東勝旅遊
ORIENT VICTORY TRAVEL

ORIENT VICTORY TRAVEL GROUP COMPANY LIMITED
東勝旅遊集團有限公司

(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: 265

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年報 ANNUAL REPORT 2017

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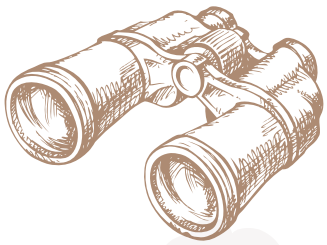

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Shi Baodong (Chairman)
Mr. Zhao Huining (Chief Executive Officer*)
(appointed on 16 June 2017)
Mr. Wang Jianhua
Ms. Xu Yongmei (retired with effect from 16 June 2017)

Non-executive Director

Ms. Song Sining (appointed on 16 June 2017)
Mr. Li Yankuan (retired with effect from 16 June 2017)

Independent Non-executive Directors

Mr. Dong Xiaojie
Mr. He Qi
Mr. Law Wang Chak, Waltery

AUDIT COMMITTEE

Mr. Law Wang Chak, Waltery (Chairman)
Mr. He Qi
Ms. Song Sining (appointed on 16 June 2017)
Mr. Li Yankuan (ceased on 16 June 2017)

REMUNERATION COMMITTEE

Mr. Dong Xiaojie (Chairman)
Mr. Shi Baodong
Mr. Zhao Huining (with effect from 15 July 2017)
Mr. Law Wang Chak, Waltery

NOMINATION COMMITTEE

Mr. Shi Baodong (Chairman)
Mr. Zhao Huining (with effect from 15 July 2017)
Mr. He Qi
Mr. Law Wang Chak, Waltery

COMPANY SECRETARY

Mr. Ip Pui Sum

* Mr. Zhao Huining was appointed as Chief Executive Officer with effect from 15 July 2017.

AUDITOR

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
The Hongkong and Shanghai Banking Corporation Limited
Luso International Banking Limited
Bank of Nanjing Company Limited
Daxinggong Sub-branch,
Nanjing City, Jiangsu Province

REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

2603, 26/F, Harbour Centre
25 Harbour Road, Wanchai
Hong Kong

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

STOCK CODE

265

WEBSITE

http://www.orientvictory.com.hk

HONOURS AND AWARDS

Orient Victory Travel Group Company Limited

The Company won "Gold Award" in the 2016 Vision Awards Annual Report Competition organised by League of American Communications Professionals LLC ("**LACP**"), as well as awarded the "Top 80 Annual Reports in the Asia-Pacific Region", and the "Top 40 Chinese Annual Reports of 2016". LACP is an authoritative internal professional awards institution and its annual report competition is highly endorsed in the industry.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the board ("**Board**") of directors (the "**Director(s)**") of Orient Victory Travel Group Company Limited (formerly known as Orient Victory China Holdings Limited) (the "**Company**" together with its subsidiaries the "**Group**", stock code: 265), I am pleased to present the annual report (the "**Annual Report**") of the Group for the year ended 31 December 2017 (the "**Year**").

SUMMARY OF RESULTS

For the Year, the Group recorded (i) a revenue of approximately HK$264.57 million, representing an increase of approximately 141.8% as compared to the last financial year of approximately HK$109.42 million; (ii) the loss attributable to equity owners of the Company was approximately HK$46.85 million compared to the loss attributable to equity owners of the Company of approximately HK$191.82 million for corresponding period of last year; (iii) a loss per share of HK0.46 cents, as compared with the loss per share of HK1.64 cents (restated) for the year ended 31 December 2016.

BUSINESS STRATEGY

(a) Travel Related and Other Services Business

The Group will continue to focus on allocate resources in promotion and marketing to expand and diversify its business product types such as MICE (Meetings, Incentives, Conferences and Exhibitions). We will also be working with global travel related solutions providers and we expect to gain our market share in this area with our global travel management partner bringing global management practice to the Hong Kong market and continue to improve our service and tools for companies both large multinationals and SMEs. The Group will be benefit from the vast network of China Comfort Tourism Group Company Limited* (中國康輝旅遊集團有限公司) (formerly known as China Comfort Travel Group Company Limited* (中國康輝旅行社集團有限責任公司)) ("**China Comfort**"), an associate company of the Group, the integrated online service system of China Comfort by building its own online platform, together with the cooperation with major B2C platforms (such as Ctrip and Tuniu). The Board believes that the Group and China Comfort will complement each other with their own remarkable resources while the Group will make vigorous efforts to promote its MICE business and penetrate into the Chinese tourism market, so as to strengthen its position in the tourism market.

(b) Trading and Retail of Jewellery Business

Due to the sluggish economic environment and the increase in prices of raw materials such as gold, and certain other factors, the performance of our jewellery business is deteriorating. Over the past years, although the Group has tried various ways to improve the performance by, including, reducing its staff costs and leasing costs as well as entering into a business cooperation agreement with an independent jewellery retailer as details is mentioned in the section of Management Discussion and Analysis, this segment still suffered loss for the Year. Despite this segment is not the core business of the Group and is not expected to be a meaningful driver of or contributor to the operating results of the Group going forward, the Group will consider making further appropriate strategic decision as and when necessary.

(c) Financial Services Business

During the Year, the Group completed the acquisition of the entire issued share capital of Orient Victory Azure Capital Limited (formerly known as Greater China Paxwell Limited) ("**Azure Capital**"). Throughout the Year, the Group had carried out certain number of regulated activities under the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**") through its wholly-owned licensed corporations, namely Orient Victory Azure Asset Management Limited (formerly known as Afanti Asset Management Limited) ("**Azure Asset Management**") and Azure Capital.

The Board believes that the Group can leverage on the existing business's tourist flow for the provision of its financial services in the future. In order to provide integrated solutions in the financial service industry, the Company will deepen its penetration into the financial service industry and strive to become a corporation with a complete range of licences so as to provide comprehensive services to its customers. The Company will continue to monitor the development of Azure Capital and Azure Asset Management and the market situation and alter business strategy along with the market conditions.

(d) Property Development and Investment Business

During the Year, the Group had successfully entered into the property industry by acquiring a land in New Zealand. The preliminary plan is to develop the land in phases which will comprise self-serviced units and residential units.

The Board believes the acquisition represented a good investment opportunity for the Group to broaden the business scope and increase the profitability of the Group.

New Business Updates

The Group is exploring other potential opportunities incidental to the travel industry, including but not limited to acquisition of land and construction of self-serviced and residential units. The potential investments, if materialised, are expected to enable the Group to expand its travel-related business vertically as well as to generate synergy effects on the existing business of the Group.

OUTLOOK

Looking forward, "Travel +" (i.e. Travel + Finance + Property Development) will be the main revenue driver of the Company in the future and the Company will make vigorous effort to develop "Travel +" business, with the focus on investment in travel resources, increasing its market share in the tourism market and enhancing its influence in the financial service and property development industries, aiming to turn the Group into a comprehensive service provider.

APPRECIATION

On behalf of the Board, I wish to express my sincere gratitude to the shareholders and business partners of the Company for their continuous support as well as to the Board, management and all our staff members for their diligence, devotions and contributions.

DIVIDEND

The Board does not recommend the payment of any final dividend for the Year (2016: Nil).

Shi Baodong
Chairman

Hong Kong, 29 March 2018

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Travel Related and Other Services Business

The continuing economic slowdown, weak demand of high cabin corporate travel, intense competition from online travel agencies and direct sale of low cost carriers continuously adversely affected the Group's operating performance.

Despite the travel related and other services segment recorded an increase in revenue from approximately HK$78.33 million for the year ended 31 December 2016 to approximately HK$236.29 million for the Year, the increase was mainly attributable to the fact that the sale of air tickets was recognised on a gross basis instead of a net basis throughout the Year. This segment recorded an operating loss of approximately HK$2.14 million for the Year (2016: HK$3.82 million), representing a decrease of approximately 44.0%.

The Group has been looking for more experienced sales and marketing staff to capture more business and clients from the markets of Hong Kong and Mainland China as well as seeking to develop highly profitable tourism products, including MICE (Meetings, Incentives, Conferences and Exhibitions) business, cruise business and hotel booking business.

The Group has been working with global partners to develop travel reporting tools to provide opportunity corporate clients with effective and efficient travel management solution that are customized to their needs.

The Group proposes to provide comprehensive training and allowances for the study of tourism-related courses to its staff in order to improve their knowledge, service quality and service standards in tourism and travel related business.

Trading and Retail of Jewellery Business

This segment involves the distribution and sale of jewellery products such as precious stones, jade, gold and silver in our Group's flagship stores and counters of large department stores in Nanjing.

During the period from October 2016 to May 2017, blocked fences were set up along the road in front of our flagship store in Nanjing by the local municipal government and as a result, there was a drop in number of customers. Furthermore, as disclosed in the Company's announcement dated 22 June 2017, on 8 June 2017, there was a fire accident (the "**Fire Accident**") on the top of the third floor of the building, two floors above where our flagship jewellery store (the "**Jewellery Store**") is situated. The Jewellery Store was temporarily closed for urgent repair and reopened on 30

June 2017. Upon investigation by the local fire department, the Fire Accident was caused by a careless contractor (the "**Contractor**") who was appointed for a water proofing work at the scene.

On 27 July 2017, the Group took legal action against the Contractor at the People's Court of Qinhuai, Nanjing, the People Republic of China ("**PRC**") seeking damages for loss and damage of the Group arising from the Fire Accident. On 14 February 2018, the Group reached an agreement with the Contractor through mediation by the court that the Contractor is required to pay the Group a sum of RMB0.55 million (equivalent to approximately HK$0.66 million) being damages for loss and damage of the Group by 31 March 2018. Such payment was received by the Group on 2 April 2018.

As a result of the above issues, this segment recorded a decrease in revenue to approximately HK$26.54 million for the Year (2016: approximately HK$30.27 million) and a significant increase in operating loss to approximately HK$2.58 million (2016: approximately HK$1.13 million).

Attempting to improve the performance of this segment, on 27 July 2017, the Jewellery Store entered into a business cooperation agreement ("**Cooperation**") with an independent jewellery retailer. Under the Cooperation, the Jewellery Store shall provide the jewellery retailer with a shop space for the operation of jewellery retail business for a term of two years commencing from 1 August 2017. During the term, the jewellery retailer shall pay to the Jewellery Store an aggregate sum of RMB0.82 million (equivalent to approximately HK$0.98 million) and RMB0.84 million (equivalent to approximately HK$1.01 million) for the first year and second year respectively. All expenses and staff costs in respect of the operation of jewellery retail business at the place provided by the Jewellery Store shall be borne by the jewellery retailer.

Although the Group has tried various ways to improve the performance of its jewellery business by, including, reducing its staff costs and leasing costs as well as entering into the Cooperation over the years, this segment still suffered loss for the Year. Despite the redoubled effort put by the management, management of the Group considers that this segment is not the core business and is not expected to be a meaningful driver of or contributor to the operating results going forward. The Group will consider making further appropriate strategic decision as and when necessary.

The principal assets for this segment are inventories, which are mainly comprised of gold ornaments, gold materials, inlaid ornament and diamond materials. During the course of business, the Group has well-established systems for sourcing, warehousing, storage, payment, delivery, sales and payment collection for the purposes of better inventory and credit control. The Group's internal control system has been effectively implemented throughout the Year.

Financial Services Business

On 24 January 2017, the Company completed the acquisition of the entire issued share capital of Azure Capital. Throughout the Year, the Group had carried out certain number of regulated activities under the SFO through its wholly-owned subsidiaries, namely Azure Asset Management and Azure Capital. Azure Asset Management is a corporation licenced to carry on Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities and Azure Capital is a corporation licenced to carry on Type 6 (Advising on Corporate Finance) regulated activity under the SFO.

During the Year, financial services segment recorded revenue of HK$1.74 million (2016: HK$0.82 million) and losses from operation approximately HK$2.80 million (2016: HK$0.61 million) from regulated activities.

The Company believes the financial and equity market would remain stable and is not expected to experience significant fluctuations in the short run, which should be favorable to the growth of Azure Capital and Azure Asset Management. In addition, the Company has diverted efforts to remarket the brand name and promote the service of Azure Capital and Azure Asset Management, an increase in new financial advisory contracts and positive revenue contribution are expected. The

Company expects a reasonable return under the current market conditions and increase in revenue would be received.

The Directors believe that the acquisition can expand the financial services limb of the principal business activities of the Group and therefore maximize returns to Shareholders. It also marked an important step of the Group to enter into the financial industry in Hong Kong. The Company will continue to monitor the development of Azure Capital and Azure Asset Management and the market situation and alter the business strategy along with the market conditions.

Property Development and Investment Business

During the Year, the Group had successfully entered into the property industry by acquiring a land in New Zealand. The preliminary plan is to develop the land in phases which will comprise self-serviced units and residential units. For details, please refer to the announcement of the Company dated 11 August 2017.

The land is located in a tourism hub in North Auckland with close proximity to motorway, public transport, local amenities and popular tourist attractions. Identifying critical housing shortage in Auckland, the Board believes the acquisition represented a good investment opportunity for the Group.

As the acquisition was only completed in late 2017 and the development is still under a preliminary stage, no revenue was recorded and this segment recorded a loss of approximately HK$82,000 during the Year.

FINANCIAL ANALYSIS

1. Operating Performance

Revenue was approximately HK$264.57 million for the Year, representing an increase of approximately 141.8% as compared to the last financial year of approximately HK$109.42 million. The increase was mainly attributable to the fact that the sale of air tickets was recognised on a gross basis instead of a net basis throughout the Year.

A loss of approximately HK$56.03 million was recorded for the Year as compared with a substantial loss of approximately HK$194.07 million for the year ended 31 December 2016, representing a decrease of approximately 71.1%. The significant decrease in loss was primarily attributable to:

(i) the significant decrease in the share of loss of an associate of the Group from HK$148.37 million for the year ended 31 December 2016 to HK$13.52 million for the Year due to the fact that no asset impairment was recorded by the associate for the Year (2016: HK$141.91 million);

(ii) the absence of the net amortised finance charge of HK$12.06 million for the interest free loans incurred in the corresponding year; and

(iii) the decrease in the share of loss of an associate and amortised finance charge were partially offset by an increase of administrative expenses.

2. Asset Quality

Our assets mainly include cash and cash equivalents, restricted bank deposits, trade receivables, inventories and interest in an associate. The balance of cash and cash equivalents and restricted bank deposits totally amounted to approximately HK$401.14 million, of which approximately HK$49.85 million, HK$20.81 million and HK$8.95 million were denominated in RMB, New Zealand dollar ("**NZD**") and USD, respectively.

The balances of trade receivables of approximately HK$28.16 million are mainly due from the customers of Four Seas Tours Limited, which are mostly well-known and large enterprises. The ageing of our trade receivables of approximately HK$25.77 million, which represents about 91.5% of our total trade receivables, is within 90 days.

The balance of inventories is approximately HK$63.79 million, which are the raw materials and finished goods of jewellery products and a land in New Zealand. Out of which, approximately HK$8.40 million were pledged as security for the Group's bank loans.

Interest in an associate amounted to approximately HK$399.27 million, which was mainly attributable to intangible assets, including China Comfort's trademark and distribution network.

3. Liability Structure

Our liabilities mainly include trade payables and short-term borrowings. The balances of trade payables amount to approximately HK$33.39 million. The ageing of our trade payables of approximately HK$33.23 million, which represents approximately 99.5% of our total trade payables, is within 90 days.

As at 31 December 2017, the balances of short-term borrowings were approximately HK$8.95 million, which was denominated in RMB. Among which, HK$4.80 million were secured bank loans with effective interest rate of 4.35% per annum and HK$4.15 million were other unsecured borrowings and at an interest rate of 6.5% per annum for the year.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group's operations and investments continued to be mainly financed by internal resources, borrowings as well as proceeds raised from issuance of equity financing exercises. As at 31 December 2017, the Group's cash and cash equivalent and the restricted bank deposit totally amounted to approximately HK$401.14 million (2016: approximately HK$368.02 million), representing an increase of approximately 9.0% as compared to the year ended 31 December 2016, which are managed centrally (save for the fund to be used in a specific project). The increase of cash and cash equivalent and the restricted bank deposit was mainly attributable to the net proceeds of approximately HK$135.21 million raised from issuing new shares upon the exercise of warrants.

As at 31 December 2017, the Group had total bank and other borrowings of approximately HK$8.95 million (2016: HK$9.62 million), all of which were denominated in RMB. Among which, approximately HK$4.80 million were bank loans (2016: approximately HK$5.57 million), which were secured and the effective interest rate was 4.35% per annum for the Year (2016: 4.5% to 6.0% per annum) and approximately HK$4.15 million were other short-term borrowings (2016: approximately HK$4.05 million), which were unsecured and at an interest rate of 6.5% per annum for the Year (2016: 6.5% per annum).

As at 31 December 2017, the Group had a current ratio of approximately 7.82 (2016: 5.41). The gearing ratio was not applicable as the Group had net cash of approximately HK$348.75 million as at 31 December 2017 (2016: approximately HK$325.01 million).

FOREIGN EXCHANGE EXPOSURE

Since the transactions of the Group were mainly denominated in HK$, RMB and NZD, the Group is exposed to foreign currency risk on the cash and cash equivalents of the entity which are denominated in RMB and NZD whose functional currency is HK$. During the Year, the Group had reviewed the hedged product in respect of foreign currency exposure of NZD but no hedging action was performed by the Group during the Year. The Directors will continue to monitor the related foreign currency exposure and are prepared to take appropriate hedging action as and when necessary.

CAPITAL COMMITMENTS

As at 31 December 2017, the Group had capital commitments relating to the committed investment in a joint venture company of RMB4,000,000.

FUND RAISING ACTIVITIES

(a) Exercise of Warrants

On 4 May 2016, the Company issued 1,568,476,768 units of warrants to its Shareholders.

Each warrant entitles its holder to subscribe in cash for one new ordinary share at an initial subscription price of HK$0.195 per share which was then adjusted to HK$0.193 per share with effect from 24 October 2016 (subject to further adjustment) in accordance with the terms and conditions of the instrument of the warrants. The warrants were exercisable at any time during the period of twelve months commencing from 4 May 2016 and ending on 3 May 2017 (both dates inclusive). Further details of the warrants are disclosed in the Company's circular dated 26 April 2016.

During the Year, 700,552,419 units of warrants had been exercised by the warrants holders and accordingly, 700,552,419 ordinary shares were issued and allotted by the Company to the holders of the warrants and cash proceeds of approximately HK$135.21 million were raised under the exercise of 700,552,419 units of warrants.

The remaining warrants were expired on 3 May 2017 and there are no outstanding warrants as at 31 December 2017.

ACQUISITIONS AND INVESTMENTS

(a) Azure Capital

Reference is made to the Company's announcement dated 25 January 2017, the Company completed the acquisition of 100% shareholdings of Azure Capital on 24 January 2017, a licensed corporation to carry on Type 6 (advising on Corporate Finance) regulated activity under the SFO for the consideration of approximately HK$6.42 million, which is determined with reference to the net asset value of the Azure Capital as at 31 December 2016.

(b) Nibou Company Limited ("Nibou")

Reference is made to the Company's announcements dated 10 March 2017 and 13 March 2017, Yield Quality Investment Limited ("**Yield Quality**"), an indirect wholly-owned subsidiary of the Company as the purchaser, Mr. Ippa Kitazono as the vendor, and Mr. Zhang Jie and Mr. Hui Wan Sang as the guarantors of the vendor entered into a sale and purchase agreement, pursuant to which, amongst others, Yield Quality conditionally agreed to purchase, and Mr. Ippa Kitazono conditionally agreed to sell the sale shares representing 78% of the issued share capital of Nibou at the consideration of JPY103,740,000 (equivalent to approximately HK$7,053,283) (the "**Nibou SPA**"). Due to the vendor has failed to complete the transaction in accordance with the term of the Nibou SPA and has been in breach of it. On 10 November 2017, Yield Quality issued a writ of summons against the vendor and the guarantors for the sum of HK$2,416,461 (or its JPY equivalent), damages for breach of the Nibou SPA and/or indemnity for damages for breach of the Nibou SPA, interest, further or other relief and costs.

(c) Establishment of Joint Venture

Reference is made to the announcement of the Company dated 13 April 2017 in relation to the formation of a joint venture company, namely Ningbo Meishan Bonded Port Shousheng Jianyin Investment Management Company Limited* (**寧波梅山保税港區首勝建銀投資管理有限公司**) (the "**JV Company**").

The Articles of the JV Company was signed on 13 April 2017. Under the Articles, the total registered share capital of the JV Company is RMB10 million, which will be contributed and held as to 40% by Shenzhen Dongsheng Huamei Cultural Travel Company Limited (an indirect wholly-owned subsidiary of the Company) ("**Dongsheng Huamei**"), 30% by Guangzhou Tianlun Wanyi Investment Limited ("**Tianlun**") and 30% by Jian Yin Ju Yuan Investment Management (Beijing) Limited ("**Jian Yin Ju Yuan**"). Each of Tianlun and Jian Yin Ju Yuan is a connected person of the Company. The JV Company will engage in project investment, investment management, asset management and investment consultancy, subject to the approval of the local administration of industry and commerce.

The JV Company has already obtained the business licence in the PRC on 16 May 2017.

(d) Acquisition of Land in New Zealand

As disclosed in the announcement of the Company dated 11 August 2017, the Company entered into the agreement with Horncastle Home Limited, a company incorporated in New Zealand with limited liability and is independent of and not connected with the Company or any of its connected person (as defined in the Listing Rules), in relation to the acquisition of a piece of land in New Zealand at the consideration of approximately NZD9 million (equivalent to approximately HK$51.3 million). The land is located at Silverdale, Auckland of New Zealand and has an aggregate area of approximately 15,742 sq.m. for the development of self-serviced units and residential units.

The acquisition was completed on 14 November 2017 and the development of the land is still under a preliminary stage.

(e) Investment in a Joint Venture Company

Reference is made to the announcement of the Company dated 10 July 2017 in relation to an investment agreement (the "**Agreement**") entered into among, Donghui Hong Kong Holdings Limited (an indirect wholly-owned subsidiary of the Company) ("**Donghui HK**"), Beijing Yitian New Music Cultural Development Company Limited* (**北京壹天中新音樂文化產業發展有限公司**) (the "**New JV Company**") and five equity holders of the New JV Company (the "**Investors**") in relation to the capital injection into the registered capital of the New JV Company by Donghui HK (the "**Capital Injection**") in accordance with the Agreement. One of the Investors is a connected person of the Company.

* *English translation for indication purpose only*

Pursuant to the Agreement, three of the Investors will transfer a total of 30% interest in the New JV Company to Donghui HK, in consideration of Donghui HK injecting RMB15 million (the "**Consideration**") into the New JV Company. Upon completion, the registered capital of the New JV Company will be held as to 30% and 70% by Donghui HK and the Investors respectively. Donghui HK will become the largest equity holder of the New JV Company and the financial statement of the New JV Company will be consolidated into the financial statement of the Group. As a result, the New JV Company will become an indirect non-wholly owned subsidiary of the Company.

The Board constantly reviews the Company's business strategy and continues to explore attractive business opportunities. The New JV Company specialises in cultural and art exchange and activities, and the Company intends to expand its travel-related business with the New JV Company. The Board considers that the capital injection can strengthen the capital base of the New JV Company to cater for future development and business growth, which will enhance the performance of the New JV Company, and in turn will increase the overall profits of the Group.

As at the date of this Annual Report, the conditions precedent under the Agreement have not been fulfilled in full and completion of the Agreement will take place when all the conditions precedent have been fulfilled.

PLEDGES OF ASSETS

As at 31 December 2017, certain assets of the Group with an aggregate carrying value of HK$42.24 million (31 December 2016: HK$40.57 million) were pledged as collateral for borrowings obtained by its subsidiaries and associate.

As at 31 December 2017 and 2016, the Group had pledged the entire equity interest of Shenzhen Dong Sheng Hua Yu Commercial Management Co. Ltd.* (深圳東勝華譽商業管理有限公司) (an indirect wholly-owned subsidiary of the Company) and had pledged the entire issued share capital of Donghui Hong Kong Holdings Limited (an indirect wholly-owned subsidiary of the Company), to secure the issue of the perpetual convertible securities of March 2016 (please refer to the Company's announcement dated 30 March 2016 and circular dated 29 January 2016 for details) in an aggregate principal amount of HK$170 million.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group had contingent liabilities in respect of a letter of credit secured for bank borrowings of an associate in an amount of HK$33.25 million (31 December 2016: HK$33.39 million).

NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2017, the total number of employees of the Group was 130 (31 December 2016: 137). Staff costs (including Directors' emoluments) amounted to approximately HK$31.51 million for the Year (2016: approximately HK$30.64 million).

In addition to salary, other fringe benefits such as medical insurance and mandatory provident fund schemes for employees, are offered to all employees of the Group. Performance of the employees is normally reviewed on an annual basis with adjustment to their salaries comparable to that of the market. Individual employees may also receive a discretionary bonus at the end of each year based on their individual performance.

* *English translation for indication purpose only*

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

MR. SHI BAODONG ("MR. SHI")

Chairman and Executive Director

Mr. Shi, aged 49, was appointed as our Chairman and executive Director in September 2014, Mr. Shi is the chairman of the nomination committee of the Company (the "**Nomination Committee**") and a member of the remuneration committee of the Company (the "**Remuneration Committee**") of the Company. Mr. Shi graduated from the Hebei University of Architecture in 1989. He has over 18 years of experience in property development and he is a qualified engineer in the PRC. Mr. Shi is the director of Orient Victory Group HK Holdings Limited* (東勝集團香港控股有限公司) and the founder, shareholder and chairman of Orient Victory Cultural & Tourism Group Company Limited* (東勝文化旅遊集團有限公司) (formerly known as Shijiazhuang Orient Victory Investments Group Limited* (石家莊市東勝投資集團有限公司)) ("**OVCT**"), which is principally engaged in property development, including the development of residential properties, commercial properties, properties and ancillary facilities for the elderly, as well as an ecological park and a culture park in the PRC. In October 2015, Mr. Shi was appointed as president of China Comfort, an associate of the Group, and is responsible for the overall management of China Comfort.

Mr. Shi is the vice chairman of the China Real Estate Industry Association and a consultant of its Special Committee for China Urban Development, Special Committee for Elderly Residential Area and Special Committee for China Small Town Development. At the same time, Mr. Shi is the standing vice president of Hebei Chamber of Commerce in Hong Kong and the vice president of Chinese Rowing Association.

Mr. Shi is the sole director and sole beneficial owner of Orient Victory Real Estate Group Holdings Limited, which holds 9,900,620,661 shares of the Company which include 2,062,717,781 units of 2016 October PCS giving rise to an interest of 2,062,717,781 shares of the Company, representing approximately 77.66% of the total issued capital of the Company.

Beside, Mr. Shi personally holds 130,239,145 ordinary shares of the Company, representing approximately 1.02% of the total issued capital of the Company.

MR. ZHAO HUINING ("MR. ZHAO")

Executive Director and Chief Executive Officer

Mr. Zhao, aged 50, was appointed as our executive Director and chief executive officer with effect from 16 June 2017 and 15 July 2017, respectively. Mr. Zhao is also a member of our Remuneration Committee and Nomination Committee. Mr. Zhao graduated from the Transportation Management and Engineering Department (運輸管理工程系) of Northern Jiaotong University (北方交通大學), majoring in traffic and transportation (交通運輸專業) in 1990. In 2004, Mr. Zhao obtained a master degree of Arts from Flinders University of South Australia in International Relations in Economy and Trade which were jointly offered by Nankai University (南開大學) and Flinders University of South Australia and graduated from Yanshan University (燕山大學) with a doctoral degree in management science and engineering (管理科學與工程) in 2014. Mr. Zhao was conferred the title of senior economist qualification in the PRC in 2002.

