人員或五名最高酬金個別人士支付酬金作為吸引加入或加入本集團時之獎金或作為離職補償。

13. 股息

於截至二零一七年及二零一六年十二月三十一日止年度，本公司概無宣派及建議支付任何股息，並自報告期末起亦無建議支付任何股息（二零一六年：無）。

14. 每股盈利

來自持續經營業務及已終止經營業務

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Earnings	盈利		
Earnings attributable to owners of the Company for the purpose of calculation of basic earnings per share	就計算每股基本盈利而言之 本公司擁有人應佔盈利	44,702	4,612
Earnings attributable to owners of the Company for the purpose of calculation of diluted earnings per share	就計算每股攤薄盈利而言之 本公司擁有人應佔盈利	44,702	N/A 不適用

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. EARNINGS PER SHARE (Continued)

From continuing and discontinued operations
(Continued)

14. 每股盈利 (續)

來自持續經營業務及已終止經營業務 (續)

		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	普通股加權平均數 (就每股基本盈利而言)	1,524,478	1,524,478
Effect of dilutive potential ordinary shares in respect of outstanding share options	尚未行使購股權涉及之 潛在攤薄普通股之影響	-	N/A不適用
Weighted average number of ordinary shares for the purpose of diluted earnings per share	普通股加權平均數 (就每股攤薄盈利而言)	1,524,478	N/A不適用

The computation of diluted earnings per share for the year ended 31 December 2017 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares during the period from the grant date of those share options to 31 December 2017.

No diluted earnings per share was presented for the year ended 31 December 2016 as there was no potential ordinary share outstanding during that year.

計算截至二零一七年十二月三十一日止年度之每股攤薄盈利時並無假設本公司之購股權獲行使，原因為該等購股權之行使價高於股份於該等購股權授出日期至二零一七年十二月三十一日期間之平均市價。

由於截至二零一六年十二月三十一日止年度並無發行在外之潛在普通股，故並無就該年度呈列每股攤薄盈利。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. EARNINGS PER SHARE (Continued)

From continuing operations

The calculation of the basic and dilutive earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

14. 每股盈利 (續)

來自持續經營業務

本公司擁有人應佔來自持續經營業務之每股基本及攤薄盈利乃根據以下數據計算：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Earnings	盈利		
Earnings for the year attributable to the owners of the Company	本公司擁有人應佔年內盈利	44,702	4,612
Less: profit for the year from discontinued operation	減：自己終止經營業務之年內溢利	-	(1,057)
Earnings for the purpose of basic earnings per share for the year attributable to owners of the Company	就本公司擁有人應佔年內每股基本盈利而言之盈利	44,702	3,555
Earnings for the year attributable to owners of the Company	本公司擁有人應佔年內盈利	44,702	N/A不適用
Less: profit for the year from discontinued operation	減：已終止經營業務之年內溢利	-	N/A不適用
Earnings for the purpose of diluted earnings per share for the year attributable to owners of the Company	就計算本公司擁有人應佔年內每股攤薄盈利而言之盈利	44,702	N/A不適用

The denominators used are the same as those detailed above for basic earnings per share from continuing and discontinued operations.

所採用之分母與上文詳述計算來自持續經營業務及已終止經營業務之每股基本盈利時所應用者相同。

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14. EARNINGS PER SHARE (Continued)

From discontinued operation

Basic earnings per share from discontinued operation for the year ended 31 December 2016 was RMB0.07 cents per share, calculated based on the profit for the year from discontinued operation of RMB1,057,000 and the denominator detailed above for basic earnings per share from continuing and discontinued operations.

14. 每股盈利 (續)

來自已終止經營業務

截至二零一六年十二月三十一日止年度來自已終止經營業務之每股基本盈利為每股人民幣0.07分，基於來自已終止經營業務之年內溢利人民幣1,057,000元及上文所詳述用於計算來自持續經營業務及已終止經營業務之每股基本盈利之分母計算得出。

15. INVESTMENT PROPERTIES

15. 投資物業

2017
二零一七年
RMB'000
人民幣千元

FAIR VALUE	公允值	
At 1 January 2016, 31 December 2016 and 1 January 2017	於二零一六年一月一日、二零一六年十二月三十一日及二零一七年一月一日	-
Transfer from properties held for sale	轉撥自持作出售物業	50,171
Increase in fair value recognised in profit or loss	於損益確認之公允值增加	43,644
At 31 December 2017	於二零一七年十二月三十一日	93,815

The fair values of the Group's investment properties of RMB93,815,000 as at 31 December 2017 have been arrived at on a basis of valuation carried out by Vigers Appraisal & Consulting Limited, an independent professional property valuer not connected with the Group.

本集團投資物業於二零一七年十二月三十一日之公允值人民幣93,815,000元乃基於與本集團並無關連之獨立專業物業估值師威格斯資產評估顧問有限公司進行之估值達致。

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuer to perform the valuation. The management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. Management reports the valuation report and findings to directors semi-yearly to explain the cause of fluctuations in the fair value of the assets.

於估計資產之公允值時，本集團採用可取得之市場可觀察數據。倘並無可用之第一級輸入數據，則本集團委聘第三方合資格估值師進行估值。管理層與合資格外部估值師緊密合作，以確立合適之估值技術及模型之輸入數據。管理層每半年向董事匯報估值報告及結果，以解釋資產公允值波動之原因。

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15. INVESTMENT PROPERTIES (Continued)

The independent property valuer adopted direct comparison approach by making reference to comparable sales evidences as available in the relevant market to reflect current market conditions as of the end of the reporting period to arrive the valuation of investment properties. There has been no change to the valuation technique during the year.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

The key inputs used in valuing the investment properties by the independent property valuer under the aforesaid approach was market observable transactions of similar properties. A slight increase in the market observable transactions used would result in a significant increase in fair value measurement of the investment properties, and vice versa.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2017 are as follows:

15. 投資物業 (續)

獨立物業估值師採納直接比較法並參考相關市場上可用之可比較銷售證據，以反映直至報告期末之現行市況以達致投資物業之估值。估值技術於年內並無變動。

於估計投資物業之公允值時，投資物業之最高及最佳用途為其當前用途。

獨立物業估值師根據前述方法對投資物業進行估值時使用之關鍵輸入數據為類似物業之市場可觀察交易。所用市場可觀察交易輕微增加將導致投資物業之公允值計量大幅增加，反之亦然。

本集團投資物業之詳情及有關於二零一七年十二月三十一日之公允值等級之資料如下：

		Fair value as at 31 December 2017 於 二零一七年 十二月 三十一日之 公允值 RMB'000 人民幣千元	RMB'000 人民幣千元
Retail shops in the PRC	於中國之零售店	93,815	93,815

There were no transfers into or out of Level 3 during the year.