Mr. Zhao has extensive working experiences, including working as a staff member in Project Evaluation Division of Mechanical and Electrical Equipment Tendering Bureau of Hebei Province (河北省機電設備招標局項目評估處) from 1990 to 1992; staff member and senior staff member of the Traffic, Post and Telecommunications Division of Hebei Provincial Economic and Trade Commission (河北省經貿委交通郵電處) from 1992 to 1997; deputy director of Beijing office of Hebei Provincial Economic and Trade Commission (河北省經貿委北京辦事處) from 1997 to 1998; deputy director of Foreign Economic Relations Division of Hebei Provincial Economic and Trade Commission (河北省經貿委外經處) ("**HPETC**") from 1998 to 2000; deputy director of the office of HPETC and director of Beijing office of HPETC from 2000 to 2001 successively; legal representative, executive director and general manager of Hebei Economic and Trade Investment Co., Ltd. (河北省經濟貿易投資有限公司) from 2001 to 2005 successively; legal representative, executive director, general manager and secretary of Party Committee of Hebei Information Industry Investment Co., Ltd. (河北省信息產業投資有限公司) from 2005 to 2009 successively. He was elected as the vice chairman of the tenth session of the committee of Hebei Youth League (河北省青年聯合會) in December 2009. From 2009 to 2014, Mr. Zhao worked in Hebei Construction & Investment Group Co., Ltd (河北建設投資集團有限責任公司) with last position as chairman and secretary for the Party Committee. He was also the chairman

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

and president of Gaokang Capital Investment Management Co., Ltd (高康資本投資管理有限公司), a subsidiary of China Energy Conservation and Environmental Protection Group (中國節能環保集團) from 2014 to 2016. Mr. Zhao is currently a director and the president of China Culture Industry Investment Fund Management Co., Ltd (中國旅遊文化產業投資基金管理公司), a subsidiary of the Group. Mr. Zhao was a non-executive director of China Suntien Green Energy Corporation Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (Stock Code: 00956), during the period from February 2010 to August 2014.

MR. WANG JIANHUA ("MR. WANG")
Executive Director
Mr. Wang, aged 54, was appointed as our executive Director in September 2014. Mr. Wang holds a master's degree in business administration from the Pacific States University and is a qualified accountant in the PRC. He is currently a vice president in OVCT and has substantial working experience in the finance and investment field in the PRC.

MS. SONG SINING ("MS. SONG")
Non-executive Director
Ms. Song, aged 40, was appointed as our non-executive Director with effect from 16 June 2017. Ms. Song is also a member of the audit committee of the Company (the "**Audit Committee**"). She graduated from the Philosophy Department (哲 學 系) of Hebei University in Public Relation (公 關 專 業) in 1997 and graduated from the Correspondence College of the Central School of Communist Party of China (中央黨校函授學院) in 2000, majoring in economic management (經濟管理專業). She completed a practical training course in real estate (實 戰 型 房地產研修班) provided by Peking University in 2015. Ms. Song served as a senior management in other real estate companies for more than 15 years. She is currently a vice president of Orient Victory Real Estate Development Group Limited (東勝房地產開發集團有限公司), a company indirectly wholly-owned by Mr. Shi.

MR. DONG XIAOJIE ("MR. DONG")
Independent non-executive Director
Mr. Dong, aged 55, was appointed as our independent non-executive Director in September 2014. Mr. Dong is the chairman of Remuneration Committee. Mr. Dong graduated from the Hebei Normal University, majoring in mathematics in 1984. He has been a principal partner of Shengyuan Investment Risk Consulting Management Co., Ltd. since 2011 and was appointed as a director of Robyn Hode Capital Limited in April 2015.

MR. HE QI ("MR. HE")
Independent non-executive Director
Mr. He, aged 62, was appointed as our independent non-executive Director in September 2014, Mr. He is a member of our Audit Committee and Nomination Committee. Mr. He has been an independent non-executive director of China Merchants Land Limited, a company listed on the Stock Exchange (stock code: 978), since 2013. He has also been an independent non-executive director of Evergrande Real Estate Group Limited, a company listed on the Stock Exchange (stock code: 3333), since 2009. Mr. He was the deputy secretary of China Real Estate Association for the period from 2006 to 2016. Mr. He is currently a secretary of Distribution Services Committee of China Real Estate Association.

MR. LAW WANG CHAK, WALTERY ("MR. LAW")
Independent non-executive Director
Mr. Law, aged 54, was appointed as our independent non-executive Director in September 2014. Mr. Law is the chairman of our Audit Committee and a member of both the Remuneration Committee and the Nomination Committee.

Mr. Law is currently a senior vice president of the finance and corporate development of Gold Peak Industries (Holdings) Limited, a company listed on the Stock Exchange (stock code: 0040). He has over 30 years of experience in financial audit, financial due diligence reviews, mergers and acquisitions, corporate restructuring, accounting and corporate finance advisory.

Since April 2015, Mr. Law has been an independent non-executive director, chairman of the audit committee, and a member of the remuneration committee of D&G Technology Holding Company Limited, a company listed on the Stock Exchange (stock code: 1301). Since November 2016, Mr. Law has been a non-executive director of In Technical Productions Holdings Limited, a company listed on the Stock Exchange (stock code: 8446). Since November 2017, Mr. Law has been an independent non-executive director, chairman of the audit committee, and a member of the nomination committee of Vicon Holdings Limited, a company listed on the Stock Exchange (stock code: 3878). Since November 2017, Mr. Law has been an independent non-executive director, chairman of the audit committee, and a member for each of the

remuneration committee and nomination committee of Solis Holdings Limited, a company listed on the Stock Exchange (stock code: 2227).

Previously, Mr. Law was an executive partner of Profundas Capital Limited, a private equity and investment advisory firm from December 2010 to January 2018 and had been the chief financial officer and non-executive director of Nine Dragons Paper (Holdings) Limited, a company listed on the Stock Exchange (stock code: 2689), from June 2004 to July 2008 and from August 2008 to October 2008, respectively. Mr. Law also served in different key roles such as chief financial officer and vice president of the finance department in four other companies between December 1992 and May 2004, all of which were listed on Main Board of the Stock Exchange at the relevant time. Mr. Law had worked in the audit division of Coopers & Lybrand (currently known as PricewaterhouseCoopers) between August 1987 and November 1992.

Mr. Law was admitted as a fellow of both the Chartered Certified Accountants (formerly known as Chartered Association of Certified Accountants) in the United Kingdom in October 1995 and the Hong Kong Society of Accountants (currently known as Hong Kong Institute of Certified Public Accountants) in February 1998. Mr. Law is currently registered as a Certified Public Accountant (Practising) with the Hong Kong Institute of Certified Public Accountants. Mr. Law was also admitted as a fellow of the Institute of Chartered Accountants in England and Wales in July 2017.

Mr. Law graduated from the London School of Economics and Political Science, the University of London with a bachelor's degree in economics in August 1991 and a master's degree in financial economics in December 1995.

SENIOR MANAGEMENT

MR. WONG CHI KIN ("MR. WONG")

Chief Financial Officer

Aged 44, Mr. Wong was appointed as Chief Financial Officer of the Company in October 2014. He has over 20 years of experience in accounting, banking and corporate finance with various international banks and companies listed in Hong Kong and the United Kingdom. Prior to joining the Group, Mr. Wong held various positions at China Qinfa Group Limited (Stock Code: 866), the shares of which are listed on the Main Board of the Stock Exchange, including deputy chief financial officer (from April 2011 to September 2011), and chief financial officer (from September 2011 to October 2014), company secretary and authorized representative (from July 2011 to August 2014). Further, Mr. Wong was appointed as an independent non-executive director of Tsui Wah Holdings Limited ("**Tsui Wah**") (Stock Code: 1314), the shares of which are listed on the Main Board of the Stock Exchange, on 5 November 2012 and was re-designated from an independent non-executive director to a non-executive director of Tsui Wah on 1 November 2016. Further, Mr. Wong was appointed as a non-executive director of Asiaray Media Group Limited (HK stock code:1993) on 24 March 2017.

Mr. Wong obtained a Bachelor of Science (Honours) degree in Finance from the City University of Hong Kong in December 1996, a Master's degree in Practising Accounting from Monash University, Australia in November 2001 and a Master of Business Administration degree (Executive MBA Programme) from The Chinese University of Hong Kong in December 2010. Mr. Wong is fellow members of the Hong Kong Institute of Certified Public Accountants, and CPA Australia as well as an associate member of Hong Kong Institute of Directors.

MS. HO LAI KUEN ("MS. HO")

Financial Controller

Ms. Ho joined the Group in December 2014 and has over 15 years of auditing and accounting experience with international audit firm and companies listed on the Main Board of the Stock Exchange. Ms. Ho holds a Bachelor Degree of Business from Monash University, Australia and a master's degree in Accounting from Dongbei University of Finance and Economics (中國東北財經大學), PRC. Ms. Ho is an associate member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators.

REPORT OF THE DIRECTORS

The Board hereby presents the Report of the Directors and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

During the Year, the Company was an investment holding company and its subsidiaries were principally engaged in travel related and other travel related services, trading and retail of jewellery products, provision of financial services, property development and investment and investment holding business.

BUSINESS REVIEW

The business review of the Group for the Year is set out in the Chairman's Statement and the Management Discussion and Analysis from pages 7 to 9 and pages 10 to 16 of this Annual Report, respectively. These discussions form part of this director's report.

COMPLIANCE WITH 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.

RESULTS AND FINAL DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 90 of this Annual Report.

The Board does not recommend the payment of any final dividend for the Year (2016: Nil).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements and restated/reclassified as appropriate, is set out on pages 191 to 192 of this Annual Report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 12 to the consolidated financial statements.

SHARE CAPITAL

During the Year, the issued share capital of the Company was changed from approximately HK$60.24 million with 12,047,043,097 ordinary shares of HK$0.005 each as at 1 January 2017 to approximately HK$63.75 million with 12,748,925,516 ordinary shares of HK$0.005 each as at 31 December 2017.

Details of movements in the share capital of the Company during the Year are set out in note 25(b) to the consolidated financial statements.

PERPETUAL CONVERTIBLE SECURITIES

Details of the issue of the perpetual convertible securities of the Company during the Year are set out in note 26 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

For the Year, save as disclosed herein, the Company has not entered into any equity-linked agreement.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company (the "**Articles of Association**") or the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands where the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in the note 25 and on page 95 in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

The aggregate amount of reserves available for distribution to equity shareholders of the Company as at 31 December 2017 amounted to HK$317,742,000 (2016: HK$213,820,000), calculated in accordance with the provisions of the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the purchase from the Group's five largest suppliers accounted for 99.2% of the total purchases and purchase from the largest supplier included therein accounted for 76.3% of the total purchases. The revenue of the Group's five largest customers accounted for 15.9% of the total revenue and the revenue of the largest customer included therein accounted for 4.5% of the total revenue.

None of our Directors or any of their respective close associates or, any Shareholder (so far as our Directors were aware, who owned 5% or more of our issued share capital as at 31 December 2017), had any interest in any of our five largest suppliers or our five largest customers in 2016 and 2017.

DIRECTORS

The Directors during the Year and up to the date of this Annual Report were:

Executive Directors:

Mr. Shi Baodong (Chairman)
Mr. Zhao Huining (Chief Executive Officer)
(appointed on 16 June 2017)
Mr. Wang Jianhua
Ms. Xu Yongmei (retired with effect from 16 June 2017)

Non-executive Director:

Ms. Song Sining (appointed on 16 June 2017)
Mr. Li Yankuan (retired with effect from 16 June 2017)

Independent Non-executive Directors:

Mr. Dong Xiaojie
Mr. He Qi
Mr. Law Wang Chak, Waltery

In accordance with Articles 116 of the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if such number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three years at the annual general meeting. The Company's forthcoming circular for annual general meeting will contain the detailed information of the Directors standing for re-election.

Biographical details of the Directors are set out on pages 17 to 19 of this Annual Report.

DIRECTORS' INDEMNITY

Pursuant to Article 179 of the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange from each of the independent non-executive Directors and the Company considers such Directors to be independent since the date of then respective appointment date and as at the date of this report, the Company still considers the independent non-executive Directors to be independent.

DIRECTOR'S SERVICE CONTRACTS AND LETTER OF APPOINTMENTS

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

SHARE OPTION SCHEME

At the general meeting of the Company held on 5 June 2012, the shareholders approved the adoption of a new share option scheme (the "**2012 Option Scheme**") and became effective on 11 June 2012. No share option has been granted under the 2012 Option Scheme since its adoption.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this Annual Report, there was no contract of significance entered into between the Company or its holding company or any of its subsidiaries and any controlling Shareholder or any of its subsidiaries for the Year.

For the Year, none of the Company or any of its subsidiaries has entered into any contract of significance for the provision of services by any controlling Shareholders or any of its subsidiaries.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTORS OF SIGNIFICANCE

Save as disclosed in this Annual Report, none of the Directors or entities connected with the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in notes 8 and 9 respectively to the consolidated financial statements in this Annual Report.

For the Year, Mr. Shi Baodong, Mr. Wang Jianhua, Ms. Xu Yongmei and Mr. Li Yankuan agreed to waive director's remuneration of approximately HK$20,000, HK$620,000, HK$283,671 and HK$9,151 (2016: Mr. Shi Baodong, Mr. Wang Jianhua, Ms. Xu Yongmei and Mr. Li Yankua agreed to waive director's remuneration of approximately HK$20,000, HK$620,000, HK$620,000, HK$20,000), respectively.

Save as disclosed above, during the Year, none of the Directors have waived their emoluments in relation to their services respectively.

DIRECTORS' AND CHIEF EXECUTIVE'S LONG AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2017, the long and short positions of the Directors and the chief executive of the Company (the "**Chief Executive**") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "**SFO**")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including long and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix 10 of the Listing Rules were as follows:

Name of director	Capacity	Number of ordinary shares and underlying shares held	Approximate percentage of shareholding in the Company
Shi Baodong	Interest in a controlled corporation	9,900,620,661 (Long Position) ("**L**") *(Note 1)*	77.66%
Shi Baodong	Beneficial owner	130,239,145(L) *(Note 2)*	1.02%
		312,729,948 (L) *(Note 3)*	2.45%
Dong Xiaojie	Beneficial owner	2,014,285 (L)	0.02%
Law Wang Chak, Waltery	Beneficial owner	420,000 (L)	0.003%

Notes:

1. Mr. Shi holds 100% equity interest in Orient Victory Real Estate Group Holdings Limited ("**OVRE**") and is deemed to be interested in the 9,900,620,661 shares held by OVRE under the SFO. The interests include the holding of (i) 7,837,902,880 ordinary shares, (ii) the perpetual convertible securities issued on October 2016 (the "**2016 October PCS**") (convertible into 2,062,717,781 shares of the Company as at the date of this Annual Report).

2. During the Year, Mr. Shi exercised 130,239,145 units of warrants of the Company accordingly, 130,239,145 ordinary shares were issued and allotted by the Company to Mr. Shi.

3. Reference is made to the Company's announcement dated 30 March 2016 and also the Company's circular dated 29 January 2016 in relation to the issue of the perpetual convertible securities, the investment agreement of the Company dated 27 June 2015 as amended by a supplemental agreement dated 8 January 2016 (the "**Investment Agreement**") and Mr. Shi's personal guarantee in relation to the obligations of the Company, among other things, relating to the PCS. Mr. Shi would be interested in 312,729,948 shares of the Company upon the exercise of the two put options in full as contemplated under the Investment Agreement by Outstanding Global Holdings Limited and Chance Talent Management Limited respectively.

Save as disclosed above, as at 31 December 2017, none of the Directors and the Chief Executive has or is deemed to have any long or short position in shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this Annual Report, at no time during the year ended 31 December 2017 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2017, to the best knowledge of the Directors, the following entities had interests or short positions in the shares or underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of substantial shareholder	Capacity	Number of ordinary shares and underlying shares held (L): Long Position (S): Short Position	Approximate percentage of shareholding in the Company
Orient Victory Real Estate Group Holdings Limited[1]	Beneficial Owner	9,900,620,661 (L)	77.66%
Outstanding Global Holdings Limited[2] ("**OGH**")	Beneficial Owner	620,333,793 (L)	4.87%
	Person having a security interest in shares of the Company	5,926,054,470 (L)	46.48%
Chance Talent Management Limited[3] ("**CTM**")	Beneficial Owner	128,771,155 (L)	1.01%
		128,771,155 (S)	1.01%
	Person having a security interest in shares of the Company	5,926,054,470 (L)	46.48%
Haitong International Investment Fund SPC – Fund 1 SP[4] ("**Haitong Fund**")	Person having a security interest in shares and perpetual convertible securities of the Company	2,812,957,781 (L)	22.06%

Notes:

(1) Mr. Shi (the chairman of the Board and an executive Director), hold 100% equity interest in Orient Victory Real Estate Group Holdings Limited.

(2) OGH is wholly owned by China Huarong International Holdings Limited, 88.10% of which is in turn owned by Huarong Real Estate Co., Ltd., which is in turn wholly owned by China Huarong Asset Management Co., Ltd. The aggregate interests in 6,546,388,263 shares represent (i) 5,926,054,470 shares of the Company pledged by Orient Victory Real Estate Group Holdings Limited to OGH as security; (ii) 436,375,000 shares of the Company beneficially held by OGH and (iii) 2016 March PCS (convertible into 183,958,793 shares of the Company as at the date of this Annual Report).

(3) CTM is a limited liability business company incorporated under the laws of the British Virgin Islands and an indirectly wholly-owned special purpose vehicle of CCB International (Holdings) Limited. CCB International (Holdings) Limited is an investment services flagship which is indirectly wholly-owned by China Construction Bank Corporation, a joint-stock company incorporated in the PRC and listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0939) and the Shanghai Stock Exchange (stock code: 601939).

The aggregate interest in 6,054,825,625 shares represent (i) 5,926,054,470 shares pledged by Orient Victory Real Estate Group Holdings Limited to CTM as security; and (ii) the 2016 March PCS (convertible into 128,771,155 shares of the Company as at the date of this Annual Report). The short position of 128,771,155 shares of the Company represent a put option from the perpetual convertible securities held by CTM.

(4) Haitong Fund is an open-ended exempted segregated portfolio company. The interest in 2,812,957,781 shares consists of 784,240,000 ordinary shares of the Company and the 2016 October PCS (convertible into 2,028,717,781 shares of the Company as at the date of this Annual Report) which were pledged by Orient Victory Real Estate Group Holdings Limited to Haitong Fund as security.

Save as disclosed above, as at 31 December 2017, the Directors were not aware of any persons (who were not Directors or Chief Executive) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

Save as disclosed in this Annual Report, as at 31 December 2017, none of the Directors or any of their respective close associates had engaged in or had any interest in any business which causes or may cause any competition with the business of the Group or any conflicts with the interests of the Group.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

Connection Transaction

During the Year, the Group had the following partially exempt connected transactions under Chapter 14A of the Listing Rules:

(a) Establishment of Joint Venture

Reference is made to the announcement of the Company dated 13 April 2017 in relation to the formation of a joint venture company, namely Ningbo Meishan Bonded Port Shousheng Jianyin Investment Management Company Limited* (**寧波梅山保税港區首勝建銀投資管理有限公司**) (the "**JV Company**").

REPORT OF THE DIRECTORS

The Articles of the JV Company was signed on 13 April 2017. Under the Articles, the total registered share capital of the JV Company is RMB10 million, which will be contributed and held as to 40% by Shenzhen Dongsheng Huamei Cultural Travel Company Limited (an indirect wholly-owned subsidiary of the Company) ("**Dongsheng Huamei**"), 30% by Guangzhou Tianlun Wanyi Investment Limited ("**Tianlun**") and 30% by Jian Yin Ju Yuan Investment Management (Beijing) Limited ("**Jian Yin Ju Yuan**"). The JV Company will engage in project investment, investment management, asset management and investment consultancy, subject to the approval of the local administration of industry and commerce. The JV Company has already obtained the business licence in the PRC on 16 May 2017.

As Tianlun is wholly-owned by Beijing Tourism Group Company Limited* (**北京首都旅遊集團有限責任公司**) (a substantial shareholder of our subsidiary) ("**Beijing Tourism**") and Jian Yin Ju Yuan is wholly-owned by CCB International (Holdings) Limited (**建銀國際(控股)有限公司**) (a substantial shareholder of our subsidiary), each of Tianlun and Jian Yin Ju Yuan is a connected person of the Company under the Listing Rules. Accordingly, the formation of the JV Company pursuant to the Articles constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Since Tianlun and Jian Yin Ju Yuan are connected persons only because of their connection with the Company's subsidiary and that the formation of the JV Company pursuant to the Articles has been approved by the Board and all the independent non-executive Directors have confirmed that the formation of the JV Company pursuant to the Articles is fair and reasonable, the formation of the JV Company pursuant to the Articles is on normal commercial terms or better and in the interests of the Company and Shareholders as a whole, the formation of the JV Company pursuant to the Articles is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

(b) Investment in a Joint Venture Company

Reference is made to the announcement of the Company dated 10 July 2017 in relation to an investment agreement (the "**Agreement**") entered into among, Donghui Hong Kong Holdings Limited (an indirect wholly-owned subsidiary of the Company) ("**Donghui HK**"), Beijing Yitian New Music Cultural Development Company Limited* (**北京壹天中新音樂文化產業發展有限公司**) (the "**New JV Company**") and five equity holders of the New JV Company (the "**Investors**") in relation to the capital injection into the registered capital of the New JV Company by Donghui HK (the "**Capital Injection**") in accordance with the Agreement. One of the Investors is a connected person of the Company.

Pursuant to the Agreement, three of the Investors will transfer a total of 30% interest in the New JV Company to Donghui HK, in consideration of Donghui HK injecting RMB15 million (the "**Consideration**") into the New JV Company. Upon completion, the register capital of the New JV Company will be held as to 30% and 70% by Donghui HK and the Investors respectively. Donghui HK will become the largest equity holder of the New JV Company and the financial statement of the New JV Company will be consolidated into the financial statement of the Group. As a result, the New JV Company will become an indirect non-wholly owned subsidiary of the Company.

The Board constantly reviews the Company's business strategy and continues to explore attractive business opportunities. The New JV Company specialises in cultural and art exchange and activities, and the Company intends to expand its travel-related business with the New JV Company. The Board considers that the capital injection can strengthen the capital base of the New JV Company to cater for future development and business growth, which will enhance the performance of the New JV Company, and in turn will increase the overall profits of the Group.

As at the date of this Annual Report, the conditions precedent under the Agreement have not been fulfilled in full and completion of the Agreement will take place when all the conditions precedent have been fulfilled.

As the spouse of Shi Shuyao (史書瑤), one of the Investors, is interested in 49% shareholding in an indirect non wholly-owned subsidiary of the Company, Mr. Shi Shuyao is a connected person of the Company at the subsidiary level pursuant to the Listing Rules. Accordingly, the entering into of the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that (i) the Board has approved the Agreement; and (ii) the independent non-executive Directors have confirmed that the terms of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the transaction contemplated under the Agreement are subject to the reporting and announcement requirements only but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

(c) Financial Assistance

Reference is made to the announcement of the Company dated 28 November 2017 in relation to the agreement entered into between Donghui HK (an indirect wholly-owned subsidiary of the Company) and China Comfort are owned as to 49% by the Group through Donghui HK and 51% by Beijing Tourism dated 28 November 2017 in respect of the provision of financial assistance to China Comfort (the "**Loan Agreement**"). Pursuant to the Loan Agreement, Donghui HK agreed to provide financial assistance to China Comfort by executing a charge on deposit(s) in respect of the charge of the fixed deposit in the name of Donghui HK with China Minsheng Banking Corporation Limited, Hong Kong Branch (the "**Bank**") in the principal sum of approximately RMB27.72 million (equivalent to approximately HK$33.25 million) in favour of the Bank as a security for the provision of the loan facility in the sum of not more than RMB27.72 million (equivalent to approximately HK$33.25 million) to be advanced to China Comfort by way of letter of credit to be provided by China Minsheng Banking Corporation Limited, Beijing Branch. Beijing Tourism is a connected person of the Company.

As Beijing Tourism is a substantial shareholder of an associate of the Company and China Comfort is owned as to 51% by Beijing Tourism, China Comfort is a subsidiary of Beijing Tourism under Rule 14A.13 of the Listing Rules and thus a connected person of the Company. Accordingly, the provision of financial assistance under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As such, the provision of financial assistance under the Loan Agreement is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules since China Comfort is a connected person only because of its connection with the Company's subsidiary and that the provision of financial assistance under the Loan Agreement has been approved by the Board and all the independent non-executive Directors have confirmed that the terms of the Loan Agreement is fair and reasonable, the provision of financial assistance under the Loan Agreement is on normal commercial terms or better and in the interests of the Company and Shareholders as a whole.

REPORT OF THE DIRECTORS

Continuing Connected Transaction

During the Year, the Group had the following continuing connected transaction which was subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules:

Reference is made to the Circular of the Company dated 12 August 2014. On 4 September 2014, the Company, Four Seas (an indirect non-wholly owned subsidiary of the Company) and HK Four Seas entered into a service agreement (the "**1st Service Agreement**"). Pursuant to which, HK Four Seas agreed to provide certain information technology, trade mark licensing, back office support and air ticket purchase agency services to Four Seas for a monthly fee of HK$100,000 (in addition to the agency fee payable by Four Seas to HK Four Seas) for a term of three years commencing from 4 September 2014.

As HK Four Seas was/is a connected person of the Company, the 1st Service Agreement and the transactions contemplated thereunder constituted a continuing connected transaction of the Company (the "**CCT1**") which was subject to independent shareholders' approval. The extraordinary general meeting of the Company for the CCT1 (the "**CCT EGM**") was held on 29 August 2014 and the CCT1 with annual caps (for both service fee and agency fee) at a total of HK$2.32 million, HK$7.29 million, HK$7.66 million and HK$5.36 million for the years ended 31 December 2014, 2015 and 2016 and the year ending 31 December 2017, respectively, were approved during the CCT EGM. The 1st Service Agreement was terminated on 30 November 2016 and a 2nd service agreement (the "**2nd Service Agreement**") was entered into between the same parties for a term from 1 October 2016 to 3 September 2017 (both dates inclusive) (the "**CCT2**") with an annual cap (for both service and ticket and agency fee) at a total of HK$109.58 million and HK$309.36 million for the year ended 31 December 2016 and 31 December 2017 respectively. The 2nd Service Agreement was terminated on 3 September 2017 and a 3rd service agreement (the "**3rd Service Agreement**") was entered into between the same parties for a term from 4 September 2017 to 3 September 2018 (both dates inclusive) (the "**CCT3**"). The scope of the services under the 1st Service Agreement, the 2nd Service Agreement and the 3rd Service Agreement are fundamentally the same. The new annual caps (for both service fee and ticket and agency fee) for the CCT3 were determined at a total of HK$305.22 million, i.e. HK$95.67 million from 4 September 2017 to 31 December 2017 and HK$209.55 million from 1 January 2018 to 3 September 2018. The previous annual caps have not been exceeded at any point in time. And none of directors of the Company have any material interest in the Service Agreement. The 3rd Service Agreement is a continuation of the existing arrangements under the 1st Service Agreement and the 2nd Service Agreement.

As (i) HK Four Seas is a connected person at the subsidiary level of the Company; (ii) the continuing connected transactions contemplated under the Service Agreement are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) has approved the CCT3 and confirmed that the terms of the CCT3 are fair and reasonable and that the CCT3 are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, according to Rule 14A.101 of the Listing Rules, the CCT3 contemplated under the 3rd Service Agreement are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements. For details, please refer to the announcements of the Company dated 28 August 2017.

The aggregated amount paid by Four Seas to HK Four Seas under the 2nd Service Agreement for the period from 1 January 2017 to 3 September 2017 amounted to approximately HK$151.57 million and the aggregated amount paid by Four Seas to HK Four Seas under the 3rd Service Agreement for the period from 4 September 2017 to 31 December 2017 amounted to approximately HK$68.95 million. The Company confirms that the aggregated amount paid to HK Four Seas for the Year had not exceeded the annual caps for the Year.

The Company confirms further that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Confirmations from the independent non-executive Directors and auditors of the Company

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions during the Year and confirmed that the transactions have been entered into:

(i) in the ordinary and usual course of the business of the Group;

(ii) on normal commercial terms; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

KPMG, the auditor of the Company (the "**Auditor**"), was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued their unqualified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Main Board Listing Rule 14A.56. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

Save as disclosed above, a summary of significant related party transactions, which do not constitute connected transactions, made during the Year is disclosed in note 30 to the consolidated financial statements.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee presently comprises two independent non-executive Directors, namely Mr. Law Wang Chak, Waltery (being the chairman of the Audit Committee) and, Mr. He Qi and a non-executive Director, namely Ms. Song Sining.

The Group's annual results for the Year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such annual results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code contained in the Listing Rules. Specific enquiry has been made to all the Directors and the details of the compliance are set out on page 35 of this Annual Report.

CORPORATE GOVERNANCE

The Company has complied with all applicable code provisions as set out in the Corporate Governance Code (the "**CG Code**") as in Appendix 14 to the Listing Rules throughout the Year. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 34 to 40 of this Annual Report.

SIGNIFICANT LEGAL PROCEEDINGS

During the Year, the Company had not involved in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, are held by the public at all times as of the date of this Annual Report.

EVENTS AFTER THE REPORTING PERIOD

Great Ascent Acquisition

Reference is made to the Company's announcement dated 22 January 2018, in relation to the acquisition of 40% equity interest in Great Ascent Limited ("**Great Ascent**") of which the Company, Orient Victory Group HK Holdings Limited ("**OV (HK)**") and Heng Sheng Xin Ye (Beijing) Asset Management Company Limited* (恆晟鑫業(北京)資產管理有限公司) (the "**Heng Sheng**") as the purchasers, and Mr. Li Jun Bang as the vendor entered into a share purchase agreement, pursuant to which the Company will acquire from Mr. Li Jun Bang 40% of the issued share capital of Great Ascent for the four-ninths of the total considerations, including the equity consideration at RMB75 million subject to adjustment according to the valuation report by an independent valuer, and the settlement of the bank loans(s) of RMB50 million and the other loan(s) of RMB60 million), to be paid or borne by the Company for four-ninths of the total consideration (the "**Great Ascent Acquisition**"). Upon completion of the Great Ascent Acquisition, Great Ascent will become an associate of the Company.

As at the date of this Annual Report, due diligence process and valuation on Great Ascent are still in progress.

Great Ascent is a company established in Hong Kong with limited liability on 13 September 2007. Great Ascent wholly owns Jiangsu Hongshan Sports Fitness Holiday Village Company Limited* (江蘇紅山體育健身度假村有限公司), a company incorporated in the PRC, which has exclusive operation right in Hongshan Sports Park and Great Ascent and its subsidiary are primarily involved in tourism projects.

In addition, Mr. Shi Baodong, the chairman and an executive Director, is also the director and ultimate shareholder of OV (HK). Therefore, OV (HK) is a connected person of the Company under the Listing Rules and it constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Yiersan Acquisition

Reference is made to the Company's announcement dated 22 January 2018, in relation to the acquisition of 40% equity interest in Jiangsu Yiersan Real Estate Development Company Limited* (江蘇一二三房地產開發有限公司) (the "**Yiersan**"), of which the Company, Orient Victory Property Development Group Co., Ltd.* (東勝房地產開發集團有限公司) (the "**OVPD**") and Heng Sheng as the Purchasers, Jiangsu Yinmao Holding (Group) Company Limited* (江蘇銀茂控股(集團)有限公司) (the "**Yinmao**") as the purchasers and Mr. Nie Jiangqiang as the vendors entered into a share purchase agreement, pursuant to which the Company will acquire from Yinmao 40% of the issued share capital of Yiersan for 40% of the total consideration of RMB50 million in aggregate for the entire equity interest of Yiersan subject to adjustment according to the valuation report by an independent valuer (the "**Yiersan Acquisition**"). Upon completion of the Yiersan Acquisition, Yiersan will become an associate of the Company.

Each of OV (HK) and OVPD is a connect person of the Company. Yiersan is a company established in the PRC with a paid-capital of RMB50 million on 17 March 2011. Yiersan and its subsidiary are primarily involved in real estate development and management; property services; real estate agencies; construction consulting services and sales of building materials.

As at the date of this Annual Report, due diligence process and valuation on Yiersan are still in progress.

Compensation on Fire Accident

As disclosed in the Company's announcement dated 22 June 2017, on 8 June 2017, due to the Fire Accident, the Jewellery Store was temporarily closed for urgent repair and reopened on 30 June 2017.

As previously disclosed, on 27 July 2017, the Group took legal action against the Contractor at the People's Court of Qinhuai, Nanjing, PRC seeking damages for loss and damage of the Group arising from the Fire Accident. On 14 February 2018, the Group reached an agreement with the Contractor through mediation by the court that the Contractor is required to pay the Group a sum of RMB0.55 million (equivalent to approximately HK$0.66 million) by 31 March 2018. Such payment was received by the Group on 2 April 2018.

Distribution to holders of the 2016 October PCS and 2016 March PCS

On 20 March 2018, the Company announced a distribution of $7,940,900, calculated at the distribution rate of 6% per annum, to the holders of the 2016 October PCS. The distribution will be made on 24 April 2018.

On 28 March 2018, the Company distributed $5,100,000, calculated at the distribution rate of 6% per annum, to the holders of the 2016 March PCS.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, the Company did not redeem any of its Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any such shares.

INDEPENDENT AUDITOR

The consolidated financial statements of the Group for the Year have been audited by KPMG who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

Mr. Shi Baodong
Chairman

Hong Kong
29 March 2018

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

The Company is committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize accountability and transparency to its Shareholders. Periodic review will be made to the corporate governance practices to comply with the regulatory requirements. After review of the effectiveness of the risk management and internal control systems during the Year, the Company considered them effective and adequate.

The Company regulates the handling and dissemination of inside information in compliance with the relevant laws and regulations and implement various procedures to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions as set out in the CG Code throughout the Year.

BOARD COMPOSITION AND BOARD PRACTICES

As at 31 December 2017, the Board consisted of seven Directors, including the Chairman, Mr. Shi Baodong, who is also an executive Director, two additional executive Directors, one non-executive Director and three independent non-executive Directors. Not less than one-third of the Board is independent non-executive Directors. A list of Directors and their respective biographies are set out on pages 17 to 19 of this Annual Report.

The Board composition is regularly reviewed to ensure that it has a balance of skills and experience appropriate for the requirement of the business of the Group. A balanced composition of executive Directors and non-executive Directors is maintained to ensure independence and effective management. The Company has satisfied the relevant provision of the Listing Rules in having at least one of the independent non-executive Directors with appropriate professional qualifications or accounting or related financial management expertise.

The appointment of Directors is recommended by the Nomination Committee and approved by the Board based on a formal written procedure and policy for the appointment of new Director(s). When selecting potential candidates for Director(s), their skills, experience, expertise, devotion of time and conflicts of interests are the key factors. All the current non-executive Directors and independent non-executive Directors were appointed for a term of three years. All Directors (including non-executive and independent non-executive Directors) are subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

The Board is collectively responsible for the formulation of the Group's strategy, overseeing the management of the business and affairs of the Group. The Board delegates the day-to-day management, administration and operations of the Group's business to the management of the relevant segments and divisions. The management is responsible for the implementation and adoption of the Company's strategies and policies. The delegated functions and tasks are periodically reviewed by the Board.

Every newly appointed Director is provided with an induction on the first occasion of his/her appointment to ensure that he/he has adequate understanding of the businesses and operations of the Group. The Directors are also kept informed on a timely basis of their responsibilities and obligations under the Listing Rules, as well as other relevant statutory or regulatory requirements. The Company also encourages its Directors to participate in continuous professional development programmes.

All Directors have been fully consulted about any matters proposed for inclusion in the agenda of regular meetings. With the assistance of the executive Directors, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at board meetings and have received adequate and reliable information in a timely manner.

The Board held ten meetings in the Year:

	Attendance (Number of Meetings attended/ Eligible to attend)
Executive Directors	
Shi Baodong	10/10
Zhao Huining (appointed on 16 June 2017)	7/7
Wang Jianhua	10/10
Xu Yongmei (retired with effect from 16 June 2017)	3/3
Non-executive Director	
Song Sining (appointed on 16 June 2017)	7/7
Li Yankuan (retired with effect from 16 June 2017)	3/3
Independent Non-executive Directors	
Dong Xiaojie	9/10
He Qi	10/10
Law Wang Chak, Waltery	10/10

Notices of at least fourteen days are given to the Directors for regular meetings, while relevant documents are sent to the Directors not less than three days before the intended date of a board or board committee meeting. With respect to other meetings, the Directors are given as much notice as is reasonable and practicable in the circumstances. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles of Association. The company secretary of the Company (the "**Company Secretary**") ensures that the procedures and all applicable rules and regulations are complied with. Minutes of board meetings and board committees meetings are kept by the Company Secretary and are available for inspection at any time on reasonable notice by any Director.

The Directors have full access to information on the Group and are able to obtain independent professional advice whenever they deem necessary. Memorandums are issued to the Directors from time to time to update them with legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for dealings in securities of the Company by the Directors.

Specific enquiries have been made with all the Directors, who have confirmed that they complied with the required standards set out in the Model Code during the year ended 31 December 2017.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the maintenance of a sound and effective risk management and internal control systems of the Group and has established the Group's internal control policies and procedures for monitoring the internal control system. Such systems are designated to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Recognizing that a well-designed and effective system of internal control is crucial to safeguard the assets of the Company and the Shareholders' investment and to ensure the reliability of financial reporting as well as compliance with the relevant requirement of the Listing Rules, a team, comprising qualified accountants and management of the Company, has been organized to carry out the internal audit function of the Company (the "**IA Team**").

CORPORATE GOVERNANCE REPORT

Based on the assessment of risk exposure, the IA Team formulates audit plans periodically and ensures the audit programs cover key internal control areas of key operating subsidiaries for the review by the Audit Committee at regular intervals. The scopes and timing of audit review is usually determined according to risk assessment.

Special reviews may also be performed on areas of concern identified by management or the Audit Committee from time to time. Communication channel has been established between the IA Team and the members of Audit Committee.

The Audit Committee reviews the findings and recommendations of the internal audit department and the senior management in their meetings held at least twice a year and reports to the Board on such review. In respect of the Year, the Board, through the Audit Committee, reviewed the overall effectiveness of the Group's risk management and internal control systems, covering financial, operational and compliance controls and risk management functions, which included the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, and their training programmes and budget.

The Board believes that there are no material internal controls deficiencies that may affect the Shareholders and an effective and adequate risk management and internal control system is in place to safeguard the assets of the Group. The Group will continue to enhance the system to cope with the changes in the business environment.

RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group and ensure that the preparation of the consolidated financial statements of the Group is in accordance with statutory requirements and applicable accounting standards.

The statement of the Auditor's reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 81 to 89 of this report.

AUDITOR'S REMUNERATION

The consolidated financial statements for the Year was audited by KPMG of which the term of office will retire, being eligible offer themselves for re-appointment at the forthcoming annual general meeting as Auditor of the Company.

For the Year, the remuneration paid or payable to KPMG in respect of audit services and non-audit services are of approximately HK$2,140,000 and HK$551,000, respectively. Details are set out below:

	Fee paid/payable HK$'000
Audit services	
– statutory annual audit	2,140
Non-audit services	
– due diligence fee	435
– other non-audit service	116
	2,691

COMPANY SECRETARY

Mr. Ip Pui Sum ("**Mr. Ip**"), the Company Secretary, is an external service provider to the Company and a Certified Public Accountant practicing in Hong Kong. He has taken no less than 15 hours of relevant professional training as required by Rule 3.29 of the Listing Rules.

CONTINUOUS PROFESSIONAL DEVELOPMENT FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors must keep abreast of their collective responsibilities. Each newly appointed Director receives an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company.

Apart from updates on regulatory changes and governance developments provided by the Company, the Directors are encouraged to participate in professional trainings and seminars to develop and refresh their knowledge and skill. During the Year, training provided by external professional parties. Further, the Company continuously provided reading materials and other updated information regarding latest development of the Listing Rules and other applicable regulations to Directors for their reference and studying.

The Company encourages the senior management to improve their professional knowledge by attending the external seminars and participate in the internal trainings provided by the Company.

AUDIT COMMITTEE

For the Year, the Audit Committee consists of two independent non-executive Directors, namely Mr. Law Wang Chak, Waltery (Chairman of the Audit Committee) and Mr. He Qi and one non-executive Director, Ms. Song Sining.

The principal duties of the Audit Committee, in accordance with its terms of reference, which are substantially the same as those under the CG Code, include the review of the Group's financial reporting system and internal control procedures, review of financial information of the Group, review of half-yearly and annual results of the Group, unless expressly addressed by a separate risk committee addressed by a separate risk committee, or the Board itself, review of the risk management and internal control systems, the effectiveness of the Company's internal audit function, and its other duties under the CG Code, and review of the relationship with the auditors.

The Audit Committee has also been delegated by the Board to be responsible for performing the corporate governance duties under the CG Code, which includes developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board, reviewing and monitoring the training and continuous professional development of Directors and senior management, reviewing and monitoring the Company's policies and practices compliance with the legal and regulatory requirements, and review the Company's compliance with the CG Code.

CORPORATE GOVERNANCE REPORT

The Audit Committee had two meetings in the Year in which representatives of the management were present to review the interim and final results, the interim report and annual report and other financial, internal control and corporate governance matters. The auditor was present in one of the meetings.

Audit Committee	Attendance (Number of Meetings attended/ Eligible to attend)
Law Wang Chak, Waltery *(Chairman)*	2/2
He Qi	2/2
Song Sining (appointed on 16 June 2017)	1/1
Li Yankuan (ceased on 16 June 2017)	1/1

The Audit Committee reviewed the Group's annual and interim results for the Year, the internal and external reports on the risk management, term of reference, internal control and the corporate governance policy.

REMUNERATION COMMITTEE

The Remuneration Committee performs the remuneration function under the CG Code. The Remuneration Committee consists of two executive Director, namely Mr. Shi Baodong and Mr. Zhao Huining, and two independent non-executive Directors, namely Mr. Dong Xiaojie (Chairman of the Remuneration Committee) and Mr. Law Wang Chak, Waltery.

The principal duties of the Remuneration Committee, in accordance with its terms of reference, which are substantially the same as those under the CG Code, include determining the policy for the remuneration of executive Directors, assessing performance of executive Directors, approving the terms of executive Directors' service contracts, and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

The Remuneration Committee had held two meetings in the Year and the attendance record is set out below:

Remuneration Committee	Attendance (Number of Meetings attended/ Eligible to attend)
Dong Xiaojie *(Chairman)*	2/2
Shi Baodong	2/2
Zhao Huining (with effect from 15 July 2017)	0/0
Law Wang Chak, Waltery	2/2

The Remuneration Committee reviewed the policies for the remuneration of executive Directors and senior management, including basic salaries, discretionary performance bonus and other emoluments, based on skills, knowledge, involvement in the Company's affairs and performance of the individual executive Director and senior management with reference to the Company's performance and profitability, as well as industry practice. Directors' fees for all Directors are subject to Shareholders' approval at general meeting.

Reimbursement is allowed for out-of-pocket expenses incurred in connection with the performance of their duties including attendance at board meetings and committee meetings.

NOMINATION COMMITTEE

The Nomination Committee performs the nomination function under the CG Code. The Nomination Committee consists of two executive Director, namely Mr. Shi Baodong (Chairman of the Nomination Committee) and Mr. Zhao Huining, and two independent non-executive Directors, namely Mr. He Qi and Mr. Law Wang Chak, Waltery.

The principal duties of the Nomination Committee, in accordance with its terms of reference, which are substantially the same as those under the CG Code, include review on the structure and composition of the Board, identification of suitably qualified Board candidates, and determining the policy for the nomination of Directors.

The Nomination Committee had held two meetings in the Year and the attendance record is set out below:

Nomination Committee	Attendance (Number of Meetings attended/ Eligible to attend)
Shi Baodong *(Chairman)*	2/2
Zhao Huining (with effect from 15 July 2017)	0/0
He Qi	2/2
Law Wang Chak, Waltery	2/2

The Nomination Committee reviewed the structure, size and composition of the Board, adopted a formal written procedure and policy for the appointment of new Directors, assessed the independence of independent non-executive Directors and made recommendations to the Board on the appointment and re-appointment of the Directors.

Reimbursement is allowed for out-of-pocket expenses incurred in connection with the performance of their duties including attendance at board meetings and committee meetings.

SHAREHOLDERS' RIGHTS

Information is communicated to the Shareholders mainly through the Company's corporate communications (such as interim and annual reports, announcements and circulars), annual general meetings and other general meetings, as well as disclosure on the website of the Company.

Interim reports, annual reports and circulars are sent to the Shareholders in a timely manner and are available on the website of the Company. The Company's website provides Shareholders with the corporate information of the Group.

Shareholders are provided with contact details of the Company to enable them to make enquiries with respect to the Company's affairs. Shareholders can also send their enquiries to the Company through these channels or contact Union Registrars Limited, the branch share registrar of the Company, in case of enquiries about their respective shareholdings in the Company.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's registered office in Hong Kong at 2603, 26th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. Shareholders may also send such enquiries and concerns to ovchina@sjzdsjt.com, an email specifically set up by the Company for investor communications.

Annual general meeting of the Company ("**AGM(s)**") allows the Directors to meet and communicate with Shareholders. The Company ensures that Shareholders' views are communicated to the Board. The chairman of the AGM proposes separate resolutions for each issue to be considered. Members of the Audit Committee, the Remuneration Committee and the Nomination Committee and the external auditor also attend the AGMs to answer questions from Shareholders. AGM proceedings are reviewed from time to time to ensure that the Company follows good corporate governance practices. Notices of AGMs are distributed to all Shareholders at least 20 clear business days prior to the respective AGMs. The accompanying circular sets out the details of each proposed resolution and other relevant information as required under the Listing Rules. Voting results are posted on the Company's website on the day of the AGM.

CORPORATE GOVERNANCE REPORT

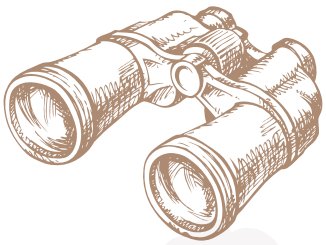
The Articles of Association set out the procedures for the Shareholders to convene general meetings, to move a resolution at general meetings and propose a person for election as a Director are available at the Company's corporate website http://www.orientvictory.com.hk.

Extraordinary general meetings of the Company ("**EGM(s)**") shall be convened on the requisition of any one Shareholder which is a recognized clearing house (or its nominee) or any two or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 3 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them may convene such meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The attendance record of the Directors at the AGM held on 16 June 2017 and EGM held on 16 June 2017 respectively is set out below:

	AGM (Number of Meetings attended/ Eligible to attend)	**EGM (Number of Meetings attended/ Eligible to attend)**
Executive Directors		
Shi Baodong *(Chairman)*	1/1	1/1
Zhao Huining *(Chief Executive Officer)** (appointed on 16 June 2017)	N/A	N/A
Wang Jianhua	1/1	1/1
Xu Yongmei (retired with effect from 16 June 2017)	N/A	N/A
Non-executive Director		
Song Sining (appointed on 16 June 2017)	N/A	N/A
Li Yankuan (retired with effect from 16 June 2017)	N/A	N/A
Independent Non-executive Directors		
Dong Xiaojie	0/1	0/1
He Qi	0/1	0/1
Law Wang Chak, Waltery	1/1	1/1

* Mr. Zhao was appointed as Chief Executive Officer with effect from 15 July 2017.



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公司資料

董事會

執行董事

石保棟先生（主席）
趙會寧先生（首席執行官*）
（於二零一七年六月十六日獲委任）
王建華先生
許永梅女士（於二零一七年六月十六日退任）

非執行董事

宋思凝女士（於二零一七年六月十六日獲委任）
李彥寬先生（於二零一七年六月十六日退任）

獨立非執行董事

東小杰先生
何琦先生
羅宏澤先生

審核委員會

羅宏澤先生（主席）
何琦先生
宋思凝女士（於二零一七年六月十六日獲委任）
李彥寬先生（於二零一七年六月十六日辭任）

薪酬委員會

東小杰先生（主席）
石保棟先生
趙會寧先生（自二零一七年七月十五日起生效）
羅宏澤先生

提名委員會

石保棟先生（主席）
趙會寧先生（自二零一七年七月十五日起生效）
何琦先生
羅宏澤先生

公司秘書

葉沛森先生

* 趙會寧先生獲委任為首席執行官，自二零一七年七月十五日起生效。

核數師

畢馬威會計師事務所
執業會計師
香港中環
遮打道十號
太子大廈八樓

主要往來銀行

中國工商銀行（亞洲）有限公司
香港上海滙豐銀行有限公司
澳門國際銀行
南京銀行股份有限公司
江蘇省南京市
大行宮支行

註冊辦事處

P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

主要營業地點

香港
灣仔港灣道25號
海港中心26樓2603室

香港股份過戶登記分處

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

股份代號

265

網站

http://www.orientvictory.com.hk

榮譽與獎項

東勝旅遊集團有限公司

本公司在美國傳媒專業聯盟(「**LACP**」)舉辦的2016 Vision Awards年報評選中榮獲「金獎」，並獲授「亞太區年報評比前80強」、「二零一六年中國年報評比前40強」。LACP為權威內部專業獎勵機構，其年報評選獲業界高度認可。

主席報告
和
管理層討論及分析

主席報告

尊敬的股東們，

本人謹代表東勝旅遊集團有限公司（前稱東勝中國控股有限公司）（「**本公司**」連同其附屬公司，統稱為「**本集團**」，股份代號：265）董事（「**董事**」）會（「**董事會**」），欣然提呈本集團截至二零一七年十二月三十一日止年度（「**本年度**」）之年報（「**年報**」）。

業績概要

本年度，本集團錄得(i)收入約為264.57百萬港元，較上一財政年度之約109.42百萬港元增加約141.8%；(ii)本公司權益擁有人應佔虧損約為46.85百萬港元，而於去年同期則為本公司權益擁有人應佔虧損約191.82百萬港元；(iii)每股虧損為0.46港仙，而截至二零一六年十二月三十一日止年度則錄得每股虧損1.64港仙（經重述）。

業務策略

(a) 旅遊相關及其他業務

本集團將繼續致力於配置資源於宣傳及市場推廣上，以擴展及多樣化商務旅遊產品種類，如會展獎勵旅遊業務(MICE)（即會議(Meetings)、獎勵旅遊(Incentives)、大型會議(Conferences)及展覽活動(Exhibitions)）。我們亦將與相關全球旅遊解決方案的供應商合作，且隨著我們的全球旅遊管理合作夥伴將其全球管理實踐帶入香港市場，我們預期將於該領域取得市場份額，並將繼續提升我們為大型跨國公司和中小型企業提供的服務及工具。本集團將受益於本集團聯營公司中國康輝旅遊集團有限公司（前稱中國康輝旅行社集團有限責任公司）（「**中國康輝**」）的廣闊網路、通過建設自有的網上平台為中國康輝打造線上綜合服務體系及與主要B2C平台公司（如攜程、途牛等）合作。董事會認為，本集團和中國康輝可以憑藉各自的優勢資源進行互補，同時本集團將繼續大力發展會展獎勵旅遊業務(MICE)並打入中國旅遊市場，以鞏固本集團在旅遊市場的地位。

(b) 珠寶貿易及零售業務

由於經濟環境不景氣及黃金等原材料價格上漲以及其他若干因素影響，我們珠寶業務的表現下滑。過往數年，儘管本集團已嘗試多種方法提升其珠寶業務的表現，包括削減其員工成本及租賃成本以及年內與獨立珠寶零售商訂立業務合作協議（詳情載於管理層討論及分析一節），該分部年內仍錄得虧損。儘管本分部並非本集團之核心業務，且預期日後不會為本集團之經營業績起到有力的推動作用或作出突出貢獻，本集團將考慮適時作出合適的戰略決策。

(c) 金融服務業務

本公司於本年度完成收購東勝瀛信財務顧問有限公司(「**瀛信財務**」,前稱大中華栢盛有限公司)的全部已發行股本。於本年度內,本集團透過其持牌法團(即東勝瀛信資本管理有限公司(「**瀛信資本管理**」,前稱智盛資本管理有限公司)及瀛信財務從事香港法例第571章證券及期貨條例(「**證券及期貨條例**」)項下的多項受規管活動。

董事會認為本集團可充分利用現有商務旅遊的客量於日後提供更多金融服務。為向金融服務業提供綜合解決方案,本公司將深化對金融服務行業的滲透,矢志成為可提供全方位服務之企業,從而向客戶提供全面服務。本公司將繼續監察瀛信財務及瀛信資本管理的發展及市場情況,並根據市場情況而轉變業務策略。

(d) 房地產開發及投資業務

年內，本集團已透過收購紐西蘭的土地而成功踏入房地產行業。初步計劃為階段性開發地塊，其中包括自助式單位及住宅單位。

董事會相信，收購事項為本集團提供良好的投資時機，拓寬業務範疇及提升本集團的盈利能力。

新業務進展

本集團正在尋求與旅遊業相關之其他潛在機會，包括但不限於收購土地及建造自助式及住宅單位。潛在投資一旦落實，預計本集團將可縱向擴張其旅遊相關業務並為本集團現有業務帶來協同效應。

展望

展望未來，「旅遊+」(旅遊+金融+房地產開發)將成為本公司未來主要收益驅動力，本公司將大力發展「旅遊+」業務，著力投資旅遊資源，拓展旅遊市場份額，提升其在金融服務及房地產開發行業的影響力，致力將本集團打造成綜合服務運營商。

致謝

本人謹代表董事會向各位股東及本公司業務夥伴的不懈支持，以及董事會、管理層和全體員工的竭誠服務及貢獻致以誠摯謝意。

股息

董事會不建議就本年度派付任何末期股息(二零一六年：無)。

石保棟
主席

香港，二零一八年三月二十九日

管理層討論及分析

業務回顧

旅遊相關及其他服務業務

經濟持續放緩，高級商務艙旅行需求疲弱，來自線上旅行社的激烈競爭及廉價航空公司的直接銷售等因素均持續對本集團經營業績造成不利影響。

儘管旅遊相關及其他服務分部錄得之收入由截至二零一六年十二月三十一日止年度約78.33百萬港元增至本年度之約236.29百萬港元。該增加乃主要由於機票銷售於整個年度內按總額基準而非淨額基準確認。該分部於本年度錄得經營虧損約2.14百萬港元（二零一六年：3.82百萬港元），減少約44.0%。

本集團持續尋求更具經驗的銷售及營銷人員，以獲取更多香港及中國大陸市場的業務及客戶，並物色機遇開發高利潤的旅遊產品，包括會展獎勵旅遊業務（即會議、獎勵旅遊、大型會議及展覽活動）、郵輪業務及酒店預訂業務。

本集團持續與全球夥伴合作開發旅遊匯報工具，以向我們的企業客戶提供訂製滿足彼等需求的高效旅遊管理解決方案。

本集團有意為其員工提供完善的培訓和修讀旅遊業相關課程的津貼，以提升其在旅遊及旅遊相關業務方面的知識、服務質素及服務水準。

珠寶貿易及零售業務

該分部包括本集團於南京之旗艦店及大型百貨公司專櫃之珠寶產品（例如：寶石、玉石、黃金及銀）之分銷及銷售。

由於地方市政府自二零一六年十月起直至二零一七年五月在南京旗艦店前沿路設置圍籬，導致顧客人數均有所減少。此外，誠如本公司日期為二零一七年六月二十二日的公告所披露，於二零一七年六月八日，我們珠寶旗艦店（「珠寶店」）所在大廈的第三層樓頂（即較我們舖面高二層）發生火災（「火災」）。珠寶店為進行緊急維修而暫時關閉，並已於二零一七年六月三十日重新開業。經地方消防局調查後得知，火