年內，概無轉入或轉出第三級。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Leasehold land and buildings 租賃土地及 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Equipment 設備 RMB'000 人民幣千元	Furniture 傢俱 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
COST	成本						
At 1 January 2016	於二零一六年一月一日	20,407	894	1,408	166	1,293	24,168
Exchange realignment	匯兌調整	1,085	47	14	9	-	1,155
Additions	添置	-	-	130	-	-	130
Disposals	出售	-	-	(24)	-	-	(24)
At 31 December 2016	於二零一六年十二月三十一日	21,492	941	1,528	175	1,293	25,429
Exchange realignment	匯兌調整	(1,415)	(62)	(100)	(12)	-	(1,589)
Additions	添置	-	-	20	-	1,698	1,718
At 31 December 2017	於二零一七年十二月三十一日	20,077	879	1,448	163	2,991	25,558
ACCUMULATED DEPRECIATION	累計折舊						
At 1 January 2016	於二零一六年一月一日	3,344	894	485	166	135	5,024
Exchange realignment	匯兌調整	198	47	13	9	-	267
Provided for the year	年內撥備	434	-	231	-	138	803
Eliminated on disposals	出售時撇銷	-	-	(24)	-	-	(24)
At 31 December 2016	於二零一六年十二月三十一日	3,976	941	705	175	273	6,070
Exchange realignment	匯兌調整	(260)	(62)	(45)	(12)	-	(379)
Provided for the year	年內撥備	439	-	230	-	168	837
At 31 December 2017	於二零一七年十二月三十一日	4,155	879	890	163	441	6,528
CARRYING VALUES	賬面值						
At 31 December 2017	於二零一七年十二月三十一日	15,922	-	558	-	2,550	19,030
At 31 December 2016	於二零一六年十二月三十一日	17,516	-	823	-	1,020	19,359

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Notes:

- (a) The above items of property, plant and equipment are depreciated on a straight-line basis, after taking into account their estimated residual values, at the following useful lives or rates per annum:

Leasehold land and buildings	Over the shorter of the term of the lease or 50 years
Leasehold improvements	Over the shorter of the term of the leases or 5 years
Equipment	18% to 25%
Furniture	18% to 25%
Motor vehicles	10%

- (b) The leasehold land and buildings are situated in Hong Kong.
- (c) Leasehold land and buildings with an aggregate carrying value of RMB15,922,000 (2016: RMB17,516,000) have been pledged to secure general banking facilities granted to the Group.

16. 物業、廠房及設備 (續)

附註：

- (a) 以上物業、廠房及設備項目乃經計及其估計剩餘價值後按以下可使用年期或年率以直線法折舊：

租賃土地及樓宇	按租賃期或50年 (以較短者為準)
租賃裝修	按租賃期或5年 (以較短者為準)
設備	18%至25%
傢俱	18%至25%
汽車	10%

- (b) 租賃土地及樓宇均位於香港。
- (c) 租賃土地及樓宇之總賬面值人民幣15,922,000元(二零一六年：人民幣17,516,000元)已作為授予本集團一般銀行信貸之抵押。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

17. PROPERTIES UNDER DEVELOPMENT AND PROPERTIES HELD FOR SALE

Properties under development are classified as current assets as the construction period of the relevant property development project is expected to be completed in the normal operating cycle. At 31 December 2017, properties under development with a carrying value of RMB774,072,000 (2016: RMB354,831,000) were not scheduled for completion within twelve months from the end of the current year.

Properties under development with a carrying value of RMB554,997,000 (2016: RMB189,075,000) have been pledged to secure general banking facilities granted to the Group.

Properties held for sale are situated on leasehold land in the PRC. All the properties held for sale are stated at cost.

18. TRADE AND OTHER RECEIVABLES

17. 在建物業及持作出售物業

由於預計相關物業發展項目之建設期將於正常經營週期內結束，因此在建物業被劃分為流動資產。於二零一七年十二月三十一日，賬面值為人民幣774,072,000元（二零一六年：人民幣354,831,000元）的在建物業未計劃於本年度結束後十二個月內完工。

賬面值為人民幣554,997,000元（二零一六年：人民幣189,075,000元）之在建物業已作為授予本集團一般銀行信貸之抵押。

持作出售物業乃位於中國之租賃土地。所有持作出售物業均以成本列賬。

18. 貿易及其他應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	-	3,289
Less: impairment loss recognised	減：已確認減值虧損	-	(3,289)
		-	-
Deposits and other receivables	按金及其他應收款項	17,378	27,810
Less: impairment loss recognised	減：已確認減值虧損	(407)	(437)
		16,971	27,373
Prepayments	預付款項	65,142	76,859
Other tax recoverable	其他可收回稅項	1,215	33,836
		66,357	110,695
		83,328	138,068

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19. RESTRICTED BANK DEPOSIT

The restricted bank deposit represents a guarantee deposit for the construction of project required to be placed in a designated bank account by the PRC Construction Bureau of Maoming City. The amount will be released upon the completion of the respective construction project.

Restricted bank deposit carries interest at a market rate of 2.25% (2016: 2.25%) per annum.

20. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Pledged bank deposits amounting to RMB12,908,000 (2016: RMB34,044,000) have been pledged to guarantee the mortgage loans granted to the banks to the customers of the Group and are therefore classified as current assets.

The pledged bank deposits carry interest at a market rate of 0.30% (2016: 0.30%) per annum.

Bank balances carry interest at market rates which ranged from 0.01% to 0.385% (2016: 0.01% to 0.35%) per annum.

19. 有限制銀行存款

有限制銀行存款指須存入中國茂名市建設局指定銀行賬戶內用於工程建設之保證金。該金額將於有關建設項目完工後解除。

有限制銀行存款按市場年利率2.25%（二零一六年：2.25%）計息。

20. 已抵押銀行存款及銀行結存及現金

為數人民幣12,908,000元（二零一六年：人民幣34,044,000元）之已抵押銀行存款已作抵押，以擔保銀行向本集團客戶授出之按揭貸款，因此分類為流動資產。

已抵押銀行存款按市場年利率0.30%（二零一六年：0.30%）計息。

銀行結存按市場年利率0.01%至0.385%（二零一六年：0.01%至0.35%）計息。

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21. TRADE AND OTHER PAYABLES

21. 貿易及其他應付款項

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	36,641	39,111
Accrued expenditure on construction	應計建築開支	51,827	29,938
Other payables and accrued charges	其他應付款項及應計費用	31,023	12,203
Deposits and receipts in advance from pre-sale of properties	來自物業預售之按金及預收款項	412,983	607,092
Receipts in advance from sales of raw sugar	來自原糖銷售之預收款項	32,479	56,395
		564,953	744,739

Credit periods granted to the Group by suppliers range from 0 to 90 days.