災乃因在場獲委聘進行防水工程的承包商(「**承包商**」)之疏忽所致。

於二零一七年七月二十七日,本集團就火災對本集團造成的損失及損害向中華人民共和國(「**中國**」)南京市秦淮區人民法院提出對承包商採取法律行動。本集團已於二零一八年二月十四日透過法院調停與承包商達成協議,據此承包商須於二零一八年三月三十一日之前向本集團支付人民幣0.55百萬元(相當於約0.66百萬港元),作為本集團的損失及損害賠償。本集團已於二零一八年四月二日收到該筆付款。

由於上述問題,該分部於本年度錄得收入減至約26.54百萬港元(二零一六年:約30.27百萬港元),並錄得經營虧損大幅增至約2.58百萬港元(二零一六年:約1.13百萬港元)。

為提升該分部之表現,於二零一七年七月二十七日,珠寶店已與一家獨立珠寶零售商訂立業務合作協議(「**合作**」)。根據合作,珠寶店將向珠寶零售商提供珠寶零售業務營運之店舖空間,自二零一七年八月一日起為期兩年。於租期內,珠寶零售商將向珠寶店分別於第一年及第二年支付總額人民幣0.82百萬元(相當於約0.98百萬港元)及人民幣0.84百萬元(相當於約1.01百萬港元)。有關在珠寶店所提供的空間經營珠寶零售業務之所有開支及員工成本將由珠寶零售商承擔。

過往數年,儘管本集團嘗試多種方法提升其珠寶業務的表現,包括削減其員工成本及租賃費用以及達成合作,該分部年內仍錄得虧損。儘管管理層付出諸多努力,但本集團管理層認為該分部並非核心業務,且預期日後不會對經營業績起到有力的推動作用或作出突出貢獻。本集團將考慮於必要時作出進一步合適的戰略決策。

該分部的主要資產為存貨,主要包括黃金飾品、黃金原材料、鑲嵌裝飾及金剛石原材料。在業務過程中,本集團已制訂有關採購、倉儲、保管、付款、交貨、銷售及收取貨款的完善制度,以求作出更好的庫存及信貸管控。本集團的內部監控系統於整個年度內得到有效施行。

金融服務業務

本公司於二零一七年一月二十四日完成收購瀛信財務的全部已發行股本。於本年度內,本集團透過其全資附屬公司(即瀛信資本管理及瀛信財務)從事證券及期貨條例項下的多項受規管活動。瀛信資本管理為一家根據證券及期貨條例持牌從事第4類(就證券提供意見)及第9類(資產管理)受規管活動的法團,而瀛信財務為一家根據證券及期貨條例持牌從事第6類(就企業融資提供意見)受規管活動的法團。

於本年度內,金融服務分部錄得收入為1.74百萬港元(二零一六年:0.82百萬港元)及經營虧損約為2.80百萬港元(二零一六年:0.61百萬港元)。

本公司認為金融及股票市場穩定且短期內預期不會遇到大幅波動,有利於瀛信財務及瀛信資本管理的增長。此外,本公司已努力再營銷品牌及推廣瀛信財務及瀛信資本管理

的服務，預期新財務諮詢合約將會增加及帶來正面收入貢獻。本公司預期於當前市場情況下取得合理回報及收入增加。

董事認為，收購事項能擴闊本集團的主要業務活動之金融服務業務範圍，從而為我們的股東帶來最大回報，標誌著本集團在香港金融業邁出重要一步。本公司將繼續監察瀛信財務及瀛信資本管理的發展及市場情況，並根據市場情況而轉變業務策略。

房地產開發及投資業務

年內，本集團已透過收購紐西蘭的土地而成功踏入房地產行業。初步計劃為階段性開發地塊，其中包括自助式單位及住宅單位。有關詳情，請參閱本公司日期為二零一七年八月十一日之公告。

該土地位於奧克蘭北部的旅遊中心，鄰近高速公路、公共交通設施、社區設施及熱門旅遊景點。洞識奧克蘭嚴重的房屋短缺情況，董事會相信，收購事項為本集團提供良好的投資時機。

由於收購事項於二零一七年末方完成，發展仍處於初步階段，故年內並無產生收益，從而導致該分部錄得虧損約82,000港元。

財務分析

1. 經營表現

本年度之收入約為264.57百萬港元，較上一財政年度約109.42百萬港元增加約141.8%。該增加乃主要由於機票銷售於整個年度內按總額基準而非淨額基準確認。

本年度錄得虧損約56.03百萬港元，而截至二零一六年十二月三十一日止年度則錄得重大虧損約194.07百萬港元，減少約71.1%。虧損大幅減少主要是由於下列各項：

(i) 應佔本集團聯營公司年度虧損由截至二零一六年十二月三十一日止年度148.37百萬港元大幅減至本年度之13.52百萬港元，原因為該聯營公司於本年度並無錄得任何資產減值（二零一六年：141.91百萬港元）；

(ii) 相應年度並無產生免息貸款之攤銷融資開支淨額12.06百萬港元；及

(iii) 應佔聯營公司虧損及經攤銷融資開支減少因行政開支增加所部分抵銷。

2. 資產質素

我們的資產主要包括現金及現金等值項目、受限制銀行存款、應收貿易賬款、存貨及於聯營公司之權益。現金及現金等值項目及受限制銀行存款之餘額總額約為401.14百萬港元，其中約49.85百萬港元、20.81百萬港元及8.95百萬港元分別以人民幣、紐西蘭元（「紐元」）及美元計值。

應收貿易賬款餘額約為28.16百萬港元，主要應收自四海旅行社有限公司的客戶（大多為知名和規模較大的企業），其中約25.77百萬港元的應收貿易賬款的賬齡是90天以內，約佔整體應收貿易賬款91.5%。

存貨結餘為約63.79百萬港元，屬於珠寶產品之原材料及製成品以及紐西蘭的一幅土地。其中約8.40百萬港元被抵押作為本集團銀行貸款之擔保。

於聯營公司之權益約為399.27百萬港元，主要歸因於無形資產（包括中國康輝之商標及分銷網絡）。

3. 負債結構

我們的負債主要包括應付貿易賬款及短期借款。應付貿易賬款結餘約33.39百萬港元。其中約33.23百萬港元的應付貿易賬款的賬齡是90天以內，約佔整體應付貿易賬款約99.5%。

於二零一七年十二月三十一日，短期借款結餘約為8.95百萬港元並以人民幣計值，其中本年度4.80百萬港元為按實際年利率4.35%計息的有抵押銀行貸款，及4.15百萬港元為按年利率6.5%計息的無抵押其他借款。

流動資金及財務資源

於本年度內，本集團繼續主要以內部資源、借款以及進行股權融資活動所籌得款項為其營運及投資提供資金。於二零一七年十二月三十一日，本集團之現金及現金等值項目以及受限制銀行存款合共約401.14百萬港元（二零一六年：約368.02百萬港元），較截至二零一六年十二月三十一日止年度增加約9.0%，有關款項乃集中管理（特定項目將予動用的資金除外）。現金及現金等值項目以及受限制銀行存款增加乃主要由於行使認股權證後因發行新股份籌集所得款項淨額約135.21百萬港元所致。

於二零一七年十二月三十一日，本集團的銀行及其他借款總額約為8.95百萬港元（二零一六年：9.62百萬港元），均以人民幣計值，其中約4.80百萬港元為銀行貸款（二零一六年：約5.57百萬港元），為有抵押且於本年度按4.35%的實際年利率計息（二零一六年：年利率4.5%至6.0%）；及約4.15百萬港元為其他短期借款（二零一六年：約4.05百萬港元），為無抵押且於本年度以6.5%年利率計息（二零一六年：年利率6.5%）。

於二零一七年十二月三十一日，本集團之流動比率約為7.82（二零一六年：5.41）。由於本集團於二零一七年十二月三十一日擁有淨現金約348.75百萬港元（二零一六年：約325.01百萬港元），資本負債比率並不適用。

外匯風險

由於本集團的交易主要以港元、人民幣及紐元計值，故本集團因以港元作為功能貨幣的實體所持有之以人民幣及紐元計值的現金及現金等值項目而面臨外匯風險。年內，本集團已就紐元的外匯風險審閱對沖產品，但本集團於年內並未作出任何對沖行動。董事將繼續監控相關外匯風險，並準備於必要時採取對沖行動。

資本承擔

於二零一七年十二月三十一日，本集團擁有涉及於一間合營公司承諾投資之資本承擔人民幣4,000,000元。

管理層討論及分析

集資活動

(a) 行使認股權證

於二零一六年五月四日，本公司向其股東發行1,568,476,768份認股權證。

每份認股權證賦予其持有人權利以現金按初步認購價每股0.195港元（其後按認股權證文據之條款及條件調整為每股0.193港元，自二零一六年十月二十四日起生效（可予進一步調整））認購一股新普通股。認股權證可於二零一六年五月四日起至二零一七年五月三日（包括首尾兩日）止十二個月期間隨時行使。有關認股權證之進一步詳情於本公司日期為二零一六年四月二十六日之通函內披露。

於本年度內，認股權證持有人已行使700,552,419份認股權證，因此本公司向認股權證持有人發行及配發700,552,419股普通股，並於行使700,552,419份認股權證後籌得現金所得款項約135.21百萬港元。

餘下認股權證於二零一七年五月三日屆滿，且於二零一七年十二月三十一日並無尚未行使的認股權證。

收購事項及投資

(a) 瀛信財務

茲提述本公司日期為二零一七年一月二十五日的公告，本公司已於二零一七年一月二十四日完成收購瀛信財務全部股權，瀛信財務為一家根據證券及期貨條例從事第6類（就企業融資提供意見）受規管活動的持牌法團，代價約6.42百萬港元，乃經參考瀛信財務於二零一六年十二月三十一日之資產淨值釐定。

(b) Nibou Company Limited（「Nibou」）

茲提述本公司日期為二零一七年三月十日及二零一七年三月十三日的公告，本公司間接全資附屬公司日通投資有限公司（「日通」，作為買方）及北園一波先生（作為賣方）與張傑先生及許雲生先生（作為賣方擔保人）訂立買賣協議，據此（其中包括）日通有條件同意購買而北園一波先生有條件同意出售銷售股份（佔Nibou已發行股本78%），代價為103,740,000日圓（相當於約7,053,283港元）（「Nibou股份購買協議」）。由於賣方未能按Nibou股份購買協議之條款完成交易且違反該項協議，於二零一七年十一月十日，日通就金額為2,416,461港元（或其等值日元）之款項、違反Nibou股份購買協議之損害及／或違反Nibou股份購買協議之損害賠償、權益、追加或其他救濟及成本向賣方及擔保人發出一份傳訊令狀。

(c) 成立合營公司

茲提述本公司日期為二零一七年四月十三日的公告，內容有關成立合營公司寧波梅山保稅港區首勝建銀投資管理有限公司(「**合營公司**」)。

合營公司的章程細則已於二零一七年四月十三日簽訂。根據章程細則，合營公司之總註冊股本為人民幣10百萬元，將由本公司間接全資附屬公司深圳東勝華美文化旅遊有限公司(「**東勝華美**」)、廣州天倫萬怡投資有限公司(「**天倫**」)及建銀聚源投資管理(北京)有限公司(「**建銀聚源**」)分別出資及持有40%、30%及30%。天倫及建銀聚源均為本公司之關連人士。合營公司將從事項目投資、投資管理、資產管理及投資諮詢，惟須待地方工商行政管理局批准。

合營公司已於二零一七年五月十六日取得中國的營業牌照。

(d) 收購紐西蘭地塊

誠如本公司日期為二零一七年八月十一日的公告所披露，本公司與一家於紐西蘭註冊成立的有限公司Horncastle Home Limited訂立協議，該公司獨立於本公司且與本公司或其任何關連人士(定義見上市規則)概無關連，協議內容有關以約9百萬紐元(相當於約51.3百萬港元)的代價收購紐西蘭的一幅土地。該土地位於紐西蘭奧克蘭Silverdale，總面積約為15,742平方米，擬開發作自助式單位及可銷售住宅單位。

收購事項於二零一七年十一月十四日完成，而土地開發仍處於初步階段。

(e) 投資一家合營公司

茲提述本公司日期為二零一七年七月十日之公告，內容有關本公司之間接全資附屬公司東滙香港控股有限公司(「**東滙香港**」)、北京壹天中新音樂文化產業發展有限公司(「**新合營公司**」)及新合營公司的五名股權持有人(「**投資者**」)所訂立的投資協議(「**協議**」)，內容有關東滙香港根據協議向新合營公司的註冊資本注資(「**注資**」)。其中一名投資者為本公司之關連人士。

管理層討論及分析

根據協議，其中三名投資者將向東滙香港轉讓於新合營公司合共30%股權，而作為代價，東滙香港將向新合營公司注資人民幣15百萬元(「代價」)。於完成後，新合營公司之註冊資本將由東滙香港及投資者分別持有30%及70%權益。東滙香港將成為新合營公司之最大股權持有人，且新合營公司之財務報表將綜合併入本集團財務報表。因此，新合營公司將成為本公司的間接非全資附屬公司。

董事會持續檢討本公司的業務策略，並持續開拓具吸引力的商業機會。新合營公司乃專於文化及藝術交流與活動，故本公司擬與新合營公司擴展其旅遊相關業務。董事會認為注資能強化新合營公司的資本基礎，以孕育未來發展及業務增長，提高新合營公司表現，進而提升本集團整體盈利。

於本年報日期，協議項下的先決條件並未獲全部達成，而協議將於所有先決條件獲達成時完成。

資產抵押

於二零一七年十二月三十一日，本集團賬面值合共為42.24百萬港元(二零一六年十二月三十一日：40.57百萬港元)之若干資產已作為其附屬公司及聯營公司所取得的貸款之抵押。

於二零一七年及二零一六年十二月三十一日，本集團已抵押深圳東勝華譽商業管理有限公司(本公司的間接全資附屬公司)的全部股本權益及東滙香港控股有限公司(本公司的間接全資附屬公司)的全部已發行股本，以擔保發行本金總額為170百萬港元的二零一六年三月永久可換股證券。有關詳情，請參閱本公司日期為二零一六年三月三十日之公告及日期為二零一六年一月二十九日之通函。

或然負債

於二零一七年十二月三十一日，本集團就聯營公司之銀行借款所提供信用擔保的或然負債額為33.25百萬港元(二零一六年十二月三十一日：33.39百萬港元)。

僱員數量及薪酬

於二零一七年十二月三十一日，本集團僱員總數為130名(二零一六年十二月三十一日：137名)。於本年度，僱員成本(包括董事酬金)約為31.51百萬港元(二零一六年：約30.64百萬港元)。

除薪金以外，本集團亦會向全體僱員提供僱員醫療保險及強制性公積金計劃等其他附加福利。僱員的表現通常每年評審，而薪金的調整亦與市場看齊。個別僱員亦可按其個人表現於每年年終獲取酌情花紅。

董事及高級管理層簡介

董事

石保棟先生(「石先生」)
主席兼執行董事
石先生,49歲,於二零一四年九月獲委任為主席兼執行董事。石先生為本公司提名委員會(「**提名委員會**」)主席及本公司薪酬委員會(「**薪酬委員會**」)成員。石先生於一九八九年畢業於河北建築工程學院。彼於物業開發累積逾18年經驗及彼為中國合資格工程師。石先生為東勝集團香港控股有限公司之董事及東勝文化旅遊集團有限公司(前稱為石家莊市東勝投資集團有限公司)(「**東勝文旅**」)之創辦人、股東兼董事長,該等公司主要於中國從事物業開發,包括發展住宅物業、商用物業、長者住宅物業及配套設施,以及生態園區及文化公園。於二零一五年十月,石先生獲委任為本集團聯營公司中國康輝之總裁,全面負責中國康輝之日常經營事務。

石先生為中國房地產業協會副會長,並擔任中國城市開發專業委員會顧問、中國房地產協會老年住區專業委員會顧問、中國小城鎮開發專業委員會顧問。同時,石先生為香港河北商會常務副會長及中國賽艇協會副主席。

石先生為東勝置業集團控股有限公司之唯一董事及唯一實益擁有人,持有本公司9,900,620,661股股份(包括本公司2,062,717,781份二零一六年十月永久可換股證券可轉換為2,062,717,781股本公司股份),約佔本公司全部已發行股本之77.66%。

此外,石先生個人持有本公司130,239,145股普通股,約佔本公司全部已發行股本之1.02%。

趙會寧先生(「趙先生」)
執行董事兼首席執行官
趙先生,50歲,分別於二零一七年六月十六日及二零一七年七月十五日獲委任為執行董事兼首席執行官。趙先生亦為我們薪酬委員會及提名委員會的成員。一九九零年於北方交通大學運輸管理工程系交通運輸專業畢業。二零零四年取得由南開大學與南澳大利亞弗林德斯大學聯辦的南澳大利亞弗林德斯大學國際經貿關係文學碩士學位,二零一四年燕山大學管理科學與工程專業博士研究生畢業。趙先生於二零零二年獲授予中國高級經濟師之資格。

趙先生擁有非常豐富的工作經驗,包括於一九九零年至一九九二年期間於河北省機電設備招標局項目評估處擔任科員;一九九二年至一九九七年期間先後曾擔任河北省經貿委交通郵電處科員及副主任科員;一九九七年至一九九八年擔任河北省經貿委北京辦事處副主任;一九九八年至二零零零年擔任河北省經貿委(「**河北省經貿委**」)外經處副處長;二零零零年至二零零一年期間先後曾擔任河北省經貿委辦公室副主任及北京辦事處主任;二零零一年至二零零五年期間曾先後擔任河北省經濟貿易投資有限公司法人代表、執行董事及總經理等職位;二零零五年至二零零九年期間先後曾擔任河北省信息產業投資有限公司之法人代表、執行董事、總經理及黨委書記等職位;二零零九年十二月當選河北省青年聯合會第十屆委員會副主席。於二零零九年至二零一四年,任職河北建設投資集團有限責任公司,離職時擔任董事長及黨委書記。彼亦於二零一四年至二零一六年擔任中國節能環保集團

董事及高級管理層簡介

之附屬公司高康資本投資管理有限公司董事長及總裁，彼現擔任本集團附屬公司中國旅遊文化產業投資基金管理公司董事及總裁。趙先生曾於二零一零年二月至二零一四年八月期間擔任新天綠色能源股份有限公司（一間於香港聯合交易所有限公司（「聯交所」）上市之公司，股份代號：00956）之非執行董事。

王建華先生（「王先生」）
執行董事
王先生，54歲，於二零一四年九月獲委任為本公司執行董事，王先生持有美國太平洋大學的工商管理碩士學位及為中國合資格會計師。彼目前擔任東勝文旅副總裁，並擁有豐富的中國財務及投資領域的工作經驗。

宋思凝女士（「宋女士」）
非執行董事
宋女士，40歲，自二零一七年六月十六日起獲委任為我們的非執行董事。宋女士亦為本公司審核委員會（「審核委員會」）成員，於一九九七年畢業於河北大學哲學系公關專業。彼於二零零零年畢業於中央黨校函授學院經濟管理專業，於二零一五年完成北京大學實戰型房地產研修班學習。宋女士曾於其他房地產公司任職高管逾15年。彼目前為東勝房地產開發集團有限公司（由石先生間接全資擁有）副總裁。

東小杰先生（「東先生」）
獨立非執行董事
東先生，55歲，於二零一四年九月獲委任為本公司獨立非執行董事，東先生為薪酬委員會主席。東先生於一九八四年畢業於河北師範學院數學系。彼自二零一一年起一直為香港盛元投資風險諮詢公司之主要合夥人，並於二零一五年四月獲委任為漢德資本有限公司之董事。

何琦先生（「何先生」）
獨立非執行董事
何先生，62歲，於二零一四年九月獲委任為本公司獨立非執行董事，何先生為本公司審核委員會及提名委員會成員。何先生自二零一三年起一直擔任招商局置地有限公司（一間於聯交所上市之公司，股份代號：978）之獨立非執行董事。彼自二零零九年起亦一直為恒大地產集團有限公司（一間於聯交所上市之公司，股份代號：3333）之獨立非執行董事。何先生自二零零六年至二零一六年期間出任中國房地產業協會副秘書長。何先生現任中國房地產業協會流通服務委員會秘書長。

羅宏澤先生（「羅先生」）
獨立非執行董事
羅先生，54歲，於二零一四年九月獲委任為我們的獨立非執行董事。羅先生為審核委員會主席，及薪酬委員會及提名委員會成員。

羅先生現時為金山工業（集團）有限公司（一間於聯交所上市之公司）（股份代號：0040）金融及企業發展方面之高級副總裁。彼於財務審計、財務盡職審閱、併購、企業重組、會計及企業財務顧問方面擁有逾30年經驗。

自二零一五年四月起，羅先生為德基科技控股有限公司（一間於聯交所上市之公司，股份代號：1301）之獨立非執行董事、審核委員會主席及薪酬委員會成員。自二零一六年十一月起，羅先生為In Technical Productions Holdings Limited（一間於聯交所上市之公司，股份代號：8446）之非執行董事。自二零一七年十一月起，羅先生為Vicon Holdings Limited（一間於聯交所上市之公司，股份代號：3878）之獨立非執行董事、審核委員會主席及提名委員會成員。自二零

一七年十一月起，羅先生為守益控股有限公司（一間於聯交所上市之公司，股份代號：2227）之獨立非執行董事、審核委員會主席以及薪酬委員會及提名委員會成員。

於此之前，羅先生於二零一零年十二月至二零一八年一月期間為普方達投資管理有限公司（一間私募股權及投資諮詢公司）之執行合夥人，並於二零零四年六月至二零零八年七月期間及二零零八年八月至二零零八年十月期間分別擔任玖龍紙業（控股）有限公司（一間於聯交所上市的公司，股份代號：2689）之首席財務官及非執行董事。羅先生亦於一九九二年十二月至二零零四年五月期間擔任四間其他公司財務部之首席財務官及副總裁等多個不同職位，該四間公司均為相關時間在聯交所主板上市之公司。羅先生曾於一九八七年八月至一九九二年十一月期間任職永道會計師事務所（現稱羅兵咸永道會計師事務所）審計部。

羅先生於一九九五年十月及一九九八年二月獲准為英國特許會計師公會及香港會計師公會資深會員。羅先生現獲香港會計師公會登記為執業會計師。羅先生於二零一七年七月獲准為英格蘭及威爾斯特許會計師公會資深會員。

羅先生於一九九一年八月自倫敦大學倫敦政治經濟學院獲得經濟學學士學位，並於一九九五年十二月獲授金融經濟學碩士學位。

高級管理層

黃志堅先生（「黃先生」）

首席財務官

44歲，黃先生於二零一四年十月獲委任為本公司首席財務官。彼曾任職多家國際銀行以及香港及英國上市公司，在會計、銀行及企業融資方面累積逾20年經驗。於加入本集團前，黃先生曾於中國秦發集團有限公司（其股份於香港聯交所主板上市，股份代號：866）出任多個職位，包括副財務總監（二零一一年四月至二零一一年九月）、財務總監（二零一一年九月至二零一四年十月）以及公司秘書及授權代表（二零一一年七月至二零一四年八月）。此外，黃先生於二零一二年十一月五日獲委任為翠華控股有限公司（「翠華」，其股份於香港聯交所主板上市，股份代號：1314）的獨立非執行董事，並於二零一六年十一月一日由翠華的獨立非執行董事調任為非執行董事。此外，黃先生於二零一七年三月二十四日委任為雅仕維傳媒集團有限公司（香港股份代號：1993）之非執行董事。

黃先生於一九九六年十二月取得香港城市大學頒授的理學士（財務）榮譽學位，於二零零一年十一月取得澳洲Monash university頒授的會計實務碩士學位，後於二零一零年十二月取得香港中文大學頒授的行政人員工商管理碩士學位。黃先生為香港會計師公會資深會員、澳洲會計師公會及香港董事學會資深會員。

何麗娟女士（「何女士」）

財務總監

何女士於二零一四年十二月加入本集團，擁有逾15年在國際審計事務所及聯交所主板上市公司之審核及會計經驗。何女士持有澳洲Monash university商業學士學位及中國東北財經大學會計學碩士學位。何女士為香港會計師公會、香港特許秘書公會及英國特許秘書及行政人員公會會員。

董事報告

董事會謹此提呈本集團本年度之董事報告及經審核綜合財務報表。

主要業務

於本年度，本公司為一家投資控股公司，其附屬公司主要從事旅遊及其他旅行相關業務、珠寶產品貿易及零售、提供金融服務、房地產開發及投資以及其他投資控股業務。

業務回顧

本年度本集團業務回顧分別載於本年報第47頁至第49頁及第50頁至第56頁之主席報告及管理層討論及分析。該等討論為本董事報告之一部份。

遵守法律法規

就董事會所知，旅遊集團已於重大方面遵守對本集團業務及營運具有重大影響的相關法律及法規。

業績及末期股息

本集團於本年度之業績載於本年報第90頁之綜合損益表。

董事會不建議派發本年度的任何末期股息(二零一六年：無)。

五年財務摘要

本集團於過去五個財政年度之業績與資產、負債及非控股權益摘要摘錄自經審核綜合財務報表，並已作出適當重列／經重新分類，載列於本年報第191頁至第192頁。

物業、廠房及設備

本集團的物業、廠房及設備於本年度的變動詳情載於綜合財務報表附註12。

股本

於本年度，本公司已發行股本由二零一七年一月一日之約60.24百萬港元(12,047,043,097股每股面值0.005港元之普通股)變為二零一七年十二月三十一日之約63.75百萬港元(12,748,925,516股每股面值0.005港元之普通股)。

於本年度，本公司之股本變動之詳情載於綜合財務報表附註25(b)。

永久可換股證券

本公司於本年度發行的永久可轉換證券的詳情乃載於綜合財務報表附註26。

股權相關協議

於本年度，除本年報所披露者外，本公司概無訂立任何股權相關協議。

優先購買權

本公司組織章程細則(「組織章程細則」)或開曼群島(本公司註冊成立地)法例第22章公司法(一九六一年第3號法例，經綜合及修訂)項下並無載有優先購買權條文，規定本公司須按比例向現有股東提呈發售新股份。

儲備

於本年度，本公司及本集團之儲備變動詳情分別載列於附註25及第95頁綜合權益變動表。

可分派儲備

於二零一七年十二月三十一日，根據開曼群島法例第22章公司法（一九六一年第3號法例，經綜合及修訂）計算，本公司可供分派予權益股東之儲備總額為317,742,000港元（二零一六年：213,820,000港元）。

主要客戶及供應商

於本年度內，本集團從五名最大供應商的採購額佔總採購額的99.2%，當中從最大供應商的採購額佔總採購額的76.3%。本集團來自五名最大客戶的收入佔總收入的15.9%，當中最大客戶佔總收入的4.5%。

概無董事或彼等各自之緊密聯繫人或任何股東（根據董事所知於二零一七年十二月三十一日擁有本公司已發行股本5%或以上）於二零一六年及二零一七年於本公司五大供應商或五大客戶中擁有權益。

董事

於本年度及截至本年報日期止之董事如下：

執行董事：

石保棟先生（主席）
趙會寧先生（首席執行官）
（於二零一七年六月十六日獲委任）
王建華先生
許永梅女士（於二零一七年六月十六日退任）

非執行董事：

宋思凝女士（於二零一七年六月十六日獲委任）
李彥寬先生（於二零一七年六月十六日退任）

獨立非執行董事：

東小杰先生
何琦先生
羅宏澤先生

根據本公司組織章程細則第116條，在每屆股東週年大會上，當時三分之一董事（若人數並非三(3)的倍數，則以最接近但不少於三分之一的人數為準）將輪值告退，惟每名董事須至少每三年於股東週年上告退一次。本公司即將刊發有關股東週年大會之通函將載有膺選連任董事之詳細資料。