供應商給予本集團0至90天之信貸期。

The following is an aging analysis of trade payables, presented based on the invoice date at the end of the reporting period:

於報告期末之貿易應付款項按發票日期呈列之賬齡分析如下：

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 90 days	90天以內	36,502	38,378
91 – 365 days	91至365天	139	330
Over 365 days	超過365天	–	403
		36,641	39,111

As at 31 December 2017, the Group's receipts in advance from the sale of raw sugar carry interest at a rate of 5.3% plus 3-month London Interbank Offered Rate (2016: 5.3% plus 3-month London Interbank Offered Rate) per annum.

於二零一七年十二月三十一日，本集團就原糖銷售之預收款按5.3%加三個月倫敦銀行同業拆息（二零一六年：5.3%加三個月倫敦銀行同業拆息）之年利率計息。

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22. LOAN PAYABLE

As at 31 December 2017, loan from an independent third party is unsecured, interest-bearing at 6% per annum and repayable on 30 April 2018.

22. 應付貸款

於二零一七年十二月三十一日，應收一名獨立第三方之貸款為無抵押、按年利率6%計息及須於二零一八年四月三十日償還。

23. SECURED BANK BORROWINGS

23. 有抵押銀行借款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Secured bank loans:	有抵押銀行貸款：		
– Fixed-rate borrowings	– 固定利率借款	107,000	120,000
– Variable-rate borrowings	– 浮動利率借款	12,304	13,539
		119,304	133,539
Carrying amount repayable within one year*	應於一年內償還之賬面值*	8,327	128,059
Carrying amount of bank loans that contain a repayable on demand clause (show under amount liabilities) but repayable:	載有須按要求償還條款但須於以下日期償還之銀行貸款之賬面值（於流動負債項下所示）：		
– within one year	– 一年內	7,997	1,204
– within a period of more than one year but not exceeding two years	– 一年後但不超過兩年期間	51,025	1,072
– within a period of more than two years but not exceeding five years	– 兩年後但不超過五年期間	51,955	3,204
Amount shown under current liabilities	於流動負債項下所示金額	119,304	133,539

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 該等到期款項乃根據貸款協議所載之計劃償還日期計算。

The ranges of effective interest rates (which approximate to contracted interest rates) on the Group's borrowing are as follows:

本集團借款之實際利率（其與合約利率相若）範圍如下：

		2017 二零一七年	2016 二零一六年
Effective interest rate:	實際利率：		
– Fixed-rate borrowings	– 固定利率借款	10.5%	9.00%
– Variable-rate borrowings	– 浮動利率借款	2.78% – 4.00%	3.02% – 3.97%

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24. DEFERRED TAXATION

24. 遞延稅項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	–	3,578
Deferred tax liabilities	遞延稅項負債	(63,436)	(75,874)
		(63,436)	(72,296)

The following are the major deferred tax (liabilities) assets recognised and movements thereof during the current and prior reporting periods:

於本期及過往報告期間，已確認的主要遞延稅項（負債）資產及其變動如下：

		Land appreciation tax provision	Accelerated depreciation allowance	Impairment loss recognised in respect of trade receivables	Fair value adjustments arising from properties under development and properties held for sale	Change in fair value of investment properties	Tax losses	Total
		土地增值稅撥備	加速折舊撥備	款項之已確認減值虧損	持作出售物業之公允價值調整	投資物業之公允價值變動	稅項虧損	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	–	5	513	(83,675)	–	5,996	(77,161)
Exchange differences	匯兌差額	–	–	27	–	–	174	201
Credit (Charge) to profit or loss	於損益計入（扣除）	3,578	(1)	–	4,223	–	(3,136)	4,664
At 31 December 2016	於二零一六年十二月三十一日	3,578	4	540	(79,452)	–	3,034	(72,296)
Transfer of investment properties from properties held for sale	自持作出售物業轉撥至投資物業	–	–	–	8,085	(8,085)	–	–
(Charge) credit to profit or loss	於損益（扣除）計入	(2,529)	(4)	(540)	24,787	(9,820)	(3,034)	8,860
At 31 December 2017	於二零一七年十二月三十一日	1,049	–	–	(46,580)	(17,905)	–	(63,436)

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24. DEFERRED TAXATION (Continued)

At 31 December 2017, the Group had unused tax losses of approximately RMB34,050,000 (2016: RMB34,847,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses as at 31 December 2017 (2016: deferred tax asset had been recognised in respect of RMB18,390,000). A deferred tax asset has been recognised in respect of RMB34,050,000 (2016: RMB16,457,000) due to the unpredictability of future profit streams. Losses of both years may be carried forward indefinitely.

25. SHARE CAPITAL

24. 遞延稅項 (續)

於二零一七年十二月三十一日，本集團有未動用稅項虧損約人民幣34,050,000元（二零一六年：人民幣34,847,000元）可用作抵銷未來溢利。於二零一七年十二月三十一日，並無就該等虧損確認遞延稅項資產（二零一六年：已就人民幣18,390,000元確認遞延稅項資產）。由於未來溢利來源之不可預知性，已就人民幣34,050,000元（二零一六年：人民幣16,457,000元）確認遞延稅項資產。兩個年度之虧損可無限期結轉。

25. 股本

		Number of shares 股數	HK\$'000 港幣千元	Equivalent to 相當於 RMB'000 人民幣千元
Ordinary shares of HK\$0.10 each	每股港幣0.10元之普通股			
Authorised:	法定：			
At 1 January 2016, 31 December 2016 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日 及二零一七年十 二月三十一日	3,000,000,000	300,000	281,070
Issued and fully paid:	發行及已繳足：			
At 1 January 2016, 31 December 2016 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日及 二零一七年十二月三十一日	1,524,478,520	152,448	136,015

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26. SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 30 November 2009 (the "Scheme").

The Company may grant to eligible participants (including any directors, non-executive directors, employees, advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group whom the board of directors consider, in its sole discretion, have contributed or will contribute to the Group) options to subscribe for shares in the Company, subject to a maximum of 10% of the issued share capital of the Company as at the adoption date and as at the approval date of refreshment from time to time, excluding for this purpose shares issued on the exercise of options. The subscription price will be determined by the Company's board of directors and will not be less than the highest of (i) the nominal value of the Company's shares, (ii) the average of the closing price of the shares quoted on the Hong Kong Stock Exchange on the five trading days immediately preceding the grant date and (iii) the closing price of the shares on the grant date.

On 13 July 2017, the Company granted a total of 64,000,000 share options to subscribe for 64,000,000 ordinary shares of HK\$0.10 each of the Company to certain eligible individuals.

As at 31 December 2017, the number of share granted and remained outstanding under the Scheme was 64,000,000. No share option has been granted or exercised and no option remained outstanding under the Scheme as at 31 December 2016.

26. 購股權計劃

本公司已於二零零九年十一月三十日採納一項購股權計劃（「該計劃」）。

本公司可向合資格參與者（包括董事會全權酌情認為曾經或將會對本集團作出貢獻之本集團任何成員公司之任何董事、非執行董事、僱員、顧問、諮詢顧問、分銷商、承建商、供應商、代理、客戶、業務夥伴、合營業務夥伴、創辦人及服務供應商）授出購股權以認購本公司股份，惟最多可認購本公司於購股權計劃採納日期及於不時更新之批准日期的已發行股本之10%（不包括就此目的行使購股權而發行的股份）。認購價將由本公司董事會釐定，其將不會低於下列價值之較高者：(i)本公司股份的面值，(ii)緊接於購股權授出日期前五個交易日於香港聯交所報股份的平均收市價，及(iii)購股權授出日期的收市價。

於二零一七年七月十三日，本公司授出合共64,000,000份購股權予若干名合資格人士，以認購64,000,000股本公司每股面值港幣0.10元之普通股。

於二零一七年十二月三十一日，根據該計劃已授出但仍未行使之購股權數目為64,000,000份。於二零一六年十二月三十一日，該計劃項下並無購股權獲授出或行使且並無仍未行使購股權。

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26. SHARE OPTION SCHEME (Continued)

Movements of the Company's share options held by directors and employees during the year are as follows:

26. 購股權計劃 (續)

年內，董事及僱員持有之本公司購股權之變動如下：

Category of participant	Date of grant	Number of share options			Exercise period	Exercise price per share
		Outstanding at 1 January 2016 and 2017	Granted during the year	Outstanding at 31 December 2017		
參與者類別	授出日期	於二零一六年及二零一七年一月一日尚未行使	於年內授出	於二零一七年十二月三十一日尚未行使	行使期	每股行使價 HK\$ 港幣元
Directors	13 July 2017	-	45,000,000	45,000,000	13 July 2017 to 12 July 2022	0.25
董事	二零一七年七月十三日				二零一七年七月十三日至二零二二年七月十二日	
Employees	13 July 2017	-	19,000,000	19,000,000	13 July 2017 to 12 July 2022	0.25
僱員	二零一七年七月十三日				二零一七年七月十三日至二零二二年七月十二日	
		-	64,000,000	64,000,000		
Weighted average exercise price (HK\$)		N/A	0.25	0.25		
加權平均行使價 (港幣元)		不適用				

Note: All the above share options are exercisable on the grant date.

附註：以上所有購股權均可以於授出日期行使。

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26. SHARE OPTION SCHEME (Continued)

The fair values of the share options at the grant date, were calculated using the Binomial Option Pricing Model. The inputs into the model were as follows:

Grant date	13 July 2017
Number of share options	64,000,000
Share price	HK\$0.249
Risk-free rate	1.194%
Expected volatility	45.34%
Time-to-maturity	12 July 2022

Expected volatility was determined by using the historical volatility of the Company's share price over one year and reference to the companies in the similar industry. The expected life used in the model has been adjusted, based on management best estimate, for the effect of non-transfer ability, exercise restrictions and behavioral considerations.

The fair value of the share options granted amounted to HK\$6,318,000 (equivalent to RMB5,481,000) in aggregate. The Group recognised a total expense of the same amount during the year ended 31 December 2017 (2016: Nil) in relation to the share options granted by the Company.

26. 購股權計劃 (續)

購股權於授出日期之公允值乃使用二項式期權定價模型計算。該模型之輸入數據如下：

授出日期	二零一七年七月十三日
購股權數目	64,000,000份
股價	港幣0.249元
無風險利率	1.194%
預期波幅	45.34%
到期時間	二零二二年七月十二日

預期波幅乃採用本公司股價於一年之歷史波幅並參考類似行業之公司之歷史波幅釐定。該模型所採用之預期年期已根據管理層之最佳估計，就不可轉讓性、行使限制及行為等考慮因素之影響作出調整。

已授出購股權之公允值合共為港幣6,318,000元（相當於人民幣5,481,000元）。本集團於截至二零一七年十二月三十一日止年度就本公司授出之購股權確認相同金額之總開支（二零一六年：無）。

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27. RETIREMENT BENEFITS SCHEME

Hong Kong

The Group operates a mandatory provident fund scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for its Hong Kong employees. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, each of the subsidiaries (the “employer”) in Hong Kong and its employees makes monthly mandatory contributions to the scheme at 5% of the employee’s earnings as defined under the Mandatory Provident Fund Legislation. The mandatory contributions from each of the employer and employees are subject to a cap of HK\$1,500 per month. During the year ended 31 December 2017, a total contribution of RMB572,000 (2016: RMB477,000) was made by the Group in respect of this scheme.

The PRC, other than Hong Kong

As stipulated by rules and regulations in the PRC, the PRC subsidiaries are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions. During the year ended 31 December 2017, a total contribution of approximately RMB334,000 (2016: RMB409,000) was made by the Group in respect of this scheme.

27. 退休福利計劃

香港

本集團安排香港僱員參與由香港強制性公積金計劃條例規定的強制性公積金計劃（「強積金計劃」）。強積金計劃屬於界定供款計劃，由獨立受託人管理。根據強積金計劃，各香港附屬公司（「僱主」）及其僱員每月均按有關僱員之5%之收入（定義見強制性公積金法例）作出強制性供款。僱主及僱員之強制性供款以每月港幣1,500元為限。截至二零一七年十二月三十一日止年度，本集團就此計劃作出總供款人民幣572,000元（二零一六年：人民幣477,000元）。

中國，除香港外

根據中國的條例及法規規定，中國附屬公司須向為所有僱員而設置之國家退休福利計劃作出供款。供款額為僱員基本薪金的若干百分比。國家退休福利計劃負責向所有退休僱員支付所有退休金。在這個國家退休福利計劃之下，本集團除每年供款外不須對其他實際退休金支出或退休後福利作出任何進一步承擔。截至二零一七年十二月三十一日止年度，本集團就此計劃作出總供款約人民幣334,000元（二零一六年：人民幣409,000元）。

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28. PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group were pledged to secure banking facilities granted to the Group as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Leasehold land and buildings	租賃土地及樓宇	15,922	17,516
Properties under development	在建物業	554,997	189,075
		570,919	206,591

29. RELATED PARTY DISCLOSURES

The remuneration of directors and other members of key management during the years ended 31 December 2017 and 2016 are as follows:

Compensation of key management personnel

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries and other benefits in kind	薪金及其他實物利益	7,873	8,461
Retirement benefit scheme contributions	退休福利計劃供款	312	302
Share-based payment expense	以股份為基礎的支付開支	4,368	-
		12,553	8,763

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Related party balance

Amount due to a director is denominated in RMB, unsecured, interest-free and repayable on demand.