董事之簡介詳情載於本年報第57頁至第59頁。

董事之彌償保證

根據組織章程細則第179條，每位董事在其作為董事於獲判勝訴或獲判無罪之民事或刑事訴訟中進行辯護而招致或蒙受任何損失或責任，均可自本公司資產中獲得彌償。

確認獨立非執行董事之獨立性

本公司已收到各獨立非執行董事根據聯交所證券上市規則（「上市規則」）第3.13條發出的獨立性週年確認函，且本公司認為該等董事自彼等各自的委任日期起均為獨立人士，而於本報告日期，本公司仍認為該等獨立非執行董事為獨立人士。

董事服務合約及委任函

概無董事與本公司訂立不可於一年內在免付賠償之情況下(法定賠償除外)由本公司終止之服務合約。

購股權計劃

於二零一二年六月五日舉行之本公司週年大會上，股東批准採納一項新購股權計劃(「**二零一二年購股權計劃**」)，並於二零一二年六月十一日生效。自二零一二年購股權計劃獲採納以來，並無根據該計劃授出購股權。

控股股東於合約之權益

除本年報所披露者外，於本年度，本公司或其控股公司或其任何附屬公司，及任何控股股東或其任何附屬公司概無訂立重要合約。

於本年度，本公司或其任何附屬公司概無就任何控股股東或其任何附屬公司提供服務而訂立任何重要合約。

董事於重要交易、安排或合約之權益

除本年報所披露者外，於本年度，概無董事或與董事有關的實體於本公司或其任何附屬公司作為參與方訂立與本集團業務有關的重要交易、安排或合約中直接或間接擁有重大權益。

酬金政策

薪酬委員會已告成立，以根據本集團的經營業績、董事及高級管理層的個人表現以及可資比較市場慣例，審閱本集團的酬金政策以及董事及本集團高級管理層的所有薪酬結構。

董事及五名最高酬金人士之薪酬

董事及五名最高薪酬人士之酬金詳情分別載於本年報綜合財務報表附註8及9。

年內，石保棟先生、王建華先生、許永梅女士及李彥寬先生各自同意放棄約20,000港元、620,000港元、283,671港元及9,151港元之董事酬金(二零一六年：石保棟先生、王建華先生、許永梅女士及李彥寬先生各自同意放棄約20,000港元、620,000港元、620,000港元及20,000港元之董事酬金)。

除上文披露者外，年內，概無董事就其服務放棄收取酬金。

董事及最高行政人員於本公司或相聯法團之股份、相關股份及債權證中之好倉及淡倉

於二零一七年十二月三十一日，董事及本公司最高行政人員（「**最高行政人員**」）於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「**證券及期貨條例**」）第XV部）之股份、相關股份及債權證中擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的好倉及淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的好倉及淡倉），或(ii)根據證券及期貨條例第352條須於本公司存置的登記冊登記的好倉及淡倉，或(iii)根據上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「**標準守則**」）須知會本公司及聯交所的好倉及淡倉如下：

董事姓名	身份	所持普通股及相關股份數目	持有本公司股權概約百分比
石保棟	受控制法團權益	9,900,620,661（好倉）（「L」）*（附註1）*	77.66%
石保棟	實益擁有人	130,239,145(L) *（附註2）*	1.02%
		312,729,948 (L) *（附註3）*	2.45%
東小杰	實益擁有人	2,014,285 (L)	0.02%
羅宏澤	實益擁有人	420,000 (L)	0.003%

附註：

1. 石先生持有東勝置業集團控股有限公司（「**東勝置業**」）100%股本權益，根據證券及期貨條例，彼視作於東勝置業持有的9,900,620,661股股份中擁有權益。權益包括持有(i)7,837,902,880股普通股，(ii)於二零一六年十月發行的永久可換股證券（「**二零一六年十月永久可換股證券**」）（於本年報日期可轉換為2,062,717,781股本公司股份）。

2. 於本年度，石先生行使130,239,145份認股權證，因此，本公司向石先生發行及配發130,239,145股普通股。

3. 謹此提述本公司日期為二零一六年三月三十日之公告及本公司日期為二零一六年一月二十九日內容有關發行永久可換股證券之通函、本公司日期為二零一五年六月二十七日之投資協議（經日期為二零一六年一月八日之補充協議修訂）（「**投資協議**」）以及石先生有關本公司責任（其中包括有關永久可換股證券之責任）之個人擔保。於Outstanding Global Holdings Limited及Chance Talent Management Limited按投資協議規定分別悉數行使兩份認沽期權後，石先生將於312,729,948股本公司股份中擁有權益。

董事報告

除上文所披露者外，截至二零一七年十二月三十一日，概無董事及最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有或視為擁有按證券及期貨條例第352條須予備存或根據標準守則須於本公司登記冊登記或以其他方式知會本公司及聯交所的好倉或淡倉。

董事認購股份或債權證之權利

除本年報另有所披露者外，於截至二零一七年十二月三十一日止年度任何時間，概無授出任何權利予任何董事、彼等各自的配偶或未滿18歲的子女，以透過收購本公司股份或債權證而獲利，彼等亦無行使任何該等權利；本公司及其任何附屬公司亦無訂立任何安排，以使董事、彼等各自的配偶或未滿18歲的子女於任何其他法人團體獲得該等權利。

主要股東於股份及相關股份的權益及淡倉

就董事所深知，於二零一七年十二月三十一日，以下實體於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司及聯交所披露且須於本公司根據證券及期貨條例第336條存置的登記冊登記的權益及淡倉：

主要股東姓名	身份	所持普通股及相關股份數目 (L)：好倉 (S)：淡倉	持有本公司股權之概約百分比
東勝置業集團控股有限公司[1]	實益擁有人	9,900,620,661 (L)	77.66%
Outstanding Global Holdings Limited[2]（「**OGH**」）	實益擁有人	620,333,793 (L)	4.87%
	於本公司股份中擁有抵押權益之人士	5,926,054,470 (L)	46.48%
Chance Talent Management Limited[3]（「**CTM**」）	實益擁有人	128,771,155 (L)	1.01%
		128,771,155 (S)	1.01%
	於本公司股份中擁有抵押權益之人士	5,926,054,470 (L)	46.48%
Haitong International Investment Fund SPC – Fund 1 SP[4]（「**Haitong Fund**」）	於本公司股份及永久可換股證券中擁有抵押權益之人士	2,812,957,781 (L)	22.06%

附註：

(1) 董事會主席兼執行董事石先生持有東勝置業集團控股有限公司100%股本權益。

(2) OGH由中國華融國際控股有限公司全資擁有，而中國華融國際控股有限責任公司由華融置業有限責任公司擁有88.10%股本權益，而華融置業有限責任公司則由中國華融資產管理股份有限公司全資擁有。於6,546,388,263股股份的總權益指(i)由東勝置業集團股份有限公司作擔保抵押予OGH的5,926,054,470股本公司股份、(ii)OGH實益持有的436,375,000股本公司股份及(iii)二零一六年三月永久可換股證券（於本年報日期可轉換為183,958,793股本公司股份）。

(3) CTM為一間根據英屬處女群島註冊成立之有限責任公司，為建銀國際（控股）有限公司間接全資擁有之特殊目的公司。建銀國際（控股）有限公司為中國建設銀行股份有限公司全資擁有之投資服務旗艦公司，後者為一間於中國註冊成立並於香港聯交所主板（股份代號：0939）上市及上海證券交易所（股份代號：601939）的聯合股份公司。

於6,054,825,625股股份之總權益指(i)由東勝置業集團控股有限公司作擔保抵押予CTM的5,926,054,470股股份；及(iii)二零一六年三月永久可換股證券（於本年報日期可轉換為128,771,155股本公司股份）。128,771,155股本公司股份之淡倉指CTM持有的由永久可換股證券轉換產生的認沽期權。

(4) Haitong Fund為一家開放式獲豁免獨立投資組合有限公司。於2,812,957,781股股份的權益包括本公司的784,240,000股普通股及二零一六年十月永久可換股證券（於本年報日期可轉換為2,028,717,781股本公司股份），乃由東勝置業集團控股有限公司抵押予Haitong Fund。

除上文所披露者外，於二零一七年十二月三十一日，董事並不知悉任何人士（並非董事或最高行政人員）於股份或本公司相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司及聯交所披露的權益或淡倉，或根據證券及期貨條例第336條須於該條所述登記冊登記的權益或淡倉。

董事於競爭性業務之權益

除本年報所披露者外，於二零一七年十二月三十一日，概無董事或彼等各自之緊密聯繫人從事與本集團業務構成或可能構成競爭或與本集團利益構成或可能構成衝突之任何業務或於該等業務中擁有任何權益。

關連交易及持續關連交易

關連交易

於本年度，本集團有以下上市規則第14A章項下的部分豁免關連交易：

(a) 成立合營公司

茲提述本公司日期為二零一七年四月十三日的公告，內容有關成立合營公司寧波梅山保稅港區首勝建銀投資管理有限公司（「合營公司」）。

董事報告

合營公司的章程細則已於二零一七年四月十三日簽訂。根據章程細則，合營公司之總註冊股本為人民幣10百萬元，將由本公司間接全資附屬公司深圳東勝華美文化旅遊有限公司(「**東勝華美**」)、廣州天倫萬怡投資有限公司(「**天倫**」)及建銀聚源投資管理(北京)有限公司(「**建銀聚源**」)分別出資及持有40%、30%及30%。合營公司將從事項目投資、投資管理、資產管理及投資諮詢，惟須待地方工商行政管理局批准。合營公司已於二零一七年五月十六日取得中國的營業牌照。

天倫由我們附屬公司主要股東北京首都旅遊集團有限責任公司(「**北京首都旅遊**」)全資擁有，而建銀聚源由我們附屬公司主要股東建銀國際(控股)有限公司(「**建銀國際**」)全資擁有。天倫及建銀聚源因而根據上市規則為本公司關連人士。因此，根據章程細則成立合營公司構成上市規則第14A章項下本公司之關連交易。由於天倫及建銀聚源僅因其與本公司附屬公司之關係而為關連人士，而根據章程細則成立合營公司已獲董事會批准及所有獨立非執行董事已確認根據章程細則成立合營公司屬公平合理，根據章程細則成立合營公司乃按正常或更佳商業條款並符合本公司及股東整體利益，根據上市規則第14A.101條，根據章程細則成立合營公司獲豁免遵守通函、獨立財務意見及股東批准規定。

(b) 投資合營公司

茲提述本公司日期為二零一七年七月十日之公告，內容有關本公司之間接全資附屬公司東滙香港控股有限公司(「**東滙香港**」)、北京壹天中新音樂文化產業發展有限公司(「**新合營公司**」)及新合營公司的五名股權持有人(「**投資者**」)所訂立的投資協議(「**協議**」)，內容有關東滙香港根據協議向新合營公司的註冊資本注資(「**注資**」)。其中一名投資者為本公司之關連人士。

根據協議，其中三名投資者將向東滙香港轉讓於新合營公司合共30%股權，而作為代價，東滙香港將向新合營公司注資人民幣15百萬元(「**代價**」)。於完成後，新合營公司之註冊資本將由東滙香港及投資者分別持有30%及70%權益。東滙香港將成為新合營公司之最大股權持有人，且新合營公司之財務報表將綜合併入本集團財務報表。因此，新合營公司將成為本公司的間接非全資附屬公司。

董事會持續檢討本公司的業務策略，並持續開拓具吸引力的商業機會。新合營公司乃專於文化及藝術交流與活動，故本公司擬與新合營公司擴展其旅遊相關業務。董事會認為注資能強化新合營公司的資本基礎，以孕育未來發展及業務增長，提高新合營公司表現，進而提升本集團整體盈利。

於本年報日期，協議項下的先決條件並未獲全部達成，而協議將於所有先決條件獲達成時完成。

其中一位投資者史書瑤的配偶擁有本公司一間間接非全資附屬公司49%股權，因此，根據上市規則，史書瑤為附屬公司層面的關連人士。因此，根據上市規則第14A章，訂立協議構成本公司之關連交易。鑒於(i)董事會已批准投資協議；及(ii)獨立非執行董事已確認協議之條款乃屬公平合理、按一般商業條款訂立，並符合本公司及其股東之整體利益，因此根據上市規則第14A.101條，協議項下擬進行的交易僅須遵守申報及公告之規定，但獲豁免遵守通函、獨立財務意見及獨立股東批准之規定。

(c) 財務資助

茲提述本公司日期為二零一七年十一月二十八日之公告，內容有關東滙香港（本公司間接全資附屬公司）與中國康輝（由本集團透過東滙香港擁有49%權益及由北京首都旅遊擁有51%權益）就向中國康輝提供財務資助而於二零一七年十一月二十八日訂立之協議（「**貸款協議**」）。根據貸款協議，東滙香港同意向中國康輝提供財務資助，方式為簽署存款抵押，該項抵押涉及以中國民生銀行股份有限公司香港分行（「**該銀行**」）為受益人抵押東滙香港名下存放於該銀行本金額約為人民幣27.72百萬元（相當於約33.25百萬港元）的定期存款，以作為中國民生銀行股份有限公司香港分行透過信用狀的方式向中國康輝墊付金額不超過人民幣27.72百萬元（相當於約33.25百萬港元）的貸款融資的擔保。北京首都旅遊為本公司之關連人士。

由於北京首都旅遊為本公司一間聯營公司的主要股東，而中國康輝由北京首都旅遊擁有51%權益，故根據上市規則第14A.13條，中國康輝為北京首都旅遊的一間附屬公司，進而為本公司的關連人士。據此，根據貸款協議提供財務資助按上市規則第14A章亦構成本公司關連交易。鑒於中國康輝僅由於其與本公司附屬公司的關連而屬關連人士，根據貸款協議提供財務資助已獲董事會批准，且所有獨立非執行董事已確認貸款協議條款屬公平合理，根據貸款協議提供財務資助乃按一般商業條款或更優條款訂立並符合本公司及股東的整體利益，根據貸款協議提供財務資助因此須遵守上市規則第14A.101條的申報及公告規定但獲豁免遵守通函、獨立財務意見及股東批准的規定。

董事報告

持續關連交易

於本年度，本集團已根據上市規則第14A章之申報及公告要求作出以下持續關連交易披露：

茲提述本公司日期為二零一四年八月十二日之通函。於二零一四年九月四日，本公司、四海（本公司間接非全資附屬公司）及香港四海訂立一項服務協議（「**第一項服務協議**」）。據此，香港四海同意向四海提供若干資訊科技、商標特許、後勤辦公室支援及代購機票服務並為此每月收取管理服務費100,000港元（不包括四海應付香港四海的代理費），協議年期由二零一四年九月四日起計三年。

由於香港四海乃本公司的關連人士，第一項服務協議及據此擬進行的交易構成本公司的持續關連交易（「**持續關連交易一**」），故須獲獨立股東批准。本公司就持續關連交易一的特別股東大會（「**持續關連交易之股東特別大會**」）乃於二零一四年八月二十九日舉行，於持續關連交易之股東特別大會上，於截至二零一四年、二零一五年及二零一六年十二月三十一日止各年度及截至二零一七年十二月三十一日止年度之持續關連交易一的年度上限（服務費和代理費）總額分別為2.32百萬港元、7.29百萬港元、7.66百萬港元及5.36百萬港元乃獲批准。第一項服務協議乃於二零一六年十一月三十日終止，及各方已訂立第二項服務協議（「**第二項服務協議**」），協議年期由二零一六年十月一日至二零一七年九月三日（包括首尾兩日）止（「**持續關連交易二**」），截至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止年度其年度上限（服務費和機票及代理費）總額分別為109.58百萬港元及309.36百萬港元。第二項服務協議乃於二零一七年九月三日終止，及各方已訂立第三項服務協議（「**第三項服務協議**」），協議年期由二零一七年九月四日至二零一八年九月三日（包括首尾兩日）止（「**持續關連交易三**」）。第一項服務協議、第二項服務協議及第三項服務協議項下的服務範圍基本相同。持續關連交易三之新年度上限（服務費和機票及代理費而言）總額釐定為305.22百萬港元，即自二零一七年九月四日至二零一七年十二月三十一日釐定為95.67百萬港元及自二零一八年一月一日至二零一八年九月三日釐定為209.55百萬港元。於任何時間，概無超逾過往之年度上限。本公司董事概無於服務協議中擁有任何重大權益。第三項服務協議乃第一項服務協議及第二項服務協議項下之現有安排之延續。

由於(i)香港四海乃本公司附屬公司級別的關連人士；(ii)服務協議項下擬進行之持續關連交易乃按一般商業條款訂立；及(iii)董事會（包括全體獨立非執行董事）已批准持續關連交易三，並確認持續關連交易三之條款乃屬公平合理及持續關連交易三乃按一般商業條款訂立並符合本公司及股東之整體利益，根據上市規則第14A.101條，第三項服務協議項下擬進行之持續關連交易三須遵守申報及公告要求之規定，惟豁免遵守刊發通函、獲得獨立財務意見及股東批准之規定。相關詳情請參閱本公司日期為二零一七年八月二十八日之公告。

根據第二項服務協議，自二零一七年一月一日至二零一七年九月三日止期間，四海支付予香港四海之費用總額約為151.57百萬港元，而根據第三項服務協議，自二零一七年九月四日至二零一七年十二月三十一日止期間，四海支付予香港四海之費用總額約為68.95百萬港元。本公司確認，本年度內支付予香港四海之費用金額並無超過本年度之年度上限。

本公司進一步確認其已根據上市規則第14A章遵守披露規定。

本公司獨立非執行董事及核數師之確認

根據上市規則第14A.55條，獨立非執行董事已審閱本年度內之上述持續關連交易，並確認該等交易乃：

(i) 於本集團日常及一般業務過程中訂立；

(ii) 按一般商業條款訂立；及

(iii) 按照監管該等交易之相關協議訂立，其條款屬公平合理且符合股東整體利益。

本公司核數師畢馬威會計師事務所(「**核數師**」)獲委聘，按照香港會計師公會頒佈的《香港鑒證業務準則》第3000號(經修訂)「非審核或審閱過往財務資料之鑒證工作」，並參考《實務説明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，就本集團的持續關連交易作出報告。核數師已根據主板上市規則第14A.56條發出無保留意見函件，而該函件載有核數師對本集團披露的持續關連交易的發現及結論。本公司已向香港聯合交易所有限公司提交核數師函件。

除上文所披露者外，本年度訂立的重大關聯方交易(並不構成關連交易)概要於綜合財務報表附註30披露。

審核委員會

本公司已成立審核委員會，並根據上市規則以書面制訂其職權範圍。該審核委員會現由兩名獨立非執行董事羅宏澤先生(擔任審核委員會主席)及何琦先生，以及一名非執行董事宋思凝女士組成。

本集團本年度之全年業績已經審核委員會審閱，審核委員會認為該全年業績乃遵照適用會計準則及規定編製，且已作出充分披露。

董事進行證券交易之行為守則

本公司已採納董事進行證券交易之行為守則，其條款不遜於上市規則所載標準守則規定之準則。本公司已向全體董事作出特定查詢，有關合規之詳情載於本年報第75頁。

企業管治

本公司於整個年度已遵守上市規則附錄14所載企業管治守則(「**企管守則**」)項下的所有適用守則條文。本公司將繼續檢討及提升其企業管治常規，以確保遵守企管守則。

本公司所採納企業管治常規之資料載於本年報第74頁至第80頁的企業管治報告內。

重大法律訴訟

於本年度，本公司概無涉及任何重大訴訟或仲裁，且據董事所知，本公司並無待決或面臨威脅之重大訴訟或索償。

充足公眾持股量

根據本公司可公開獲得的資料及就董事所知，截至本年報日期，本公司已發行股本總額之公眾持股量一直維持在不低於25%，即聯交所批准及上市規則許可之規定最低公眾持股百分比。

報告期後事項

振浩收購事項

茲提述本公司日期為二零一八年一月二十二日之公告，內容有關本公司、東勝集團香港控股有限公司(「**東勝(香港)**」)及恒晟鑫業(北京)資產管理有限公司(「**恒晟**」)(作為買方)與李俊邦先生(作為賣方)就收購振浩有限公司(「**振浩**」)的40%股本權益訂立股份購買協議，據此本公司將向李俊邦先生收購振浩的40%已發行股本，代價為總代價的九分之四，包括股權代價人民幣75百萬元(或會根據由獨立估值師編製的估值報告作調整)及結清銀行貸款人民幣50百萬元以及其他貸款人民幣60百萬元，總代價的九分之四將由本公司支付或承擔(「**振浩收購事項**」)。於振浩收購事項完成後，振浩將成為本公司之聯營公司。

於本年報日期，有關振浩之盡職調查程序及估值仍在進行中。

振浩為一家於二零零七年九月十三日在香港成立的公司。振浩全資擁有江蘇紅山體育健身度假村有限公司(一家於中國註冊成立的公司)，而紅山擁有紅山體育園的獨家經營權。振浩及其附屬公司主要從事旅遊項目。

此外，主席兼執行董事石保棟先生亦為東勝(香港)的董事及最終股東。根據上市規則，東勝(香港)為本公司之關連人士，構成上市規則第14A章項下之本公司關連交易。

一二三收購事項

茲提述本公司日期為二零一八年一月二十二日之公告，內容有關本公司、東勝房地產開發集團有限公司(「**東勝房地產**」)及恒晟(作為買方)與江蘇銀茂控股(集團)有限公司(「**銀茂**」)(作為買方)及聶建強先生(作為賣方)就收購江蘇一二三房地產開發有限公司(「一二三」)的40%股本權益訂立股份購買協議，據此本公司將向銀茂收購一二三的40%已發行股本，代價為一二三全部股權之總代價人民幣50百萬元之40%，或會根據由獨立估值師編製的估值報告予以調整(「**一二三收購事項**」)。於一二三收購事項完成後，一二三將成為本公司之聯營公司。

東勝(香港)及東勝房地產均為本公司之關連人士。一二三為一家於二零一一年三月十七日在中國成立的公司，其實繳資本為人民幣50百萬元。一二三及其附屬公司主要從事房地產開發及管理；物業服務；房地產代理；建築顧問服務及銷售建築材料。

於本年報日期，有關一二三之盡職調查程序及估值仍在進行中。

火災賠償

誠如本公司日期為二零一七年六月二十二日的公告所披露，珠寶店因二零一七年六月八日發生的火災事故，進行緊急維修而暫時關閉至二零一七年六月三十日重新開張。

誠如上文披露，二零一七年七月二十七日，本集團就火災對本集團造成的損失及損害向中國南京市秦淮區人民法院提出對承包商採取法律行動。本集團已於二零一八二月十四日透過法院調解與承包商達成協議，據此承包商須於二零一八年三月三十一日之前向本集團支付人民幣0.55百萬元(相當於約0.66百萬港元)。本集團已於二零一八年四月二日收到該筆付款。

向二零一六年十月永久可換股證券及二零一六年三月永久可換股證券持有人分派

於二零一八年三月二十日，本公司宣佈向二零一六年十月永久可換股證券持有人派發按年度派息率6%計算之分派7,940,900港元。有關分派將於二零一八年四月二十四日作出。

於二零一八年三月二十八日，本公司向二零一六年三月永久可換股證券持有人派發按年度派息率6%計算之分派5,100,000港元。

購回、出售或贖回本公司之上市證券

於本年度內，本公司並無贖回其於聯交所上市之任何股份，且本公司或其任何附屬公司概無購買或出售任何該等股份。

獨立核數師

本集團本年度之綜合財務報表已由畢馬威會計師事務所審核，畢馬威會計師事務所將於應屆股東週年大會上退任並符合資格及願意膺選連任。

代表董事會

主席
石保棟先生

香港
二零一八年三月二十九日

企業
管治報告

企業管治報告

本公司致力建立良好的企業管治常規及程序，有關的企業管治原則強調給予其股東問責及透明度，對企業管治常規作出定期檢討以遵守監管規定。經檢討年內的風險管理及內部監控系統的有效性後，本公司認為其均為充分及有效。

本公司按照相關法例法規監管內幕消息的處理及發佈，並執行多項程序以確保內幕消息在獲適當批准披露前一直保密，並確保有效及一致地發佈相關消息。

企業管治守則

本公司於本年度全年已遵守企管守則所載的所有守則條文。

董事會組成及董事會常規

於二零一七年十二月三十一日，董事會由七名董事組成，包括主席石保棟先生（亦為執行董事）、另外兩名執行董事、一名非執行董事及三名獨立非執行董事。董事會不少於三分之一成員為獨立非執行董事。董事名單及其各自之簡介載於本年報第57至59頁。

本公司會定期對董事會之組成作出檢討，確保其於技能及經驗方面均達致適切本集團業務所需之平衡。董事會在執行董事及非執行董事人數比例上亦力求均衡，以確保其獨立性及有效管理。本公司亦符合上市規則之有關規定，最少一位獨立非執行董事具備適當的專業資格或會計或相關的財務管理專長。

董事之委任乃由提名委員會建議，並由董事會根據委任新董事之正式書面程序及政策予以批准。當篩選董事潛在候選人時，其技能、經驗、專長、可投放之時間及利益衝突均為主要因素。所有現任非執行董事及獨立非執行董事之任期均為三年。所有董事（包括非執行董事及獨立非執行董事）須根據組織章程細則最少每三年輪值退任一次。

董事會共同負責制訂本集團之策略，並監督本集團業務及事務之管理工作。董事會將本集團業務之日常管理、行政管理及營運委託相關分部及部門之管理層負責。管理層負責執行及採納本公司之戰略及政策。董事會定期審閱所委託之職能及任務。

每一名新獲委任董事於首次獲委任時會獲得就任須知，以確保彼對本集團之業務及運營能有充分瞭解。董事亦會及時得知其於上市規則項下之責任與義務，以及其他相關法定或監管規定。本公司亦鼓勵董事參加持續專業發展計劃。

就擬納入定期會議議程之任何事項均已向所有董事作出充分諮詢。主席亦會在執行董事協助下，盡力確保全體董事均獲妥善匯報有關董事會會議上提出的事項，並已及時接收足夠及可靠的資訊。

於本年度董事會曾舉行十次會議：

	出席（出席會議次數／合資格出席）
執行董事	
石保棟	10/10
趙會寧（於二零一七年六月十六日獲委任）	7/7
王建華	10/10
許永梅（於二零一七年六月十六日退任）	3/3
非執行董事	
宋思凝（於二零一七年六月十六日獲委任）	7/7
李彥寬（於二零一七年六月十六日退任）	3/3
獨立非執行董事	
東小杰	9/10
何琦先生	10/10
羅宏澤	10/10

召開定期會議時會向董事發出最少十四日通知，相關文件在預定召開董事會或董事委員會會議日期前最少三日送呈董事。就其他會議而言，董事將在合理及可行情況下獲發通知。董事可親身出席會議，或依據組織章程細則，利用其他電子通訊方式參與會議。本公司之公司秘書（「公司秘書」）確保已遵守有關程序及所有適用規則及規例。董事會及董事委員會會議之會議記錄由公司秘書保管，任何董事均可於任何時間作出合理通知後查閱會議記錄。

董事可全權取閱本集團之資料，並在認為必要時可徵詢獨立專業意見。董事不時收到經更新之章程大綱，以知悉最新之法律及監管變更及與董事履行其職責有關之事宜。

證券交易的標準守則

本公司已採納標準守則作為董事進行本公司證券交易的行為守則。

本公司已向所有董事作出特定查詢，而彼等亦已確認於截至二零一七年十二月三十一日止年度內一直遵守標準守則所載之規定標準。

風險管理與內部監控

董事會負責維持本集團穩健及高效的風險管理系統及內部監控系統，並已制定本集團的內部監控政策及程序，以監管內部監控系統。該系統旨在管理而非消除無法達致業務目標的風險，且僅可提供對重大陳述錯誤或虧損的合理而非絕對保證。

一套設計完善及有效的內部監控系統對保障本公司的資產、股東的投資、確保財務報告可靠性及符合上市規則有關方面之要求，確實甚為重要。因此，本公司已成立一個成員包括合資格會計師及本公司管理層的小組（「內審組」）以進行本公司之內部審核工作。

內審組會根據面對風險之評估定期制訂審核計劃，以確保審核工作按輪替基準涵蓋主要營運附屬公司之所有重要內部監控範圍，有關審核計劃須定期呈交審核委員會審閱。審核檢討之範圍及時間通常按風險評估而決定。