28. 抵押資產

於報告期末，本集團之若干資產已作為授予本集團銀行信貸之抵押如下：

29. 關連方披露

截至二零一七年及二零一六年十二月三十一日止年度，董事及其他主要管理層成員之酬金如下：

主要管理層成員之薪酬

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries and other benefits in kind	薪金及其他實物利益	7,873	8,461
Retirement benefit scheme contributions	退休福利計劃供款	312	302
Share-based payment expense	以股份為基礎的支付開支	4,368	-
		12,553	8,763

董事及主要管理人員之薪酬由薪酬委員會根據個人表現及市場趨勢釐定。

關連方結餘

應付董事款項乃以人民幣計值，為無抵押、免息及須按要求償還。

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30. COMMITMENTS

Commitments under operating leases

The Group as lessor

Property rental income earned during the year was RMB682,000 (2016: Nil). The properties held had committed leases mainly running for the one to three years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments.

30. 承擔

經營租賃承擔

本集團作為出租人

於年內賺取之物業租金收入為人民幣682,000元(二零一六年:無)。所持物業之租期主要介乎一至三年。

於報告期末,本集團已與租戶訂立以下未來最低租賃付款。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	1,851	-
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	4,434	-
		6,285	-

The Group as lessee

The Group leases certain of its premises and equipment under operating leases arrangements. Leases are negotiated for a term ranging from one to five (2016: one to five) years and rentals are fixed. None of the leases includes contingent rentals and terms of renewal were established in the leases.

本集團作為承租人

本集團根據經營租賃安排出租其若干物業及設備。洽談的租賃期介乎一年至五年(二零一六年:一年至五年)而租金已固定。概無租賃包括或然租金,惟租約中已訂明續租條款。

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30. COMMITMENTS (Continued)

The Group as lessee (Continued)

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which are payable as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	12	11
In the second to fifth year inclusive	第二年至第五年（包括首尾兩年）	19	27
		31	38

Other commitments

At the end of the reporting period, the Group had the following capital commitments for properties under development:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Contracted for but not provided	已訂約但未撥備	249,161	427,727

30. 承擔 (續)

本集團作為承租人 (續)

於報告期末，本集團應付之不可取消經營租賃下的未來最低租賃付款承擔如下：

其他承擔

於報告日期末，本集團在建物業之資本承擔如下：

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31. CONTINGENT LIABILITIES

As at 31 December 2017, the Group's maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB443,460,000 (2016: RMB535,979,000).

At the end of the reporting period, the Group provided guarantees in respect of the mortgage facilities granted by certain banks to certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default on mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owned by the defaulted purchasers to the banks.

Under the above arrangement, the related properties were pledged to the banks as securities on the mortgage loans. Upon default on mortgage payments by these purchasers, the banks are entitled to take over the legal titles and can realise the pledged properties through open auction. The Group is obliged to repay the banks for the shortfall if the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interest and penalties.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans, and ends upon the earlier of (i) the issuance of real estate ownership certificates to purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties; and (ii) the settlement of mortgage loans between the mortgage banks and the purchasers.

In determining whether financial liabilities should be recognised in respect of the Group's financial guarantee contracts, the directors of the Company exercise judgement in the evaluation of the probability of resources outflow that will be required and the assessment of whether a reliable estimate can be made of the amount of the obligation. The directors of the Company considered that the effect is insignificant, and accordingly, no provision for guarantee has been recognised in the consolidated financial statements.

31. 或然負債

於二零一七年十二月三十一日，本集團就本集團物業之若干買家獲提供之按揭貸款之最高責任為人民幣443,460,000元（二零一六年：人民幣535,979,000元）。

於報告期末，本集團就若干銀行向本集團物業之若干買家授出之按揭貸款提供擔保。根據擔保條款，倘該等買家未能償還按揭款項，則本集團負責償還違約買家欠付銀行之未償還按揭本金連同應計利息及罰款。

根據以上安排，有關物業已作為按揭貸款之擔保抵押予銀行。倘該等買家未能償還按揭款項，則銀行有權接收法定業權，並可透過公開拍賣變現抵押物業。倘物業拍賣所得款項無法補足未償還之按揭本金連同應計利息及罰款，則本集團須向銀行償還差額。

本集團之擔保期自授出有關按揭貸款日期開始，至以下各項中較早時間為止：(i)向買家發出房地產所有權證，一般於買家擁有相關物業後一至兩年內發出；及(ii)結清按揭銀行與買家之間的按揭貸款。

於釐定是否就本集團之財務擔保合約確認財務負債時，本公司董事作出判斷，以估計需要資源流出之可能性及評估能否就承擔金額作出可靠估計。本公司董事認為影響並不重大，因此，概無就已於綜合財務報表確認擔保撥備。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries at 31 December 2017 and 2016 are as follows:

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation/ operation 成立/ 註冊成立/ 營業地點	Class of shares held 持有股份類別	Issued and fully paid capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司所持擁有權權益比例				Principal activities 主營業務
				2017 二零一七年		2016 二零一六年		
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Techwayson Management Limited 德維森管理有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$10,000 港幣10,000元	100%	–	100%	–	Provision of management services 提供管理服務
Techwayson Trading Limited 德維森貿易有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$10,000 港幣10,000元	100%	–	100%	–	Trading of raw sugar 原糖貿易
Maoming Huada Real Estate Development Limited* ("Maoming Huada") 茂名市華大房地產開發有限公司 (「茂名市華大」)	The PRC 中國	Contributed capital 繳入資本	RMB50,000,000 人民幣50,000,000元	–	90%	–	90%	Development of real estate in the PRC 於中國發展房地產

* The English name is for identification purpose only.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

32. 本公司主要附屬公司之詳情

於二零一七年及二零一六年十二月三十一日之主要附屬公司詳細資料如下：

* 英文名稱僅供識別。

上表呈列本公司董事認為主要影響本集團業績或資產之本集團附屬公司。本公司董事認為列出所有附屬公司資料將令篇幅過於冗長。

概無任何附屬公司在本年結或在年內任何時間有任何未償還債務證券。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong and the PRC. The principal activities of these subsidiaries are summarised as follows:

32. 本公司主要附屬公司之詳情(續)

於報告期末，本公司有對本集團而言不屬重要之其他附屬公司。該等附屬公司多數於香港及中國經營。該等附屬公司之主要業務概述如下：

Principal activities 主營業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2017 二零一七年	2016 二零一六年
Investment holding 投資控股	Hong Kong 香港	2	2
Investment holding 投資控股	The British Virgin Islands 英屬處女群島	1	1
Investment holding 投資控股	The PRC 中國	4	4
		7	7
Inactive 無業務	Hong Kong 香港	2	2
Inactive 無業務	The British Virgin Islands 英屬處女群島	1	1
Inactive 無業務	Cambodia 柬埔寨	1	1
Inactive 無業務	The PRC 中國	3	2
		7	6
		14	13

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綜合財務報表附註

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33. NON-CONTROLLING INTERESTS

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立及主營業務地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控制性權益所持擁有權益及表決權比例		Profit (loss) allocated to non-controlling interests 分配予非控制性權益之溢利(虧損)		Accumulated non-controlling interest 累計非控制性權益	
		2017 二零一七年	2016 二零一六年	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Fame 長榮	Hong Kong and the PRC 香港及中國	-	49%	-	1,748	-	-
Maoming Huada 茂名市華大	The PRC 中國	10%	10%	7,914	3,679	38,036	30,122
				7,914	5,427	38,036	30,122

* 49% interests in fame has been disposed of during the year ended 31 December 2016, details are set out in note 10.

33. 非控制性權益

下表列示有重大非控制性權益之本集團非全資附屬公司之詳細資料：

* 截至二零一六年十二月三十一日止年度已出售長榮之49%權益，詳情載於附註10。

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests as set out below.

有重大非控制性權益之本集團附屬公司之財務資料摘要載列如下。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Maoming Huada	茂名市華大		
Current assets	流動資產	1,265,085	1,425,371
Non-current assets	非流動資產	96,956	1,827
Current liabilities	流動負債	(918,245)	(1,050,104)
Non-current liabilities	非流動負債	(63,436)	(75,874)
Equity attributable to owners of the Company	本公司擁有人應佔權益	342,324	271,098
Equity attributable to non-controlling interests	非控制性權益應佔權益	38,036	30,122

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

33. NON-CONTROLLING INTERESTS

(Continued)

33. 非控制性權益 (續)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收益	547,341	479,111
Profit and total comprehensive income for the year	年內溢利及全面收益總額	79,140	36,790
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年內溢利及全面收益總額	71,226	33,111
Profit and total comprehensive income for the year attributable to non-controlling interests	非控制性權益應佔年內溢利及全面收益總額	7,914	3,679
Profit and total comprehensive income for the year	年內溢利及全面收益總額	79,140	36,790
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net cash (outflow) inflow from operating activities	經營活動所得現金 (流出)流入淨額	(31,735)	279,361
Net cash inflow from investing activities	投資活動所得現金流入淨額	19,582	600
Net cash outflow from financing activities	融資活動所得現金流出淨額	(5,648)	(267,343)
Net cash (outflow) inflow	現金(流出)流入淨額	(17,801)	12,618

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34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

34. 本公司財務狀況表

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	1,009,623	476,035
Current assets	流動資產		
Other receivables	其他應收款項	205	232
Amounts due from subsidiaries	應收附屬公司款項	–	583,041
Bank balances and cash	銀行結存及現金	900	9
		1,105	583,282
Current liabilities	流動負債		
Other payables	其他應付款項	1,102	793
Amounts due to subsidiaries	應付附屬公司款項	756,025	813,721
Amounts due to directors	應付董事款項	2,714	–
Consideration payable	應付代價	–	16,942
Loan payable	應付貸款	16,656	–
		776,497	831,456
Net current liabilities	流動負債淨額	(775,392)	(248,174)
Total assets less current liabilities	總資產減流動負債	234,231	227,861
Capital and reserves	資本及儲備		
Ordinary share capital	普通股股本	136,015	136,015
Reserves	儲備	98,216	91,846
Total equity	權益總額	234,231	227,861

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34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

34. 本公司財務狀況表 (續)

The movement in reserves are as follows:

儲備變動如下：

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元 (Note) (附註)	Share option reserve 購股權儲備 RMB'000 人民幣千元	Translation reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	567,100	67,614	-	(5,579)	(519,252)	109,883
Loss for the year	年內虧損	-	-	-	-	(5,410)	(5,410)
Exchange difference arising on translation to presentation currency	換算為呈列貨幣而產生之匯兌差額	-	-	-	(12,627)	-	(12,627)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	(12,627)	(5,410)	(18,037)
At 31 December 2016	於二零一六年十二月三十一日	567,100	67,614	-	(18,206)	(524,662)	91,846
Loss for the year	年內虧損	-	-	-	-	(16,946)	(16,946)
Exchange difference arising on translation to presentation currency	換算為呈列貨幣而產生之匯兌差額	-	-	-	17,835	-	17,835
Total comprehensive income (expenses) for the year	年內全面收益(開支)總額	-	-	-	17,835	(16,946)	889
Recognition of share-based payment expenses	確認以股份為基礎的付款開支	-	-	5,481	-	-	5,481
At 31 December 2017	於二零一七年十二月三十一日	567,100	67,614	5,481	(371)	(541,608)	98,216

Note:

Contributed surplus of the Company represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to the group reorganisation in 2001.

附註：

本公司繳入盈餘指本公司已發行普通股之面值與根據於二零零一年之集團重組交換股份所獲得附屬公司之資產淨值兩者之差額。

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35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include consideration payable, loan payable, amount due to a director and secured bank borrowings, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associate with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

35. 資本風險管理

本集團管理其資本，以確保本集團的實體能夠持續經營，同時透過優化債務及股權平衡最大限度地提高股東回報。本集團之整體策略與去年維持不變。

本集團的資本架構包括債務（包括應付代價、應付貸款、應付董事款項及有抵押銀行借款）及本公司擁有人應佔權益（包括已發行股本及儲備）。

董事定期檢討資本架構。作為該檢討之一部分，董事考慮資本成本及與各類資本有關之風險。根據董事之推薦意見，本集團將透過派付股息、新股發行及股份購回以及發行新債務或贖回現有債務平衡其整體資本架構。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Financial assets	財務資產		
FVTPL – held for trading	按公允值計入損益—持作交易	27	40
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	64,206	112,010
		64,233	112,050
Financial liabilities	財務負債		
Financial liabilities at amortised cost	按攤銷成本計量之財務負債	175,676	193,127

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, held-for-trading investments, restricted bank deposit, pledged bank deposits, bank balances and cash, trade and other payables, consideration payable, loan payable, amount due to a director and secured bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with the Group's financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

36. 財務工具

(a) 財務工具類別

(b) 財務風險管理目標及政策

本集團之主要財務工具包括貿易及其他應收款項、持作交易用途之投資、有限制銀行存款、已抵押銀行存款、銀行結存及現金、貿易及其他應付款項、應付代價、應付貸款、應付一名董事款項及有抵押銀行借款。財務工具之詳情於各相關附註披露。有關本集團財務工具之風險包括市場風險（利率風險）、信貸風險及流動資金風險。如何減輕該等風險之政策載列如下。管理層會管控該等風險承擔，確保適時有效地實施適當措施。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to restricted bank deposit, pledged bank deposits, bank balances and cash, receipts in advance from sales of raw sugar and secured bank borrowings. Interest rate risk is managed by the management on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. Interest rate risk on bank deposits is considered immaterial and therefore has been excluded from the sensitivity analysis below.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for receipts in advance from sales of raw sugar and secured bank borrowings at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2016: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the effect from possible change in interest rates. Restricted bank deposit, pledged bank deposits and bank balances and cash are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If the interest rates had been 50 basis points (2016: 50 basis points) higher or lower and all other variables were held constant, the Group profit for the year would decrease/increase by HK\$197,000 (2016: HK\$292,000). This is mainly attributable to the Group's exposure to interest rates on its floating rate of receipts in advance from sales of raw sugar secured bank loans.