就管理層或審核委員會不時確認需關注之範圍，內審組可能須進行特別審核工作。內審組與審核委員會成員已建立溝通渠道。

審核委員會每年至少召開兩次會議，以審議內部審計部及高級管理層的調查結果及建議，並向董事會匯報有關檢討結果。就本年度而言，董事會透過審核委員會檢討本集團的風險管理及內部監控系統的整體成效，涵蓋財務、營運及合規管控與風險管理職能等，當中包括所需資源、會計及財務匯報職能的員工的資格及經驗以及相關僱員的培訓計劃及預算開支是否足夠。

董事會相信，並無重大內部管控缺陷可能影響股東，且本公司已設立有效且充分的風險管理及內部監控系統以保障本集團的資產。本集團將繼續改善系統以應對營商環境的變化。

編製綜合財務報表之責任

董事確認對編製本集團之綜合財務報表負有責任及須確保本集團綜合財務報表已遵照法定要求及適用會計準則而編製。

核數師對本集團綜合財務報表的申報責任的聲明，載於本報告第81至第89頁的獨立核數師報告內。

核數師酬金

本年度綜合財務報表由畢馬威會計師事務所審核，而畢馬會計師事務所之任期將於應屆股東週年大會屆滿並符合資膺選連任為本公司核數師。

於本年度，就審核服務及非審核服務已付及應付畢馬威會計師事務所之酬金分別約為2,140,000港元及551,000港元。詳情如下：

	已付／應付費用 千港元
審核服務	
－ 法定年度審核	2,140
非審核服務	
－ 盡職審查費用	435
－ 其他非審核服務	116
	2,691

公司秘書

公司秘書葉沛森先生(「葉先生」)為本公司外部服務提供人及香港執業會計師。彼已按照上市規則第3.29條之規定接受不少於15小時相關專業培訓。

董事及高級管理層之持續專業發展

董事必須共同承擔集體責任。每名新委任之董事將收到涵蓋本集團業務及上市公司董事法定及監管責任之簡介。

除了本公司就監管政策變化和管治發展提供之最新資料外,亦鼓勵董事參加專業培訓及研討會以發展並更新其知識及技能。於本年度,外部專業人士提供培訓。此外,本公司持續向董事提供有關上市規則及其他適用規例最新發展的閱讀材料及其他更新資料供彼等參考及學習。

本公司鼓勵高級管理層參加外部研討會及參與本公司提供的內部培訓以提升彼等的專業知識。

審核委員會

於本年度,審核委員會由兩名獨立非執行董事(即羅宏澤先生(審核委員會主席)及何琦先生)及一名非執行董事(即宋思凝女士)組成。

根據審核委員會之職權範圍(其與企管守則所載者大致相同),審核委員會之主要職責包括檢視本集團之財務申報制度及內部監控程序;審閱本集團之財務資料;審閱本集團半年度及年度業績;除非由獨立風險委員會或董事會自身特別處理;檢討風險管理及內部監控系統;本公司內部審核職能之有效性;及企管守則下之其他職責;審閱與核數師的關係。

根據企管守則,審核委員會亦獲董事會授權負責執行企業管治之職責,包括制定及檢討本公司企業管治的政策及慣例,並向董事會提供推薦建議;檢討及監察董事及高級管理層的培訓及持續專業發展;檢討及監察本公司遵守法定及監管規定的政策及慣例;審閱本公司是否遵守企管守則。

企業管治報告

於本年度，審核委員會舉行兩次會議，其中管理層之代表亦有出席審閱中期及年度業績、中期報告及年報以及其他務、內部監控及企業管治事項。核數師亦有出席其中一次會議。

審核委員會	出席（出席會議次數／合資格出席）
羅宏澤 *(主席)*	2/2
何琦	2/2
宋思凝（於二零一七年六月十六日獲委任）	1/1
李彥寬（於二零一七年六月十六日退任）	1/1

審核委員會已審閱本集團於本年度之全年及中期業績、風險管理內部及外部報告、職權範圍、內部監控及企業管治政策。

薪酬委員會

根據企管守則，薪酬委員會執行薪酬職能。薪酬委員會由兩名執行董事（即石保棟先生及趙會寧先生）及兩名獨立非執行董事（即東小杰先生（薪酬委員會主席）及羅宏澤先生）組成。

根據薪酬委員會之職權範圍（其與企管守則所載者大致相同），薪酬委員會之主要職責包括釐定執行董事薪酬的政策、評估執行董事的表現、批准執行董事服務合約的期限，並就個別執行董事及高級管理層的薪酬待遇向董事會提出建議。

於本年度，薪酬委員會舉行了兩次會議，出席記錄載列如下：

薪酬委員會	出席（出席會議次數／合資格出席）
東小杰 *(主席)*	2/2
石保棟	2/2
趙會寧（自二零一七年七月十五日生效）	0/0
羅宏澤	2/2

薪酬委員會檢討了執行董事及高級管理層之薪酬政策，包括基本薪金、酌情業績花紅及其他酬金，乃根據執行董事及高級管理層個人技能、知識、於本公司事務之參與度及工作表現，並參考本公司之業績和盈利，以及行業慣例而釐定。董事袍金須經股東於股東大會上批准。

董事履行職責（包括出席董事會會議及委員會會議）時產生之實報實銷開支，均可獲得補償。

提名委員會

根據企管守則，提名委員會執行提名職能。提名委員會由兩名執行董事（即石保棟先生（提名委員會主席）及趙會寧先生）及兩名獨立非執行董事（即何琦先生及羅宏澤先生）組成。

根據提名委員會之職權範圍(其與企管守則所載者大致相同),提名委員會之主要職責包括檢討董事會之架構及組成、甄選合資格之董事會候選人及釐定提名董事的政策。

於本年度,提名委員會舉行了兩次會議,出席記錄載列如下:

提名委員會	出席(出席會議次數／合資格出席)
石保棟 *(主席)*	2/2
趙會寧(自二零一七年七月十五日起生效)	0/0
何琦	2/2
羅宏澤	2/2

提名委員會檢討董事會之架構、規模及組成、採納新董事委任之正式書面程序及政策、評估獨立非執行董事之獨立性,並向董事會建議委任及重任董事。

董事履行職責(包括出席董事會會議及委員會會議)時產生之實報實銷開支,均可獲得補償。

股東權利

本公司主要透過企業通訊(包括中期報告及年報、公告及通函)、股東週年大會及其他股東大會,以及本公司網站披露向股東提供資訊。

本公司及時地向股東寄發中期報告、年報和通函,並將有關資訊載列於本公司之網站內。本公司之網站向股東提供有關本集團之企業資訊。

股東獲提供本公司聯絡詳情,以便查詢有關本公司事宜。股東亦可以透過該等渠道或聯絡本公司股份過戶登記分處－聯合證券登記有限公司查詢有關彼等各自於本公司股權之事宜。

股東可隨時以書面形式向董事會發出查詢及疑問,郵寄至本公司香港註冊辦事處香港灣仔港灣道25號海港中心26樓2603室。股東亦可以發送有關查詢及疑問至ovchina@sjzdsjt.com(本公司為方便投資者溝通專門開設的電子郵件)。

本公司之股東週年大會(「**股東週年大會**」)讓董事與股東會面及溝通。本公司確保股東意見可傳達至董事會。股東週年大會之主席就每項待考慮事宜提呈個別決議案。審核委員會、薪酬委員會及提名委員會成員,以及外聘核數師亦出席股東週年大會以解答股東之提問。本公司不時檢討股東週年大會之會議程序,以確保符合良好之企業管治常規。股東週年大會通告於相關股東週年大會舉行前至少足二十個營業日寄發予所有股東。各個提呈決議案詳情及根據上市規則須提供之其他相關資料已載列於隨附通函內。投票表決之結果會於股東週年大會舉行當日上載於本公司網站內。

企業管治報告

組織章程細則載列股東召開股東大會、於股東大會動議決議案及推選董事之程序於本公司之公司網站http://www.orientvictory.com.hk可供查閱。

任何一名身為獲認可結算所之股東(或其代名人)或兩名(或以上)於遞交要求日期持有本公司不少於十分之一在股東大會有投票權之已繳足股本之股東可以書面形式向董事會或公司秘書要求董事會為所列明之業務交易召開本公司股東特別大會(「**股東特別大會**」)。股東特別大會須於股東提出有關要求後三個月內舉行。若於提出有關要求二十一天內董事會未能著手召開有關會議,提出要求之股東或其任何持有逾二分之一股份投票權之股東可以召開有關會議,本公司會將因董事會未能召開有關會議而導致提出該項要求之股東產生之合理費用退回有關股東。

董事於二零一七年六月十六日及二零一七年六月十六日分別舉行之股東週年大會及股東特別大會出席記錄載列如下:

	股東週年大會(出席會議次數／合資格出席)	股東特別大會(出席會議次數／合資格出席)
執行董事		
石保棟 *(主席)*	1/1	1/1
趙會寧 *(首席執行官)* *		
(於二零一七年六月十六日獲委任)	不適用	不適用
王建華	1/1	1/1
許永梅(於二零一七年六月十六日退任)	不適用	不適用
非執行董事		
宋思凝(於二零一七年六月十六日獲委任)	不適用	不適用
李彥寬(於二零一七年六月十六日退任)	不適用	不適用
獨立非執行董事		
東小杰	0/1	0/1
何琦	0/1	0/1
羅宏澤	1/1	1/1

* 趙先生自二零一七年七月十五日起獲委任為首席執行官。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

To the shareholders of Orient Victory Travel Group Company Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Orient Victory Travel Group Company Limited (formerly known as Orient Victory China Holdings Limited) (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 90 to 190, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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.

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**") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致東勝旅遊集團有限公司股東
(於開曼群島註冊成立之有限公司)

意見

本核數師(以下簡稱「**我們**」)已審計列載於第90至190頁的東勝旅遊集團有限公司(前稱東勝中國控股有限公司)(以下簡稱「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)的綜合財務報表,此財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露要求妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「*核數師就審計綜合財務報表承擔的責任*」部分中作進一步闡述。根據香港會計師公會頒佈的《*專業會計師道德守則*》(以下簡稱「守則」)以及與我們對開曼群島綜合財務報表的審計相關的道德要求,我們獨立於貴集團,並已履行這些道德要求以及守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

Key audit matters

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

關鍵審計事項

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

Equity accounting for the Group's interest in an associate 權益法核算貴集團於聯營公司的權益	
Refer to Note 14 to the consolidated financial statements and the accounting policies in Notes 2(e) and 2(j). *請參閱綜合財務報表附註14及附註2(e)及2(j)的會計政策*	
The Key Audit Matter **關鍵審計事項**	**How the matter was addressed in our audit** **我們的審計如何處理該事項**
The Group's interest in an associate relates to its 49% equity interest in China Comfort Tourism Group Company Limited ("**China Comfort**") (formerly known as China Comfort Travel Group Company Limited), a group which operates in the travel market in the People's Republic of China (the "**PRC**"), which was acquired by the Group in 2015. 貴集團於聯營公司的權益為貴集團於二零一五年收購的中國康輝旅遊集團有限公司(「**中國康輝**」)(前稱是中國康輝旅行社集團有限責任公司)49%的權益。中國康輝是一家於中華人民共和國(「**中國**」)旅遊市場運營的集團。 In order to apply the equity method of accounting, it is necessary at the time of acquisition of the interest in an associate to ascertain the fair values of that associate's identifiable net assets, by adopting the same concepts and procedures as are used at the time of acquisition of a subsidiary. In the case of the acquisition of the equity interest in China Comfort, the Group concluded that the identifiable net assets of China Comfort mainly comprised intangible assets with indefinite useful lives which represent China Comfort's trademark and distribution network. 為應用權益法核算方法，需要採用相同於收購附屬公司所使用的概念與程序，在收購聯營公司權益時確定聯營公司的可辨認淨資產的公允價值。對於收購中國康輝之權益，貴集團認為中國康輝之可辨認淨資產主要由無確定使用壽命的無形資產(中國康輝之商標及銷售網路)所組成。	Our audit procedures to assess the impairment for the Group's interest in China Comfort included the following: 我們就評估權益法核算貴集團於聯營公司的權益的審計程序包括以下程序： • evaluating management's identification of the CGU and the assets allocated to the CGU and assessing the methodology adopted by management of the Group in the preparation of the discounted cash flow forecast with reference to the requirements of the prevailing accounting standards; • 評估管理層對現金產生單位的認定及將資產分配至現金產生單位；根據現行會計準則的要求，評估貴集團管理層在編製貼現現金流量預測時採用的方法； • challenging the discounted cash flow forecast prepared by management of the Group by comparing data therein with the relevant data, including forecast revenue, cost of sales and other operating expenses, contained in the financial budget of China Comfort which was approved by management of China Comfort, and taking into account our understanding, experience and knowledge of the travel industry in the PRC and the future business plans for China Comfort; • 基於我們對中國旅遊行業的理解、經驗和知識及中國康輝的未來業務計劃，評估貴集團管理層所編製的貼現現金流量預測將當中包括預測之收入、銷售成本及其他經營開支等資料與經中國康輝管理層批准的財務預算中的相關資料進行比較；

Key audit matters *(continued)* 關鍵審計事項 *(續)*

Equity accounting for the Group's interest in an associate *(Continued)*
權益法核算貴集團於聯營公司的權益 *(續)*

Refer to Note 14 to the consolidated financial statements and the accounting policies in Notes 2(e) and 2(j).
請參閱綜合財務報表附註14及附註2(e)及2(j)的會計政策

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
As these intangible assets are not recognised at fair value by China Comfort, the Group applies accounting policies consistent with the Group's policies in order to identify whether any adjustments need to be made by the Group on an ongoing basis when applying the equity method to measure the Group's share of China Comfort's profit/loss after acquisition. This includes assessing the intangible assets with indefinite useful lives for impairment on an annual basis and whenever there is any indication of impairment. 由於中國康輝不以公允價值確認該等無形資產，貴集團須使用與貴集團一致的會計政策，以持續的原則確定在應用權益法計量貴集團應佔中國康輝收購後溢利／虧損時是否需要作出調整。這包括每年或當出現減值跡象時對無確定使用壽命的無形資產進行減值評估。 As at 31 December 2017, management of the Group performed an impairment assessment of the intangible assets of China Comfort when applying the equity method of accounting in respect of the Group's interest in China Comfort. Management of the Group concluded that the business of China Comfort as a whole comprises a single cash-generating unit (the "**CGU**") and the recoverable amounts of the intangible assets were determined based on a value in use calculation by preparing a discounted cash flow forecast for the operations of China Comfort. 於二零一七年十二月三十一日，貴集團管理層對於中國康輝的權益按照權益法核算時，對中國康輝的無形資產進行了減值評估。貴集團管理層認為，中國康輝的整個業務作為一個現金產生單位，其可收回金額由運營中國康輝的貼現現金流量預測計算的使用價值確定。	• comparing the actual results of the current year with management's assumptions and estimates in the discounted cash flow forecast for the previous year to assess the historical accuracy of the management's forecasting process; • 比較本年度實際業績與管理層過往年度對貼現現金流預測之假設及估計，以評估管理層過往管理層預測流程的準確性； • comparing the long-term growth rate for the travel industry with external market data and, with the assistance of our internal valuation specialists, evaluating the discount rate applied in the discounted cash flow forecast by comparing it with those of comparable companies in the same industry; and • 在我們內部估值專家的協助下對比旅遊行業的長期增長率與外部市場數據，評估貼現現金流預測所採用之貼現率，方式為將其與同行業可資比較公司之貼現率相較；及 • obtaining from management of the Group sensitivity analyses of the key assumptions adopted in the discounted cash flow forecast, assessing the impact of changes in the long-term growth rate for the travel industry and the discount rate applied on the conclusions reached in the impairment assessment and considering whether there were any indicators of management bias in the selection of key assumptions. • 從貴集團管理層獲取貼現現金流量預測中採用的關鍵假設的敏感性分析，並評估旅遊業長期增長率和所採用的貼現率變化對減值評估結論的影響，以及關鍵假設的選擇是否存在任何管理層偏見。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

Key audit matters *(continued)* 關鍵審計事項 *(續)*

Equity accounting for the Group's interest in an associate *(Continued)* 權益法核算貴集團於聯營公司的權益 *(續)*	
Refer to Note 14 to the consolidated financial statements and the accounting policies in Notes 2(e) and 2(j). *請參閱綜合財務報表附註14及附註2(e)及2(j)的會計政策*	
The Key Audit Matter **關鍵審計事項**	**How the matter was addressed in our audit** **我們的審計如何處理該事項**
We identified equity accounting for the Group's interest in China Comfort as a key audit matter because the assessment of potential impairment of the intangible assets of China Comfort could have a significant impact on the Group's share of net assets of China Comfort and because the assessment of potential impairment of China Comfort's intangible assets is based on a discounted cash flow forecast which includes a number of assumptions and estimates, particularly in relation to forecast revenue, cost of sales and other operating expenses, the long-term growth rate for the travel industry and the discount rate applied, all of which require the exercise of significant judgement and could be subject to management bias. **我們把權益法核算貴集團於中國康輝的權益列為關鍵審計事項，因為評估中國康輝無形資產的潛在減值對貴集團應佔中國康輝淨資產可產生重大影響，並且該評估是基於貼現現金流預測，該方法依賴於眾多假設和估計，特別是預測之收入、銷售成本和其他經營開支、旅遊行業的長期增長率及貼現率，涉及重要判斷並且可能存在管理層偏見。**	

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

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

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

Responsibilities of the directors for the consolidated financial statements *(continued)*

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

董事就綜合財務報表須承擔的責任 *(續)*

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

審核委員會協助董事履行監督貴集團的財務報告過程的責任。

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. This report is made solely to you, as a body, 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 HKSAs 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.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

Auditor's responsibilities for the audit of the consolidated financial statements *(continued)*

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

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

- 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.

核數師就審計綜合財務報表承擔的責任 *(續)*

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements *(continued)*

– 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.

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

核數師就審計綜合財務報表承擔的責任 *(續)*

– 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

– 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

– 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

Auditor's responsibilities for the audit of the consolidated financial statements *(continued)*

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wan Chi Yau, Charles.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 March 2018

核數師就審計綜合財務報表承擔的責任 *(續)*

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

出具本獨立核數師報告的審計項目合夥人是溫梓佑。

畢馬威會計師事務所
執業會計師
香港中環
遮打道十號
太子大廈八樓

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
(Expressed in Hong Kong dollars ("HK$")) (以港元(「港元」)列示)

		Notes 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
REVENUE	**收入**	4	264,570	109,417
Cost of sales	銷售成本		(239,735)	(82,150)
Gross profit	**毛利**		24,835	27,267
Other income	其他收入	5	4,373	5,089
Selling expenses	銷售開支		(5,872)	(6,389)
Administrative expenses	行政費用		(67,738)	(56,756)
Share of loss of an associate	應佔聯營公司虧損	14	(13,517)	(148,374)
Loss from operations	**經營虧損**		(57,919)	(179,163)
Finance income/(costs)	財務收益/(費用)	6(a)	1,924	(14,902)
LOSS BEFORE TAX	**除稅前虧損**	6	(55,995)	(194,065)
Income tax	所得稅	7	(36)	–
LOSS FOR THE YEAR	**本年度虧損**		(56,031)	(194,065)
Attributable to:	**應佔方:**			
Equity owners of the Company	本公司權益擁有人		(46,846)	(191,816)
Non-controlling interests	非控股權益		(9,185)	(2,249)
LOSS FOR THE YEAR	**本年度虧損**		(56,031)	(194,065)
				(Restated) (重述)
LOSS PER SHARE	**每股虧損**			
Basic and diluted	基本及攤薄	11	(HK0.46 cents) (0.46港仙)	(HK1.64 cents) (1.64港仙)

The notes on pages 99 to 190 form part of these consolidated financial statements.

第99頁至第190頁所載附註為本綜合財務報表之一部份。

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
(Expressed in HK$) (以港元列示)

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
LOSS FOR THE YEAR	**本年度虧損**	(56,031)	(194,065)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (AFTER TAX)	**本年度其他全面收益(除稅後)**		
Items that may be reclassified subsequently to profit or loss:	*其後或會重新分類至損益之項目：*		
Exchange differences on translation of financial statements of foreign operations	折算境外業務財務報表之匯兑差額	30,273	(24,505)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**本年度全面收益總額**	(25,758)	(218,570)
Attributable to:	**應佔方：**		
Equity owners of the Company	本公司權益擁有人	(16,872)	(216,078)
Non-controlling interests	非控股權益	(8,886)	(2,492)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**本年度全面收益總額**	(25,758)	(218,570)

The notes on pages 99 to 190 form part of these consolidated financial statements.

第99頁至第190頁所載附註為本綜合財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日
(Expressed in HK$) (以港元列示)

		Notes 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
NON-CURRENT ASSETS	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	12	2,020	1,513
Interest in an associate	於聯營公司之權益	14	399,271	383,519
Intangible assets	無形資產	15	16,388	9,011
			417,679	394,043
CURRENT ASSETS	**流動資產**			
Inventories	存貨	16	63,791	16,010
Trade receivables	應收貿易賬款	17	28,159	25,804
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	18	15,249	19,301
Restricted bank deposits	受限制銀行存款	19	43,448	33,393
Cash and cash equivalents	現金及現金等值項目	20	357,696	334,627
			508,343	429,135
CURRENT LIABILITIES	**流動負債**			
Trade payables	應付貿易賬款	21	33,391	28,839
Other payables and accruals	其他應付款及應計費用	22	22,655	40,882
Short-term borrowings	短期借款	23	8,948	9,617
			64,994	79,338
NET CURRENT ASSETS	**流動資產淨值**		443,349	349,797
TOTAL ASSETS LESS CURRENT LIABILITIES	**總資產減流動負債**		861,028	743,840

The notes on pages 99 to 190 form part of these consolidated financial statements.

第99頁至第190頁所載附註為本綜合財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日
(Expressed in HK$) (以港元列示)

		Notes 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
NON-CURRENT LIABILITIES	**非流動負債**			
Deferred tax liabilities	遞延税項負債	24	2,704	1,487
NET ASSETS	**資產淨值**		858,324	742,353
CAPITAL AND RESERVES	**股本及儲備**	25		
Share capital	股本	25(b)	63,745	60,235
Perpetual convertible securities	永久可換股證券	26	396,402	396,556
Reserves	儲備		391,625	281,746
Total equity attributable to equity owners of the Company	本公司權益擁有人應佔股本權益總值		851,772	738,537
Non-controlling interests	非控股權益		6,552	3,816
TOTAL EQUITY	**股本權益總值**		858,324	742,353

Approved and authorised for issue by the board of directors on 29 March 2018.

於二零一八年三月二十九日獲董事會核准及授權刊發。

Shi Baodong
石保棟
Chairman
主席

Zhao Huining
趙會寧
Director
董事

The notes on pages 99 to 190 form part of these consolidated financial statements.

第99頁至第190頁所載附註為本綜合財務報表之一部份。

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
(Expressed in HK$)（以港元列示）

	Notes 附註	Attributable to equity owners of the Company 本公司權益擁有人應佔										
		Share capital 股本 $'000 千元	Share premium 股份溢價 $'000 千元	Perpetual convertible securities 永久可換股證券 $'000 千元	PRC statutory reserves 中國法定儲備 $'000 千元	Exchange reserve 匯兑儲備 $'000 千元	Other reserve 其他儲備 $'000 千元	Retained profits/ (accumulated losses) 保留溢利／(累計虧損) $'000 千元	Total 總額 $'000 千元	Non-controlling interests 非控股權益 $'000 千元	Total equity 股本權益總值 $'000 千元
		Note 25(b) 附註25(b)	Note 25(c) 附註25(c)	Note 26 附註26	Note 25(d) 附註25(d)	Note 25(e) 附註25(e)					
Balance at 1 January 2016	於二零一六年一月一日結餘	54,897	295,359	-	683	(1,991)	34,196	1,652	384,796	6,308	391,104
Changes in equity for 2016:	二零一六年股本權益變動：										
Loss for the year	本年度虧損	-	-	-	-	-	-	(191,816)	(191,816)	(2,249)	(194,065)
Other comprehensive income	其他全面收益	-	-	-	-	(24,262)	-	-	(24,262)	(243)	(24,505)
Total comprehensive income	全面收益總額	-	-	-	-	(24,262)	-	(191,816)	(216,078)	(2,492)	(218,570)
Issuance of new shares upon exercise of warrants	於行使認股權證後發行新股份	3,921	149,009	-	-	-	-	-	152,930	-	152,930
Issuance of new shares under open offer	根據公開發售發行新股份	1,417	34,864	-	-	-	-	-	36,281	-	36,281
Issuance of perpetual convertible securities ("PCS")	發行永久可換股證券（「永久可換股證券」）	-	-	396,556	-	-	-	-	396,556	-	396,556
Distribution to shareholder	股東分派	-	-	-	-	-	(15,948)	-	(15,948)	-	(15,948)
Reclassification between reserves	儲備間重新分類	-	-	-	-	-	(18,248)	18,248	-	-	-
		5,338	183,873	396,556	-	-	(34,196)	18,248	569,819	-	569,819
Balance at 31 December 2016	於二零一六年十二月三十一日結餘	60,235	479,232	396,556	683	(26,253)	-	(171,916)	738,537	3,816	742,353

The notes on pages 99 to 190 form part of these consolidated financial statements.

第99頁至第190頁所載附註為本綜合財務報表之一部份。

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
(Expressed in HK$)(以港元列示)

	Notes 附註	Attributable to equity owners of the Company 本公司權益擁有人應佔								
		Share capital 股本 $'000 千元 Note 25(b) 附註25(b)	Share premium 股份溢價 $'000 千元 Note 25(e) 附註25(e)	Perpetual convertible securities 永久可換股證券 $'000 千元 Note 26 附註26	PRC statutory reserves 中國法定儲備 $'000 千元 Note 25(d) 附註25(d)	Exchange reserve 匯兌儲備 $'000 千元 Note 25(e) 附註25(e)	Accumulated losses 累計虧損 $'000 千元	Total 總額 $'000 千元	Non-controlling interests 非控股權益 $'000 千元	Total equity 股本權益總值 $'000 千元
Balance at 1 January 2017	於二零一七年一月一日結餘	60,235	479,232	396,556	683	(26,253)	(171,916)	738,537	3,816	742,353
Changes in equity for 2017:	二零一七年股本權益變動：									
Loss for the year	本年度虧損	–	–	–	–	–	(46,846)	(46,846)	(9,185)	(56,031)
Other comprehensive income	其他全面收益	–	–	–	–	29,974	–	29,974	299	30,273
Total comprehensive income	全面收益總額	–	–	–	–	29,974	(46,846)	(16,872)	(8,886)	(25,758)
Contributions from non-controlling shareholders	來自非控股股東之供款	–	–	–	–	–	–	–	11,622	11,622
Distributions to holders of perpetual convertible securities	永久可換股證券持有人分派 26	–	–	–	–	–	(5,100)	(5,100)	–	(5,100)
Issuance of new shares upon exercise of warrants	於行使認股權證後發行新股份 25(b)(i)	3,503	131,704	–	–	–	–	135,207	–	135,207
Issuance of shares upon conversion of perpetual convertible securities	永久可換股證券轉換後發行股份 25(b)(ii)	7	147	(154)	–	–	–	–	–	–
		3,510	131,851	(154)	–	–	(5,100)	130,107	11,622	141,729
Balance at 31 December 2017	於二零一七年十二月三十一日結餘	63,745	611,083	396,402	683	3,721	(223,862)	851,772	6,552	858,324

The notes on pages 99 to 190 form part of these consolidated financial statements.