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

利率風險

本集團就有限制銀行存款、已抵押銀行存款、銀行結存及現金、來自原糖銷售之預收款項及有抵押銀行借款面對現金流量利率風險。管理層按持續基準管理利率風險，主要目的為限制利息開支淨額受利率不利變動影響的程度。由於銀行存款的利率風險不大，因此並未包括在下列敏感度分析內。

利率敏感度分析

以下的敏感度分析是對於報告期末來自原糖銷售之預收款項及有抵押銀行借款的利率風險而作出。分析乃假設於報告期末未償還財務工具於整年度仍未償還而編製。向主要管理人員就利率風險進行內部匯報時，採用增加或減少50個基點（二零一六年：50個基點），即管理層對利率可能出現的變動帶來的影響所作出的評估。敏感度分析不包括有限制銀行存款、已抵押銀行存款及銀行結存及現金，原因是本公司董事認為可變利率銀行結存產生的現金流量利率風險不大。

倘利率上升或下跌50個基點（二零一六年：50個基點），而所有其他可變因數維持不變，本集團年度溢利將相應下跌／上升港幣197,000元（二零一六年：港幣292,000元），主要由於本集團受浮動利率計息的來自原糖銷售之預收款項有抵押銀行貸款的利率影響。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

At 31 December 2017, other than the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position which best represents the Group's maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of contingent liabilities in relation to financial guarantees provided by the Group is disclosed in note 31.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

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

With respect to credit risk arising from other receivables, the Group's exposure to credit risk arising from default of the counterparties is limited as the counterparties have good history of repayment and the Group does not expect to incur a significant loss arising from other receivables.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit-ratings, the Group does not have any other significant concentration of credit risk.

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險

於二零一七年十二月三十一日，除於綜合財務狀況表中列示之相關已確認財務資產賬面值最能代表本集團之最大信貸風險外，本集團面對因有關本集團所提供之財務擔保之或然負債金額而產生將對本集團造成財務損失之最大信貸風險於附註31披露。

為減低信貸風險，本集團管理層已成立專責隊伍負責釐定信貸限額、信貸批核及其他監控程序，以確保採取跟進行動追回逾期欠款。就此，董事認為可大幅減低本集團的信貸風險。

由於交易對方為獲得國際信貸評級機構評定為高信貸評級的銀行，因此有關流動資金的信貸風險有限。

就本集團其他應收款項之信貸風險而言，由於交易對方的還款記錄良好，因此本集團因交易對方違規而引起的信貸風險有限，而本集團預期其他應收款項不會出現重大虧損。

除有關流動資金（存放於數間高信貸評級的銀行）的信貸風險集中外，本集團並無任何其他重大集中的信貸風險。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

Liquidity risk analysis

The following table details the Group's contractual maturity for their non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

在管理流動資金風險時，本集團監察及維持管理層認為足夠的現金及現金等價物水平，以為本集團的經營提供資金，並減輕現金流量波動的影響。管理層監察銀行借款的使用及確保符合貸款契約。

流動資金風險分析

下表詳列本集團非衍生財務負債的合約到期情況。該等列表根據本集團可被要求還款的最早日期按財務負債未貼現現金流量計算而製成。其他非衍生財務負債的到期日乃根據所協定還款年期而定。

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk analysis (Continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from the interest rate at the end of the reporting period.

	Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2017
	加權平均利率	按要求或少於三個月	三個月至一年	一年至兩年	兩年至五年	未貼現現金流量總額	於二零一七年十二月三十一日之賬面值
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities	非衍生財務負債						
Trade and other payables	貿易及其他應付款項	N/A 不適用	37,002	-	-	37,002	37,002
Amount due to a director	應付董事款項	N/A 不適用	2,714	-	-	2,714	2,714
Secured bank borrowings	有抵押銀行借款						
- fixed rate	- 固定利率	10.5	109,770	-	-	109,770	107,000
- variable rate	- 浮動利率	3	12,395	-	-	12,395	12,304
Loan payable	應付貸款	6	246	16,738	-	16,984	16,656
Financial guarantee contracts	財務擔保合約	N/A 不適用	443,460	-	-	443,460	-
			605,587	16,738	-	622,325	175,676

	Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2016
	加權平均利率	按要求或少於三個月	三個月至一年	一年至兩年	兩年至五年	未貼現現金流量總額	於二零一六年十二月三十一日之賬面值
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities	非衍生財務負債						
Trade and other payables	貿易及其他應付款項	N/A 不適用	39,486	-	-	39,486	39,486
Consideration payable	應付代價	N/A 不適用	16,942	-	-	16,942	16,942
Amount due to a director	應付董事款項	N/A 不適用	3,160	-	-	3,160	3,160
Secured bank borrowings	有抵押銀行借款						
- fixed rate	- 固定利率	9	122,663	-	-	122,663	120,000
- variable rate	- 浮動利率	3.5	13,656	-	-	13,656	13,539
Financial guarantee contracts	財務擔保合約	N/A 不適用	535,979	-	-	535,979	-
			731,886	-	-	731,886	193,127

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險分析 (續)

下表載有利息及本金現金流量。於利息流量為浮動息率的前提下，未貼現金額乃以報告期末的利率計算。

	Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2016
	加權平均利率	按要求或少於三個月	三個月至一年	一年至兩年	兩年至五年	未貼現現金流量總額	於二零一六年十二月三十一日之賬面值
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities	非衍生財務負債						
Trade and other payables	貿易及其他應付款項	N/A 不適用	39,486	-	-	39,486	39,486
Consideration payable	應付代價	N/A 不適用	16,942	-	-	16,942	16,942
Amount due to a director	應付董事款項	N/A 不適用	3,160	-	-	3,160	3,160
Secured bank borrowings	有抵押銀行借款						
- fixed rate	- 固定利率	9	122,663	-	-	122,663	120,000
- variable rate	- 浮動利率	3.5	13,656	-	-	13,656	13,539
Financial guarantee contracts	財務擔保合約	N/A 不適用	535,979	-	-	535,979	-
			731,886	-	-	731,886	193,127

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk analysis (Continued)

Bank borrowings with a repayment on demand clause are included in the "on demand or less than 3 months" time bank in the above maturity analysis. As at 31 December 2017 and 2016, the aggregate undiscounted principal amounts of these bank borrowings amounted to approximately RMB110,977,000 (2016: RMB5,480,000) respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid four years (2016: five years) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險分析 (續)

具有可按要求償還條款之銀行借款均計入上述到期日分析「按要求或少於三個月」之時間範圍內。於二零一七年及二零一六年十二月三十一日，銀行借款之未貼現金額分別合共約為人民幣110,977,000元（二零一六年：人民幣5,480,000元）。計及本集團之財務狀況後，董事不相信銀行可能行使其要求即時還款之酌情權。本公司董事相信，該等銀行借款將於報告日期後四年（二零一六年：五年）內根據貸款協議所載預定還款日期償還，其詳情載於下表：

	Weighted average interest rate	Within 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2017
	加權平均利率	一年內	一年至兩年	兩年至五年	未貼現金流量總額	於二零一七年十二月三十一日之賬面值
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities						
Secured bank borrowings						
– fixed rate	10.5	17,889	58,026	51,185	127,100	107,000
– variable rate	3	1,116	1,114	2,041	4,271	3,977
		19,005	59,140	53,226	131,371	110,977

	Weighted average interest rate	Within 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2016
	加權平均利率	一年內	一年至兩年	兩年至五年	未貼現金流量總額	於二零一六年十二月三十一日之賬面值
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities						
Secured bank borrowings						
– variable rate	3.5	1,396	1,221	3,350	5,967	5,480

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36. FINANCIAL INSTRUMENTS (Continued)

(c) Fair values

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis using prices from observable current market transactions. The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

(d) Fair value measurements of financial instruments

One of the Group's financial asset is measured at fair value at the end of the reporting period. The following table provides an analysis of financial instrument that is measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2017	於二零一七年十二月三十一日				
Held-for-trading investments	持作交易用途之投資	27	-	-	27
As at 31 December 2016	於二零一六年十二月三十一日				
Held-for-trading investments	持作交易用途之投資	40	-	-	40

There were no transfers between Levels 1 and 2 during both years. The fair value of the held-for-trading investments is from quoted bid prices in an active market.

36. 財務工具 (續)

(c) 公允值

其他財務資產及財務負債的公允值乃根據公認的定價模式按現時可觀察的市場交易之價格以貼現現金流量分析釐訂。董事認為，於綜合財務報表內確認的財務資產及財務負債賬面值與其公允值相若。

(d) 財務工具之公允值計量

本集團之其中一項財務資產於報告期末按公允值計量。下表載列財務工具之分析，其乃於初步確認後按公允值計量並根據可觀察公允值列入第一級至第三級。

於兩個年度，第一級與第二級之間並無轉撥。持作交易用途之投資之公允值來自於活躍市場所報買入值。

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37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

37. 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債指現金流已經或未來現金流將會於本集團綜合現金流量表分類為融資活動現金流量之負債。

		Loan payable	Amount due to a director	Borrowings	Interest payable (included in other payables)	Total
		應付貸款	應付董事款項	借款	應付利息 (計入其他應付款項)	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	-	3,160	133,539	375	137,074
Financing cash flows	融資現金流量	17,342	(446)	(13,728)	(12,207)	(9,039)
Foreign exchange translation	匯率換算	(686)	-	(507)	349	(844)
Interest expenses	利息開支	-	-	-	6,701	6,701
Interest expense capitalised to properties under development	資本化至在建物業之利息開支	-	-	-	5,143	5,143
At 31 December 2017	於二零一七年十二月三十一日	16,656	2,714	119,304	361	139,035

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綜合財務報表附註

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38. COMPREIATIVE FIGURES

Certain comparative figures in the consolidated financial statements have been reclassified to confirm with the current year's presentation of the Group.

39. EVENT AFTER THE END OF THE REPORTING PERIOD

On 22 January 2018 and 14 February 2018, a wholly-owned subsidiary of the Company entered into the master agreement and supplementary agreement, respectively, with China Sugar Holdings Limited, which is the Company's shareholder wholly-owned by a director of the Company, for purchase of raw cane sugar for the period from 1 March 2018 to 31 December 2020 with an annual cap of US\$11 million, details of which are set out in the Company's announcements dated 22 January 2018 and 14 February 2018.

38. 比較數字

綜合財務報表之若干比較數字已經重新分類，以與本集團本年度之呈列一致。

39. 報告期末後事項

於二零一八年一月二十二日及二零一八年二月十四日，本公司全資附屬公司分別與本公司股東中國糖業集團有限公司（由本公司董事全資擁有）訂立總協議及補充協議，以於二零一八年三月一日至二零二零年十二月三十一日期間購買原蔗糖，年度上限為11,000,000美元，詳情載於本公司日期為二零一八年一月二十二日及二零一八年二月十四日之公告。

Schedule of Properties

物業概覽表

At 31 December 2017 於二零一七年十二月三十一日

A. PROPERTIES IN THE PRC

A. 位於中國之物業

Location	Usage	Area	Lease term	Group's interest 本集團 應佔權益	Stage of development & Classification 開發階段及 分類	Date of Completion 完工日期
地點	用途	面積	租賃期			
Portion of first and second phase of Maoming property project, Zhanqian 7th Road, Yuehua East District, Maoming	Commercial	Gross floor area – approximately 4,000 sq. m.	Medium to long term	90%	Completed, investment properties	2016
茂名市站前七路 粵華東小區 茂名物業項目 第一及第二期部分	商業	建築總面積 – 約4,000平方米	中期至長期	90%	已完成, 投資物業	二零一六年
Unsold portion of first and second phase of Maoming property project, Zhanqian 7th Road, Yuehua East District, Maoming	Commercial and residential complex	Gross floor area – approximately 18,000 sq. m.	Medium to long term	90%	Completed, properties held for sale	2016
茂名市站前七路 粵華東小區 茂名物業項目 第一及第二期未出售部分	商業及住宅綜合體	建築總面積 – 約18,000平方米	中期至長期	90%	已完工, 持作出售物業	二零一六年
Third phase of Maoming property project, Zhanqian 7th Road, Yuehua East District, Maoming	Commercial and residential complex	Gross floor area – approximately 188,000 sq. m.	Medium to long term	90%	Construction in progress, properties under development	2018 (Estimated)
茂名市站前七路粵華東小區 茂名物業項目 第三期	商業及住宅綜合體	建築總面積 – 約188,000平方米	中期至長期	90%	在建工程, 在建物業	二零一八年 (估計)

B. PROPERTIES IN HONG KONG

B. 位於香港之物業

Location	Usage	Approximate saleable area	Lease term	Group's interest 本集團 應佔權益
地點	用途	概約可出售面積	租賃期	
Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon.	Office premises – Own use	242 sq.m.	Medium	100%
九龍尖沙咀廣東道30號新港中心一期15樓1501室	寫字樓物業 – 自用	242平方米	中期	100%



中國上城

CHINA UPTOWN

China Uptown Group Company Limited
中國上城集團有限公司