第99頁至第190頁所載附註為本綜合財務報表之一部份。

CONSOLIDATED CASH FLOW STATEMENT
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
(Expressed in HK$) (以港元列示)

		Notes 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Operating activities	**經營活動**			
Loss before tax	除税前虧損		(55,995)	(194,065)
Adjustments for:	調整：			
Depreciation	折舊	6(c)	635	270
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損	6(c)	29	54
Interest income	利息收入	5	(4,373)	(5,089)
Finance (income)/costs	財務（收益）／費用	6(a)	(1,924)	14,902
Share of loss of an associate	應佔聯營公司虧損	14	13,517	148,374
Changes in working capital:	營運資金變動：			
(Increase)/decrease in inventories	存貨（增加）／減少		(47,781)	7,514
(Increase)/decrease in trade receivables	應收貿易款項（增加）／減少		(2,305)	3,749
Decrease/(increase) in prepayments, deposits and other receivables	預付款、按金及其他應收款項減少／（增加）		17,100	(1,026)
Increase in trade payables	應付貿易款項增加		4,552	3,189
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用（減少）／增加		(2,420)	3,885
Cash used in operations	經營活動所用之現金		(78,965)	(18,243)
Tax paid:	已付税項：			
Hong Kong Profit Tax paid	已付香港利得税		–	442
Overseas tax paid	已付海外税項		36	–
Net cash used in operating activities	經營活動所用之現金淨額		(78,929)	(17,801)

The notes on pages 99 to 190 form part of these consolidated financial statements.

第99頁至第190頁所載附註為本綜合財務報表之一部份。

CONSOLIDATED CASH FLOW STATEMENT
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
(Expressed in HK$) (以港元列示)

		Notes 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Investing activities	**投資活動**			
Payments for the purchase of property, plant and equipment	購置物業、廠房及設備之款項		(1,139)	(1,300)
Payment for the acquisition of subsidiaries, net of cash acquired	認購附屬公司款項(扣除已收購現金)	27	(6,138)	(7,088)
Prepayments for acquisition and establishment of subsidiaries	收購及成立附屬公司之預付款項		(10,675)	(11,849)
Net increase in restricted bank deposits	受限制銀行存款增加淨額		(10,055)	(35,394)
Interest received	已收利息		5,295	3,749
Net cash used in investing activities	**投資活動所用之現金淨額**		(22,712)	(51,882)
Financing activities	**融資活動**			
Proceeds from bank and other borrowings	銀行及其他借款所得款項		9,236	11,405
Repayment of bank and other borrowings	償還銀行及其他借款		(10,652)	(380,769)
Proceeds from issuance of new shares upon exercise of warrants	於行使認股權證時發行新股份所得款項	25(b)(i)	135,207	3
Proceeds from issuance of new shares under open offer	於公開發售後發行新股份所得款項		–	36,281
Net proceeds from issuance of perpetual convertible securities	發行永久可換股證券所得款項淨額	26	–	412,448
Distributions paid to holders of perpetual convertible securities	永久可換股證券持有人分派		(20,992)	–
Contributions from non-controlling interests	非控股權益供款		11,622	–
Interest paid	已付利息		(631)	(776)
Net cash generated from financing activities	**融資活動產生之現金淨額**		123,790	78,592

The notes on pages 99 to 190 form part of these consolidated financial statements.

第99頁至第190頁所載附註為本綜合財務報表之一部份。

CONSOLIDATED CASH FLOW STATEMENT
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
(Expressed in HK$) (以港元列示)

		Notes 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額		22,149	8,909
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	20	334,627	326,605
Effect of foreign exchange rate changes	匯率變動之影響		920	(887)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	20	357,696	334,627

The notes on pages 99 to 190 form part of these consolidated financial statements.

第99頁至第190頁所載附註為本綜合財務報表之一部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

(Expressed in HK$ unless otherwise indicated) (除非另有註明，否則以港元列示)

1 Corporate information

Orient Victory Travel Group Company Limited (formerly known as Orient Victory China Holdings Limited) (the "**Company**") is an exempted limited company incorporated in the Cayman Islands. The registered office of the Company is located at P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company and its subsidiaries (the "**Group**") are principally engaged in the sale of air tickets and other travel related services, trading and retail of jewellery products, provision of financial services, property development and investment, and other investment holding business.

1 公司資料

東勝旅遊集團有限公司(前稱東勝中國控股有限公司)(「**本公司**」)為一間於開曼群島註冊成立之獲豁免有限公司。本公司的註冊辦事處位於P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands。本公司股份在香港聯合交易所有限公司(「**聯交所**」)之主板上市。

本公司及其附屬公司(「**本集團**」)主要從事機票銷售及其他旅遊相關業務、珠寶產品貿易及零售、提供金融服務、房地產開發及投資以及其他投資控股業務。

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance (the "**Companies Ordinance**"). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

2 主要會計政策

(a) 合規聲明

本財務報表根據香港會計師公會(「**香港會計師公會**」)頒佈的所有適用香港財務報告準則(「**香港財務報告準則**」，該統稱包括所有適用的個別香港財務報告準則、香港會計準則(「**香港會計準則**」)及詮釋)，香港公認會計原則以及香港公司條例(「**公司條例**」)適用披露規定編製。本財務報表亦符合香港聯交所證券上市規則(「**上市規則**」)適用披露條文的規定。本集團採納之重大會計政策披露如下。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，而該等準則於本集團現行會計期間首次生效或可供提早採納。附註2(c)提供因首次應用該等準則而導致，於現行及過往會計期間與本集團相關並在本財務報表中反映的會計政策變動之資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

(Expressed in HK$ unless otherwise indicated) (除非另有註明，否則以港元列示)

2 Significant accounting policies *(continued)*

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2017 comprise the Group and the Group's interest in an associate.

These financial statements are presented in HK$ and all values are rounded to the nearest thousand ("**$'000**") except when otherwise indicated.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

2 主要會計政策 *(續)*

(b) 財務報表之編製基準

截至二零一七年十二月三十一日止年度之綜合財務報表包括本集團及本集團於聯營公司之權益。

除另有註明者外，本財務報表乃以港元呈列，所有金額均調整至最接近之千元(「千元」)。

編製財務報表使用之計量基準為歷史成本基準。

編製符合香港財務報告準則之財務報表時，管理層須作出可影響政策應用及所呈報資產、負債、收入與開支金額之判斷、估計及假設。估計及相關假設乃基於過往經驗及多項於有關情況下相信屬合理的其他因素，相關結果則為判斷資產及負債賬面值的根據，而該等賬面值難以從其他途徑衡量。實際結果可能有別於該等估計。

估計及相關假設須作持續檢討。倘會計估計之修訂僅會對修訂估計之期間產生影響，則有關修訂會於該期間確認，而倘修訂影響現行及未來期間，則會於修訂及未來期間確認。

管理層於應用香港財務報告準則時所作出，且對財務報表有重要影響之判斷，以及估計不明朗因素之主要來源於附註3討論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

(Expressed in HK$ unless otherwise indicated) (除非另有註明，否則以港元列示)

2 Significant accounting policies *(continued)*

(c) Changes in accounting policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included in Note 20(b) to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, *Statement of cash flows: Disclosure initiative*, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interest either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

2 主要會計政策 *(續)*

(c) 會計政策變動

香港會計師公會亦頒佈多項香港財務報告準則之修訂，該等修訂於本集團當前會計期間首次生效。該等修訂概未對本集團之會計政策產生任何影響。然而，已於附註20(b)內作出額外披露以符合香港會計準則第7號：*現金流量表：披露計劃*的修訂的新披露規定，故實體須提供披露，以令財務報表使用者評估融資活動產生之負債之變動，包括現金流量產生之變動及非現金變動。

本集團並無應用任何尚未於現行會計期間生效之新訂準則或詮釋。

(d) 附屬公司及非控股權益

附屬公司指本集團控制的實體。當本集團能透過其參與承擔或享有實體可變回報的風險或權利，並能夠向實體使用其權力影響回報金額，即對該實體擁有控制權。評估本集團是否擁有權力時僅考慮本集團及其他人士所持有的實質權利。

於附屬公司之投資由持有控制權開始之日起併入綜合財務報表內，直至控制權終止之日為止。集團內公司間交易產生的集團內公司間結餘、交易及現金流量以及任何未變現溢利於編製綜合財務報表時全數對銷。集團內公司間交易產生的未變現虧損則僅在並無出現減值證據的情況下，以與對銷未變現收益相同的方式對銷。

非控股權益是指並非由本公司直接或間接擁有的附屬公司權益，而本集團並沒有同意與這些權益的持有人訂立任何可導致本集團整體就該等權益而承擔符合金融負債定義的合約義務的額外條款。對於每項業務合併，本集團可選擇按公平值或按非控權益所佔附屬公司無形資產淨值比例計算任何非控股權益。

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(Expressed in HK$ unless otherwise indicated) (除非另有註明，否則以港元列示)

2 Significant accounting policies *(continued)*

(d) Subsidiaries and non-controlling interests *(continued)*

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity owners of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(i)) or, when appropriate, the cost on initial recognition of an investment in an associate (see Note 2(e)) or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)).

2 主要會計政策 *(續)*

(d) 附屬公司及非控股權益 *(續)*

非控股權益在綜合財務狀況表內的股本權益中列示，但與本公司權益擁有人應佔股本權益分開呈列。非控股權益佔本集團之業績，在綜合損益表與綜合損益及其他全面收益表內以非控股權益與本公司權益擁有人分配本年度損益總額及全面收益總額之方式列示。

本集團於一家附屬公司的權益變動，倘不會引致喪失控制權，則以權益交易入賬，並對綜合權益中控股及非控股權益的金額作調整，以反映相關的權益變動，惟概無對商譽作調整，且無確認收益或虧損。

倘本集團失去一家附屬公司之控制權，其將列作出售其於該附屬公司之全部權益，而因此產生的收益或虧損於損益中確認。前附屬公司任何留存權益按其於喪失控制權當日之公平值確認，而該款額將被列作金融資產(見附註2(i))首次確認之公平值，或(如適用)首次確認於聯營公司(見附註2(e))或合營公司之投資成本。

於附屬公司之投資乃於本公司的財務狀況表內，按成本減減值虧損(見附註2(j))列賬。

2 Significant accounting policies *(continued)*

(e) Associate

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investee's and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investee's other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

2 主要會計政策 *(續)*

(e) 聯營公司

聯營公司指本集團對其管理層有重大影響力(而非控制或共同控制)，包括參與財務及經營決策之實體。

於聯營公司之投資按權益法於綜合財務報表入賬，除非該投資分類為持作出售。根據權益法，投資初步按成本記賬，並按本集團應佔被投資公司於收購日期可識別淨資產之公平值超出投資成本之差額(如有)作出調整。其後，投資乃就本集團應佔被投資公司收購後之淨資產變動及與投資有關之任何減值虧損作出調整。收購日期超出成本之任何差額、本集團應佔被投資公司於收購後及除稅後業績以及本年度任何減值虧損乃於綜合損益表確認，而本集團應佔被投資公司於收購後及除稅後其他全面收益項目乃於綜合損益及其他全面收益表內確認。

當本集團應佔聯營公司之虧損超出其於聯營公司之權益時，本集團之權益將減至零，且不再確認進一步虧損，惟本集團已承擔法律或推定責任，或代被投資公司作出付款則除外。就此而言，本集團之權益為根據權益法計算之投資賬面值，連同實質上構成本集團於聯營公司淨投資一部分之本集團長期權益。

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(Expressed in HK$ unless otherwise indicated) (除非另有註明，否則以港元列示)

2 Significant accounting policies *(continued)*

(e) Associate *(continued)*

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(i)).

2 主要會計政策 *(續)*

(e) 聯營公司 *(續)*

本集團與其聯營公司間之交易所產生之未變現損益，乃以本集團於被投資公司之權益為限予以抵銷，除非未變現虧損顯示已轉讓資產出現減值，在此情況下，則該等未變現虧損乃即時於損益中確認。

倘本集團不再對聯營公司有重大影響力，其乃被視作出售於該被投資公司之全部權益，而其盈虧將於損益中確認。任何在喪失重大影響力之日期仍保留在該前被投資公司之權益按公平值確認，而此金額被視為初始確認金融資產之公平值(見附註2(i))。

2 Significant accounting policies *(continued)*

(f) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (see Note 2(j)). The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and leasehold improvements	10% to 25%, not exceeding the lease terms
Machinery and equipment	10% to 25%
Motor vehicles	20% to 33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2 主要會計政策 *(續)*

(f) 物業、廠房及設備以及折舊

物業、廠房及設備按成本減累計折舊及任何減值虧損列賬(見附註2(j))。物業、廠房及設備成本包括其購買價及使資產處於擬定用途的運作狀況及地點而產生的任何直接成本。

折舊以直線法計算，按每項物業、廠房及設備的估計使用年期撇銷其成本至其剩餘價值。就此而言，所使用的主要年率如下：

傢俬及租賃裝修	10%至25%，不超過租期
機器及設備	10%至25%
車輛	20%至33.3%

倘物業、廠房及設備的部分有不同的可使用年期，則該項目的成本須在各部分之間合理分攤，而各部分須單獨計算折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度結算日進行檢討，並在適當情況下作出調整。

物業、廠房及設備項目(包括最初確認的任何主要部分)於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認資產的年度在損益確認的任何出售或報廢收益或虧損，為有關資產的銷售所得款項淨額與賬面值之間的差額。

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2 Significant accounting policies *(continued)*

(g) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(j)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives.

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(h) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

2 主要會計政策*(續)*

(g) 無形資產

本集團所購無形資產按成本減累計攤銷（倘估計可使用年期為有限者）及減值虧損（見附註2(j)）列賬。

具有限可使用年期的無形資產按直線法於資產的估計可使用年期內攤銷並自損益扣除。

攤銷年期及方法均每年進行檢討。

如無形資產的可使用年期被評估為無確定限期，則該等無形資產不會被攤銷。有關無形資產的可使用年期為無確定限期的任何結論，會每年檢討以釐定事件及情況是否繼續支持該資產的無確定限期可使用年期評估。倘不繼續支持，則可使用年期評估由無確定限期變為確定限期，並自變化的日期根據上述有確定使用年期的無形資產攤銷政策採用未來適用法處理。

(h) 租賃

倘本集團釐定由一項交易事項或一系列交易事項組成的安排涵蓋個別資產或多項資產於協定年期內的使用權，以換取付款或一系列付款，則該項安排乃屬或包含一項租賃。有關釐定工作乃以評估該項安排的實質內容為基準，而不論該項安排是否擁有租賃的法律形式。

2 Significant accounting policies *(continued)*

(h) Leases *(continued)*

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

(i) Investments and other financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment (see Note 2(j)). Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss. The loss arising from impairment is recognised in profit or loss.

2 主要會計政策 *(續)*

(h) 租賃 *(續)*

凡資產擁有權的絕大部分回報及風險仍歸出租人所有，則有關租賃列為經營租賃。倘本集團為承租人，則經營租賃下的應付租金(扣除出租人提供的任何優惠)以直線法於租賃期內在損益扣除。

(i) 投資及其他金融資產

初始確認時，金融資產按適當的形式分類為按公平值經損益入賬之金融資產、貸款及應收款項及可供出售金融投資。金融資產初始確認時按公平值另加收購金融資產應計的交易成本計量，惟按公平值經損益入賬之金融資產除外。

循正常途徑買入及出售的金融資產於交易日(即本集團承諾買入或出售資產之日)確認。循正常途徑買入或出售，乃指須於法規或市場慣例一般設定的期間內交付資產的金融資產買入或出售。

貿易及其他應收款項指附帶固定或可釐定付款金額，且在活躍市場沒有報價的非衍生金融資產。於首次計量後，該等資產其後以實際利率法按攤銷成本減任何減值準備計量(見附註2(j))。攤銷成本計及收購時的任何折讓或溢價，且包括組成實際利率一部分的費用或成本。實際利率攤銷計入損益。減值產生的虧損乃於損益確認。

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2 Significant accounting policies *(continued)*

(j) Impairment of assets

(i) Impairment of investment in equity securities and receivables

Investment in equity securities and receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2 主要會計政策 *(續)*

(j) 資產減值

(i) 於股本證券的投資以及應收款項減值

按成本或攤銷成本列賬的股本證券投資及應收款項於各報告期末進行檢討，以確定是否存在減值的客觀證據。減值的客觀證據包括集團從以下一項或多項虧損事項而得知的可觀察數據：

- 債務人有重大財務困難；
- 違反合約，如欠繳或拖欠還款；
- 債務人可能破產或遇到其他財務重組問題；
- 市場、經濟或法律環境出現重大變動，對債務人有不利影響；及
- 權益工具投資的公平值大幅或長期下跌至低於其成本值。

2 Significant accounting policies *(continued)*

(j) Impairment of assets *(continued)*

(i) Impairment of investment in equity securities and receivables *(continued)*

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investment in an associate accounted for under the equity method in the consolidated financial statements (see Note 2(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 2(j)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with Note 2(j)(ii).

- For trade and other receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

2 主要會計政策 *(續)*

(j) 資產減值 *(續)*

(i) 於股本證券的投資以及應收款項減值 *(續)*

倘存在任何該等跡象，任何減值虧損將按下列方式釐定及確認：

- 就根據權益法於綜合財務報表入賬的聯營公司投資(見附註2(e))而言，減值虧損乃按照附註2(j)(ii)將投資的可收回金額與其賬面值進行比較而計量。若用於按照附註2(j)(ii)確定可收回金額的估計發生有利變動，則撥回減值虧損。

- 就以攤銷成本列賬的貿易及其他流動應收款項及其他金融資產而言，減值虧損將按資產賬面值與估計未來現金流量現值的差額計算，倘貼現影響重大，則按金融資產原實際利率(即於初步確認該等資產時計算得出的實際利率)貼現。倘金融資產風險特徵相若，例如近似的逾期情況及並未個別被評估為發生減值，則該等金融資產的評估將集體進行。集體進行減值評估的金融資產的未來現金流量，乃根據與該集體組別信貸風險特徵相若資產的過往虧損情況釐定。

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2 Significant accounting policies *(continued)*

(j) Impairment of assets *(continued)*

(i) Impairment of investment in equity securities and receivables *(continued)*

– If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivable and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 主要會計政策 *(續)*

(j) 資產減值 *(續)*

(i) 於股本證券的投資以及應收款項減值 *(續)*

– 倘減值虧損在其後期間減少，而且客觀上與減值虧損確認後發生的事件有關，則通過損益撥回減值虧損。減值虧損的撥回不得使資產的賬面值超過其在以往年度未確認任何減值虧損情況下釐定的數額。

減值虧損會從相應的資產中直接撇銷，惟就計入貿易及其他應收款項中可收回性存疑但並非可能性極低的貿易及其他應收款項確認的減值虧損除外。在此情況下，呆賬的減值虧損以撥備賬記錄。倘本集團確認收回的可能性極低，則視為不可收回的金額會直接從貿易及其他應收款項中撇銷，而在撥備賬中就該債務保留的任何金額會被撥回。倘之前計入撥備賬的款項在其後收回，則會自撥備賬轉回。撥備賬的其他變動及先前直接撇銷而其後收回的款項均於損益內確認。

2 Significant accounting policies *(continued)*

(j) Impairment of assets *(continued)*

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets; and
- investments in subsidiaries and an associate in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2 主要會計政策 *(續)*

(j) 資產減值 *(續)*

(ii) 其他資產減值

本集團會於各報告期末檢討內部及外部資料，以確定以下資產有否出現減值跡象，或過往確認的減值虧損是否不再存在或可能已減少：

- 物業、廠房及設備；
- 無形資產；及
- 本公司財務狀況表內於附屬公司及聯營公司的投資。

倘存在任何該等跡象，則會估計該資產的可收回金額。此外，對於具無確定可使用年期的無形資產，無論有否任何減值跡象，每年均會估計可收回金額。

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2 Significant accounting policies *(continued)*

(j) Impairment of assets *(continued)*

(ii) Impairment of other assets *(continued)*

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

2 主要會計政策 *(續)*

(j) 資產減值 *(續)*

(ii) 其他資產減值 *(續)*

– 計算可收回金額

資產的可收回金額乃其公平值減出售成本與使用價值的較高者。在評估使用價值時，估計未來現金流量會按照能反映當時市場對貨幣時間值及資產特定風險的評估的稅前貼現率貼現至其現值。倘資產所產生的現金流入基本上並非獨立於其他資產所產生的現金流入，則以能產生獨立現金流入的最小資產類別(即現金產生單位)釐定可收回金額。

– 確認減值虧損

當資產或所屬現金產生單位的賬面值高於其可收回金額時，便會於損益中確認減值虧損。就現金產生單位確認的減值虧損會沖減分配予該單位(或該單位組)內資產的賬面值，惟資產的賬面值不得減少至低於其個別公平值減出售成本(倘可計量)後所得數額或其使用價值(倘可釐定)。

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2 Significant accounting policies *(continued)*

(j) Impairment of assets *(continued)*

(ii) Impairment of other assets *(continued)*

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 2(j)(i) and 2(j)(ii)).

2 主要會計政策 *(續)*

(j) 資產減值 *(續)*

(ii) 其他資產減值 *(續)*

– 撥回減值虧損

倘用以釐定可收回金額的估計數額出現有利變化，有關的減值虧損便會撥回。

所撥回的減值虧損以假設在以往年度未確認任何減值虧損情況下應釐定的資產賬面值為限。撥回的減值虧損在確認撥回的年度內計入損益。

(iii) 中期財務報告及減值

根據上市規則，本集團須遵照《香港會計準則》第34號中期財務報告就本財政年度首六個月編製中期財務報告。於中期期末，本集團應用與財政年末相同的減值測試、確認及撥回標準(見附註2(j)(i)及2(j)(ii))。

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2 Significant accounting policies *(continued)*

(k) Perpetual convertible securities

Perpetual convertible securities are classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any interests and distributions are discretionary. Interests and distributions on perpetual convertible securities classified as equity are recognised as distributions within equity.

(l) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, as appropriate.

Fair value of the financial liabilities on initial recognition is normally the transaction price, after netting of the directly attributable transaction costs. For the long-term loan that carries no interest and low-interest long-term loans, fair value is estimated as the present value of all future cash outflows discounted using the prevailing market rate(s) of interest for instruments that are similar as to currency, term, type of interest rate, credit risk and other factors. Any difference between the amount received and the fair value of the instrument on initial recognition is recognised as a gain in profit or loss.

For the loans borrowed from a shareholder acting in the capacity of a shareholder, the difference between the amount received and the fair value of the instrument on initial recognition is recorded as an equity transaction in the statement of changes in equity, as the substance of the difference is a distribution to/contribution from the shareholder.

The Group's financial liabilities include trade and other payables, borrowings and certain accruals.

2 主要會計政策 *(續)*

(k) 永久可換股證券

永久可換股證券倘不可贖回或僅可在本公司作出選擇之情況下贖回，則分類為股權，而任何權益及分派可酌情處理。分類為股權的永久可換股證券權益及分派在股權中確認為分派。

(l) 金融負債

初始確認及計量

金融負債於初始確認時分類為按公平值經損益入賬之金融負債、貸款及借款(如恰當)。

於初始確認時，金融負債之公平值通常為交易價格(經扣除直接應佔交易成本)。關於免息長期貸款及低息長期貸款，公平值乃採用適用於在貨幣、年期、利率類別、信貸風險及其他因素方面類似的票據的現行市場利率通過折讓所有未來現金流出之現值估算。於初始確認時，已收金額與票據公平值之間的任何差額乃於損益確認為收益。

關於自股東(以股東身份行事)借入之貸款，於初始確認時，已收金額與票據公平值之間的差額於權益變動表中入賬作為一項股本權益交易，因為差額實質上是向股東作出之分派／來自股東之供款。

本集團的金融負債包括應付貿易及其他應付款、借款及若干應計費用。

2 Significant accounting policies *(continued)*

(l) Financial liabilities *(continued)*

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2 主要會計政策 *(續)*

(l) 金融負債 *(續)*

後續計量

初始確認後，附息貸款及借款隨後以實際利率法按攤銷成本計量，除非折現影響不重大，則在此情況下該等借貸按成本值列賬。當負債被終止確認及以實際利率攤銷時，收益及虧損於損益內確認。

攤銷成本計入任何收購折讓或溢價及屬於實際利率一部分的費用及成本。該實際利率攤銷包括在損益內財務費用一項內。

終止確認金融負債

一項金融負債於該項負債下的責任已被履行或被註銷或於其屆滿時終止確認。

當一項現有金融負債被來自同一債權人但條款大不相同的另一負債所取代或一項現有負債的條款已大幅修改，該調換或修改則看作為終止確認該原負債並確認一新負債，而其各自賬面值的差額於損益內確認。

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2 Significant accounting policies *(continued)*

(m) Inventories

(i) Retail of jewellery products

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

(ii) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads. Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

(n) Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including time deposits, and assets similar in nature to cash, which are not restricted as to use.

2 主要會計政策 *(續)*

(m) 存貨

(i) 珠寶產品零售

存貨乃按成本與可變現淨值兩者之較低者入賬。成本按加權平均法計算，就在製品及製成品而言，則包括直接物料、直接勞工及適當比例之經常開支。可變現淨值則按估計售價減估計完成及出售時所需之成本計算。

(ii) 物業開發

有關物業開發活動的存貨按成本及可變現淨值中的較低者列賬。待售發展中物業成本包括已明確識別的成本，當中包括收購土地成本、開發成本總額、材料及供應品、工資及其他直接開支以及適當比例的間接費用。可變現淨值指估計售價減估計完工成本及銷售物業將予產生之成本。

(n) 現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括庫存現金及活期存款和於購入後三個月內到期可隨時轉換為已知金額現金且價值改變風險不大之短期高變現能力投資，扣除需按要求償還並構成本集團整體現金管理之一部分之銀行透支。

就財務狀況表而言，現金及現金等值項目包括庫存現金及銀行存款，當中包括定期存款，及與現金類似性質的資產等不受使用限制的款項。

2 Significant accounting policies *(continued)*

(o) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is charged to profit or loss.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2 主要會計政策 *(續)*

(o) 撥備

如因過往事宜而導致現時出現法律或推定責任，且日後資源可能須流出以清償該責任，及對該等責任之金額可作出可靠估計時，則要確認撥備。

倘折讓具有重大影響，則撥備的確認金額為清償有關責任之預期所需日後支出於報告期末之現值。已折讓現值因時間過去而出現之金額增加，於損益表中扣除。

倘可能無須付出經濟利益，或付出之數額未能可靠地估計，該義務披露為或然負債，除非付出經濟利益之可能性極小。其存在僅能以一項或數項未來事件之發生或不發生來證實之潛在義務亦披露為或然負債，除非付出經濟利益之可能性極小。

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2 Significant accounting policies *(continued)*

(p) Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2 主要會計政策 *(續)*

(p) 所得稅

所得稅包括即期及遞延稅項。有關於損益外確認之項目的所得稅於損益外，於其他全面收益或直接於權益中確認。

即期稅項資產及負債，根據於報告期末前已頒佈或實質上已頒佈之稅率(及稅法)，計及本集團營運所在國家之現行詮釋及慣例，預期將從稅務機關收回或將支付予稅務機關的金額計量。

於報告期末，資產與負債的稅基與其作財務報告用途的賬面值之間的所有暫時性差異，須按負債法計提遞延稅項撥備。

2 Significant accounting policies *(continued)*

(p) Income tax *(continued)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2 主要會計政策 *(續)*

(p) 所得稅 *(續)*

所有應課稅暫時性差異均會確認為遞延稅項負債，惟：

- 倘若遞延稅項負債之起因，是由於在一宗非屬業務合併之交易中初始確認資產或負債，而且在交易時，對會計溢利或應課稅溢利或虧損均無影響，則屬例外；及
- 對於涉及附屬公司之投資之應課稅暫時性差異而言，倘若撥回暫時性差異之時間可以控制，以及暫時性差異不再可能在可見將來撥回，則屬例外。

遞延稅項資產乃就所有可於稅務上扣減之暫時性差異、承前未用稅項抵免及任何未用稅務虧損予以確認。若日後有可能出現應課稅溢利，可用以抵扣該等可扣減暫時性差異、承前未用稅項抵免及未用稅務虧損的，則遞延稅項資產可確認入賬，惟：

- 倘若有關可扣減暫時性差異之遞延稅項資產之起因，是由於在一宗非屬業務合併之交易中初始確認資產或負債，而且在交易時，對會計溢利或應課稅溢利或虧損均無影響，則屬例外；及

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2 Significant accounting policies *(continued)*

(p) Income tax *(continued)*

– in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

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 deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2 主要會計政策 *(續)*

(p) 所得稅 *(續)*

– 對於涉及附屬公司之投資的可扣減暫時性差異而言，只有在暫時性差異有可能在可見將來撥回，而且日後有可能出現應課稅溢利，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

遞延稅項資產之賬面值於各報告期末予以檢討，並扣減當中不再可能有足夠應課稅溢利而使全部或部分遞延稅項資產予以動用部分。先前未確認之遞延稅項資產於各報告期末重新評估並以可能可得到的應課稅溢利足以使全部或部分遞延稅項資產可收回為限予以確認。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈之稅率(及稅法)，按變現資產或清償負債之期間預期適用之稅率予以計量。遞延稅項資產及負債均不予折現。

若有將即期稅項資產抵銷即期稅項負債的法定權利，且該遞延稅項乃關於同一課稅實體及同一稅務機關，則遞延稅項資產與遞延稅項負債抵銷。

2 Significant accounting policies *(continued)*

(q) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(i) sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(ii) commission income, upon the sale of goods and provision of services;

(iii) service income, when the relevant services have been rendered;

(iv) dividend income, when the shareholders' right to receive payment has been established; and

(v) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2 主要會計政策 *(續)*

(q) 收入確認

收入會於本集團很有可能獲得經濟利益及收入能可靠計算時確認入賬，有關基準如下：

(i) 銷售貨品之收入會於擁有權之重大風險及回報轉移予買方時確認入賬，惟本集團須對已售貨品已再無保留任何通常涉及所有權的管理，亦不可擁有所售貨品之實際控制權；

(ii) 佣金收入會於銷售貨品及提供服務時確認；

(iii) 服務收入將按提供相關服務確認；

(iv) 股息收入會於股東有權收取股息時確認；及

(v) 利息收入按計提基礎採用實質利率方法，以有關利率在金融工具之預計年期內或更短時期(如適用)準確折現估計未來可收取現金至金融資產之賬面淨值。

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2 Significant accounting policies *(continued)*

(r) Other employee benefits

(i) Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

(ii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

2 主要會計政策 *(續)*

(r) 其他僱員福利

(i) 退休福利計劃

根據強制性公積金計劃條例，本集團實施一項定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款按僱員基本薪金的某一百分比釐定並於根據強基金計劃規則於需支付供款時在損益中扣除。強積金計劃之資產以獨立管理基金形式與本集團之資產分開持有。本集團向強積金計劃作出之僱主供款於供款時全部撥歸僱員。

本集團於中國大陸營運之附屬公司僱員必須參與由當地市政府設立之一項中央退休福利計劃。該等附屬公司須就其支付薪金之某一百分比向中央退休福利計劃作出供款。根據中央退休福利計劃的規定，供款視作應付款項自損益扣除。

(ii) 終止福利

終止福利於本集團不能取消提供該等福利時及本集團確認重組成本(涉及支付終止福利)時(以較早者為准)確認。

2 Significant accounting policies *(continued)*

(s) Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(t) Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2 主要會計政策 *(續)*

(s) 借貸成本

所有借貸成本於產生期間支銷。借貸成本包括利息及實體就借貸資金而產生之其他成本。

(t) 外幣

本財務報表以本公司功能及呈列貨幣港元呈列。本集團屬下各公司均可自行釐定所用的功能貨幣，而每個實體財務報表的項目均以功能貨幣列賬。本集團屬下各公司記錄之外幣交易首先以交易日的各現行功能貨幣匯率入賬。以外幣為單位的貨幣資產與負債按報告期末的現行功能貨幣匯率換算。貨幣項目的支付或貨幣轉換所產生的差額計入損益。

按歷史成本法列賬並以外幣為單位的非貨幣項目按首次交易當日的匯率換算。

若干海外附屬公司的功能貨幣為港元以外的貨幣。於報告期末，該等公司的資產與負債乃根據報告期末的現行匯率換算為本公司呈列貨幣，而損益是按本年度的加權平均匯率換算為港元。

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2 Significant accounting policies *(continued)*

(t) Foreign currencies *(continued)*

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

(u) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

2 主要會計政策 *(續)*

(t) 外幣 *(續)*

因此產生之匯兑差額會作為匯率儲備計入其他全面收益。於出售海外業務時，與該海外業務有關的其他全面收益於損益確認。

於編製綜合現金流量表時，海外附屬公司的現金流量按現金流量日期的匯率換算為港元。海外附屬公司整年經常產生的現金流量則按該年度的加權平均匯率換算為港元。

(u) 關聯方

(a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響力；或

(iii) 為本集團或本集團母公司主要管理人員的其中一名成員。

2 Significant accounting policies *(continued)*

(u) Related parties *(continued)*

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group.

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

2 主要會計政策 *(續)*

(u) 關聯方 *(續)*

(b) 倘符合下列任何條件，則該實體與本集團有關連：

(i) 該實體與本集團屬同一集團之成員公司。

(ii) 一間實體為另一實體之聯營公司或合營公司(或另一實體為集團旗下成員公司之聯營公司或合營公司之成員公司)。

(iii) 兩間實體均為同一第三方之合營公司。

(iv) 該實體為第三方實體之合營公司，而另一家實體則為該第三方實體的聯營公司。

(v) 該實體為本集團或本集團相關實體就僱員利益設立的退休福利計劃。

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2 Significant accounting policies *(continued)*

(u) Related parties *(continued)*

(b) (continued)

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 主要會計政策 *(續)*

(u) 關聯方 *(續)*

(b) (續)

(vi) 該實體受(a)項所識別之人士控制或共同控制。

(vii) (a)(i)項所提述人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理人員之其中一名成員。

(viii) 向本集團或向本集團之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

任何人士之近親是指與該實體交易時預期可影響該名人士或受該人士影響之家庭成員。

2 Significant accounting policies *(continued)*

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 主要會計政策 *(續)*

(v) 分部報告

經營分部及財務報表內報告各分部項目之金額，乃取自向本集團主要高級行政管理層定期提供之用作向本集團各項業務及地點分配資源，並評估其表現之財務資料。

個別重大之經營分部不會為財務報告目的而合計，除非有關分部具有類似經濟特性，並且具有類似之產品及服務性質、客戶類型或類別、分銷產品或提供服務方法，以及監管環境性質。個別非重大之經營分部倘符合上述大多數準則可予合計。

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3 Accounting judgement and estimates

(a) Critical accounting judgement in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following critical accounting judgement:

Franchise arrangements

The Group holds 49% equity interests in an associate, namely China Comfort Tourism Group Company Limited (formerly known as China Comfort Travel Group Company Limited) ("**China Comfort**"), and this investment is accounted for in the Group's consolidated financial statements under the equity method. To promote China Comfort's brand name (the "**Business Brand**") and to establish a network throughout the People's Republic of China (the "**PRC**"), China Comfort entered into certain business arrangements (the "**Business Arrangements**") with various parties, in which China Comfort and the said parties established various companies under the relevant laws in the PRC. In order to finance their respective establishments, China Comfort made contributions in the form as paid-in capital into these companies, hence China Comfort, from a legal perspective, holds equity interests ranging between 5% and 100% in these companies. China Comfort only maintains the rights to protect the Business Brand. Under such Business Arrangements, China Comfort is entitled to fixed amounts of annual fee from these companies but does not share the operating results of these companies.

3 會計判斷與估計

(a) 採用本集團會計政策時作出之重大會計判斷

於應用本集團的會計政策過程中，管理層已作出下列重大會計判斷：

加盟安排

本集團持有聯營公司中國康輝旅遊集團有限公司(前稱中國康輝旅行社集團有限責任公司)(「**中國康輝**」)49%股本權益及該投資按權益法計入本集團之綜合財務報表。為推廣中國康輝品牌(「**商業品牌**」)及在中華人民共和國(「**中國**」)各地建立網絡，中國康輝與若干方訂立若干商業安排(「**商業安排**」)，據此，中國康輝與上述各方根據相關中國法律設立若干公司。為向各公司撥付資金，中國康輝以繳足股本的方式向該等公司作出供款，因此，從法律角度來講，中國康輝持有該等公司介乎5%至100%之間的股本權益。中國康輝僅保留保護商業品牌的權利。根據該等商業安排，中國康輝有權向該等公司收取固定金額年費，但不會分佔該等公司的經營業績。

3 Accounting judgement and estimates *(continued)*

(a) Critical accounting judgement in applying the Group's accounting policies *(continued)*

Franchise arrangements *(continued)*

Under the relevant laws of the PRC, the companies under the Business Arrangements are not regarded as franchisees. However, since the Business Arrangements only give China Comfort certain rights to protect its Business Brand but do not give China Comfort control or significant influence over these companies' relevant activities, or variable returns on the operating results of these companies, the directors of the Company consider the Business Arrangements, from an accounting perspective, do not result in these companies being regarded as subsidiaries, associates or other equity investments of China Comfort, and accordingly, these companies are not consolidated into China Comfort's consolidated financial statements. However, in a view to reflect the substance of the Business Arrangements, the directors of the Company consider it is appropriate to regard these companies as franchisees of China Comfort, where the fixed annual fees received/receivable are recognised as franchise fee income instead of capital distributions/dividends.

At the inception of the Business Arrangements, deposits (i.e. financing in the form of paid-in capital mentioned above) in these franchisees are initially accounted for as a financial instrument at fair value, and thereafter stated at amortised cost using the effective interest method. Annual fees received/receivable from the franchisees are recorded as franchise fee income, reflecting the purpose for which the fees are charged.

3 會計判斷與估計 *(續)*

(a) 採用本集團會計政策時作出之重大會計判斷 *(續)*

加盟安排 *(續)*

根據相關中國法律，商業安排下的公司不被視為加盟商。然而，由於商業安排僅授予中國康輝若干權利保護其商業品牌但並無授權中國康輝控制該等公司的相關活動或有關該等公司經營業績的可變回報或對其行使重大影響力，本公司的董事認為從會計角度來講，商業安排不會導致該等公司被視為中國康輝的附屬公司、聯營公司或其他股權投資，因此，該等公司不會被綜合併入中國康輝的綜合財務報表。然而，為了反映商業安排的實質，本公司董事認為將該等公司視作中國康輝的加盟商乃屬恰當，而已收／應收固定年費確認為加盟費收入而非資本分派／股息。

於最初訂立商業安排時，該等加盟商的按金（以上述繳足股本的形式提供資金）最初按公平值作為金融工具入賬，其後採用實際利息法按攤銷成本列賬。來自加盟商的已收／應收年費入賬列作加盟費收入，反映了收取該等費用的目的。

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3 Accounting judgement and estimates *(continued)*

(b) Estimation uncertainty

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, are described below.

(i) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period, except where indefinite life intangible assets are tested for impairment annually (see Note 2(j)). Non-financial assets are tested for impairment annually or when there are indicators that the carrying amounts may not be recoverable, where applicable, an impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset or cash-generating unit. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Changes in these estimates could have a significant impact on the recoverable amount of the asset or cash-generating unit, and could result in additional impairment charge or reversal of impairment in future years.

3 會計判斷與估計 *(續)*

(b) 估計涉及的不確定性

於報告期末，與未來有關的關鍵假設及其他估計不確定性因素之主要來源闡述如下，彼等具有可能導致資產及負債賬面值出現重大調整之重大風險。

(i) 非金融資產之減值

本集團於每個報告期末評估全部非金融資產是否存在任何減值跡象，惟具無確定使用限期的無形資產每年進行減值測試(見附註2(j))則除外。非金融資產則每年或於出現其賬面值可能不能收回的跡象時進行減值測試，(倘適用)，於一項資產或一現金產生單位的賬面值超出其可收回金額時出現減值，可收回金額指其公平值減銷售成本與使用價值兩者中較高者。公平值減銷售成本乃根據由相類似的資產於公平且具約束力的交易所得的資料或可見的市場價格減出售該資產或現金產生單位而增加的成本計算。當計算使用價值時，管理層必須估計來自有關資產或現金產生單位的預期未來現金流量並選擇合適的折現率以計算該等現金流量的現值。該等估計變動可能會對資產或現金產生單位之可收回金額產生重大影響，並可能導致未來年度出現額外減值支出或減值撥回。

3 Accounting judgement and estimates *(continued)*

(b) Estimation uncertainty *(continued)*

(ii) Impairment of trade receivables

The Group maintains an allowance for estimated loss arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers was to deteriorate so that the actual impairment loss might be higher than expected, the Group would be required to revise the basis of making the allowance and its future results would be affected.

3 會計判斷與估計 *(續)*

(b) 估計涉及的不確定性 *(續)*

(ii) 應收貿易賬款減值

本集團就客戶無能力支付須繳款項而導致之估計虧損作出撥備。本集團乃根據其應收貿易賬款結餘之賬齡、客戶之信貸可靠度及過往之撇銷經驗作出估計。倘其客戶之財政狀況轉壞而導致實際減值虧損較預期為高，本集團須更改撥備之依據，而未來業績亦會受影響。

4 Revenue and segment reporting

(a) Revenue

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discount, the value of services rendered and commission income during the year.

The amount of each significant category of revenue is as follows:

4 收入及分部報告

(a) 收入

收入指已售貨品的發票價值淨額，經扣除退貨撥備及貿易折扣、所提供服務價值及本年度佣金收入。

各重大收入類別金額如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Sale of air tickets	機票銷售	226,007	61,301
Commission and service income from travel related and other services	旅遊相關及其他業務之佣金及服務收入	10,282	17,032
Trading and retail of jewellery	珠寶貿易及零售	23,926	26,350
Commission income from sale of jewellery	珠寶銷售之佣金收入	2,614	3,915
Financial services	金融服務	1,741	819
		264,570	109,417

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4 Revenue and segment reporting *(continued)*

(a) Revenue *(continued)*

The Group mainly engages in retail business, and the directors of the Company consider that the Group's customer base is diversified and has no customer with whom transactions have exceeded 10% of the Group's revenue for the years ended 31 December 2017 and 2016. Details of concentrations of credit risk are set out in Note 32(a).

(b) Segment reporting

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- The travel related and other services segment, which comprises the sale of air tickets and other travel related services principally to corporate clients;
- The trading and retail of jewellery segment, which involves the distribution and sale of jewellery products;
- The financial services segment, which mainly involves the provision of advisory on corporate finance, advisory on securities and asset management services;
- The property development and investment segment, which involves the development of visitor accommodation for operating purpose and properties for sale; and
- The investment holding segment, which mainly involves equity investment activities.

4 收入及分部報告 *(續)*

(a) 收入 *(續)*

本集團主要從事零售業務，故本公司董事認為本集團之客戶基礎呈多樣化且並無與之進行之交易超過本集團截至二零一七年及二零一六年十二月三十一日止年度之收入10%之客戶。有關集中信貸風險之詳情載於附註32(a)。

(b) 分部報告

作管理用途，本集團以其產品及服務組成業務單位及擁有以下五個可報告經營分部：

- 旅遊相關及其他業務分部，包括主要向企業客戶銷售機票及其他旅遊相關服務；
- 珠寶貿易及零售分部，從事珠寶產品之分銷及銷售業務；
- 金融服務分部，主要涉及就企業融資提供意見及提供證券諮詢及資產管理服務方面之意見；
- 房地產開發及投資分部，涉及開發經營旅客住宿用途及銷售物業；及
- 投資控股分部，主要涉及股權投資活動。

4 Revenue and segment reporting *(continued)*

(b) Segment reporting *(continued)*

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that finance costs are excluded from such measurement.

Segment assets and liabilities include all assets and liabilities with the exception of cash and cash equivalents and restricted bank deposits which are managed centrally.

4 收入及分部報告 *(續)*

(b) 分部報告 *(續)*

(i) 分部業績、資產及負債

就評估分部表現及分配各分部間的資源而言，本集團的高級行政管理層按下列基準監管各可報告分部應佔業績、資產及負債：

分部表現乃根據可報告分部溢利／(虧損)(其為除税前經調整溢利／(虧損)之計量)予以評估。除税前經調整溢利／(虧損)乃貫徹以本集團之除税前溢利／(虧損)計量，惟財務費用不包括於該計量之中。

分部資產及負債包括所有資產及負債，惟集中管理之現金及現金等值項目及受限制銀行存款除外。

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4 Revenue and segment reporting *(continued)*

(b) Segment reporting *(continued)*

(i) Segment results, assets and liabilities *(continued)*

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2017 and 2016 is set out below.

4 收入及分部報告 *(續)*

(b) 分部報告 *(續)*

(i) 分部業績、資產及負債 *(續)*

本集團主要高級行政管理層就資源分配及評估截至二零一七年及二零一六年十二月三十一日止年度之分部表現而獲提供之有關本集團可報告分部之資料載列於下文。

		Travel related and other services 旅遊相關及其他業務		Trading and retail of jewellery 珠寶貿易及零售		Financial services 金融服務		Property development and investment 房地產開發及投資		Investment holding 投資控股		Total 總額	
		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Segment revenue	分部收入												
Revenue from external customers	對外客戶收入	236,289	78,333	26,540	30,265	1,741	819	–	–	–	–	264,570	109,417
Segment results	分部業績	(2,142)	(3,817)	(2,580)	(1,127)	(2,796)	(608)	(82)	–	(50,319)	(173,611)	(57,919)	(179,163)
Reconciliation:	對賬：												
Finance income/(costs)	財務收益／(費用)											1,924	(14,902)
Loss before tax	除稅前虧損											(55,995)	(194,065)
Segment assets	分部資產	28,341	25,167	16,148	18,896	17,132	9,723	50,677	–	412,580	401,372	524,878	455,158
Reconciliation:	對賬：												
Corporate and other unallocated assets	企業及其他未分配資產											401,144	368,020
Total assets	資產總值											926,022	823,178
Segment and total liabilities	分部及總負債	40,467	35,728	11,845	11,882	3,380	3,437	126	–	11,880	29,778	67,698	80,825
Other segment information:	其他分部資料：												
Share of loss of an associate	應佔聯營公司虧損	–	–	–	–	–	–	–	–	(13,517)	(148,374)	(13,517)	(148,374)
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損，淨額	–	–	(24)	(54)	(5)	–	–	–	–	–	(29)	(54)
Depreciation	折舊	(170)	(57)	(62)	(47)	(1)	(3)	–	–	(402)	(163)	(635)	(270)
Capital expenditure	資本支出	(877)	(41)	(117)	(53)	–	–	–	–	(145)	(1,206)	(1,139)	(1,300)

4 Revenue and segment reporting *(continued)*

(b) Segment reporting *(continued)*

(ii) Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's assets. The geographical location of customers is based on the location at which the goods and services were sold or provided. The geographical location of the specified assets is based on the physical location of the assets or the location of the operations, in the case of property, plant and equipment, intangible assets arising from licenses and current assets, and the location of operations, in the case of interests in an associate except for the associate's intangible assets in distribution network which is separately allocated based on the location receiving the substantial benefits.

4 收入及分部報告 *(續)*

(b) 分部報告 *(續)*

(ii) 地域資料

下表載列有關本集團對外客戶收入及本集團資產之地域分佈資料。客戶的地域分佈乃按照所售商品或所提供服務之地點區分。指定資產之地域分佈按資產實際所在位置或營運所在地點(倘為物業、廠房及設備、牌照所產生的無形資產以及流動資產)及營運所在地點(倘為於聯營公司之權益(聯營公司於按收取大量利益之地點單獨分配之分銷網絡之無形資產除外))區分。

		Revenue from external customers 對外客戶收入		Non-current assets 非流動資產		Current assets 流動資產		Total assets 資產總值	
		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Hong Kong (place of domicile)	香港(註冊成立地點)	238,030	79,152	384,651	350,429	409,255	396,969	793,906	747,398
Mainland China	中國大陸	26,540	30,265	33,023	43,614	28,368	32,166	61,391	75,780
New Zealand	紐西蘭	–	–	5	–	70,720	–	70,725	–
		264,570	109,417	417,679	394,043	508,343	429,135	926,022	823,178

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5 Other income 5 其他收入

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Bank interest income	銀行利息收入	4,373	5,089

6 Loss before tax 6 除税前虧損

Loss before tax is arrived at after charging/(crediting): 除税前虧損已扣除／(計入)：

			2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
(a)	**Finance (income)/costs**	(a) 財務(收益)／費用		
	Interest on bank and other borrowings (Note 20(b))	銀行及其他借款利息(附註20(b))	624	848
	Net finance charges in connection with interest-free loans from a related party and a third party	關聯方及第三方免息貸款之財務支出淨額	–	12,061
	Net foreign exchange (gain)/loss	匯兑(收益)／虧損淨額	(2,548)	1,993
			(1,924)	14,902
(b)	**Staff costs (including directors' emoluments** (Note 8))	(b) 員工成本(包括董事酬金(附註8))		
	Wages, salaries and other benefits	工資、薪金及其他福利	30,285	29,390
	Pension scheme contributions	退休金計劃供款	1,226	1,250
			31,511	30,640
(c)	**Other items**	(c) 其他項目		
	Cost of inventories sold (Note 16(b))	已售存貨成本(附註16(b))	239,735	82,150
	Depreciation (Note 12)	折舊(附註12)	635	270
	(Reversal of impairment losses)/ Impairment losses on trade receivables (Note 17(b))	應收貿易賬款(減值虧損撥回)/減值虧損(附註17(b))	(795)	828
	Minimum lease payments under operating leases	經營租賃最低租賃付款	7,432	6,754
	Auditors' remuneration	核數師酬金	2,256	2,213
	Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損淨額	29	54

7 Income tax in the consolidated statement of profit or loss 7 計入綜合損益表之所得稅

(a) Taxation in the consolidated statement of profit or loss represents: (a) 計入綜合損益表之稅項指：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Current tax – Overseas	即期稅項 – 海外		
Provision for the year	本年度撥備	36	–

(b) Reconciliation between income tax and accounting loss at applicable tax rates: (b) 所得稅與按適用稅率計算之會計虧損對賬

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Loss before tax	除稅前虧損	(55,995)	(194,065)
Notional tax on loss before tax, calculated at the rates applicable to profits in the jurisdictions concerned	除稅前虧損之名義稅項（按有關司法權區之溢利之適用稅率計算）	(4,850)	(47,593)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	2	5,764
Tax effect of share of loss of an associate	應佔聯營公司虧損之稅務影響	3,379	37,093
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(1,396)	(771)
Tax effect of unused tax losses and temporary differences not recognised	未確認未動用之稅項虧損及暫時性差異之稅務影響	2,901	5,507
Actual tax expense	實際稅項開支	36	–

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7 Income tax in the consolidated statement of profit or loss *(continued)*

(b) Reconciliation between income tax and accounting loss at applicable tax rates: *(continued)*

Notes:

(i) Provision for Hong Kong Profits Tax for 2017 is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year. The Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profit Tax for 2017 (2016: $Nil).

(ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(iii) Pursuant to the rules and regulations of the PRC, the Group's subsidiaries established in Mainland China are subject to PRC Corporate Income Tax at the statutory rate of 25% during the year (2016: 25%), except for a subsidiary of the Group which is a small-scale enterprise and is subject to income tax rate at 20% (2016: 20%).

(iv) Pursuant to the rules and regulations of the New Zealand, the Group's subsidiaries established in the New Zealand are subject to the Business Income Tax at the statutory rate of 28% during the year (2016: not applicable).

7 計入綜合損益表之所得稅 *(續)*

(b) 所得稅與按適用稅率計算之會計虧損對賬 *(續)*

附註：

(i) 二零一七年香港利得稅撥備按本年度估計應課稅溢利的16.5%(二零一六年：16.5%)計算。本公司及本集團於香港註冊成立之附屬公司於二零一七年度並無需繳納香港利得稅的應課稅溢利(二零一六年：無)。

(ii) 根據開曼群島及英屬維爾京群島(「**英屬維爾京群島**」)的規則及規例，本集團毋須繳納任何開曼群島及英屬維爾京群島所得稅。

(iii) 根據中國規則及規例，本集團於中國大陸成立之附屬公司須於本年度按25%(二零一六年：25%)之法定稅率繳納中國企業所得稅，惟本集團之屬小規模企業之附屬公司除外，該等公司按20%之稅率繳納所得稅(二零一六年：20%)。

(iv) 根據紐西蘭規則及規例，本集團於紐西蘭成立之附屬公司須於本年度按28%之法定稅率繳納企業所得稅(二零一六年：不適用)。

8 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8 董事酬金

根據公司條例第383(1)條及《公司(披露董事利益資料)規例第2部》之規定而披露的董事酬金如下：

		Directors' fees 董事袍金 $'000 千元	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 $'000 千元	Pension scheme contributions 退休金計劃供款 $'000 千元	2017 Total 二零一七年總額 $'000 千元
Chairman	**主席**				
Mr. Shi Baodong	石保棟先生	–	1,920	18	1,938
Executive directors	**執行董事**				
Mr. Zhao Huining (appointed on 16 June 2017)	趙會寧先生 (於二零一七年六月十六日獲委任)	–	1,304	5	1,309
Mr. Wang Jianhua	王建華先生	–	–	–	–
Ms. Xu Yongmei (retired with effect from 16 June 2017)	許永梅女士 (於二零一七年六月十六日退任)	–	–	–	–
Non-executive director	**非執行董事**				
Ms. Song Sining (appointed on 16 June 2017)	宋思凝女士 (於二零一七年六月十六日獲委任)	–	–	–	–
Mr. Li Yankuan (retired with effect from 16 June 2017)	李彥寬先生 (於二零一七年六月十六日退任)	–	–	–	–
Independent non-executive directors	**獨立非執行董事**				
Mr. Dong Xiaojie	東小杰先生	150	–	–	150
Mr. He Qi	何琦先生	150	–	–	150
Mr. Law Wang Chak, Waltery	羅宏澤先生	150	–	–	150
		450	3,224	23	3,697

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8 Directors' emoluments *(continued)* 8 董事酬金 *(續)*

		Directors' fees 董事袍金 $'000 千元	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 $'000 千元	Pension scheme contributions 退休金計劃供款 $'000 千元	2016 Total 二零一六年總額 $'000 千元
Chairman	**主席**				
Mr. Shi Baodong	石保棟先生	–	1,920	18	1,938
Executive directors	**執行董事**				
Mr. Wang Jianhua	王建華先生	–	–	–	–
Ms. Xu Yongmei	許永梅女士	–	–	–	–
Non-executive director	**非執行董事**				
Mr. Li Yankuan	李彥寬先生	–	–	–	–
Independent non-executive directors	**獨立非執行董事**				
Mr. Dong Xiaojie	東小杰先生	100	–	–	100
Mr. He Qi	何琦先生	100	–	–	100
Mr. Law Wang Chak, Waltery	羅宏澤先生	100	–	–	100
		300	1,920	18	2,238

For the year ended 31 December 2017, Mr. Shi Baodong, Mr. Wang Jianhua, Ms. Xu Yongmei and Mr. Li Yankuan agreed to waive director's remuneration of $20,000, $620,000, $283,671 and $9,151, respectively (2016: Mr. Shi Baodong, Mr. Wang Jianhua, Ms. Xu Yongmei and Mr. Li Yankuan agreed to waive director's remuneration of $20,000, $620,000, $620,000 and $20,000, respectively).

於截至二零一七年十二月三十一日止年度，石保棟先生、王建華先生、許永梅女士及李彥寬先生分別同意放棄董事酬金20,000港元、620,000港元、283,671港元及9,151港元(二零一六年：石保棟先生、王建華先生、許永梅女士及李彥寬先生分別同意放棄董事酬金20,000港元、620,000港元、620,000港元及20,000港元)。

9 Individuals with highest emoluments

Of the five individuals with the highest emoluments, two (2016: one) are directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other three (2016: four) individuals are as follows:

9 最高酬金人士

於五大最高酬金人士中，兩名(二零一六年：一名)為董事(其酬金披露於附註8)。其他三名(二零一六年：四名)人士的酬金總額如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	4,188	5,367
Discretionary bonuses	酌情花紅	789	247
Pension scheme contributions	退休金計劃供款	54	54
		5,031	5,668

The emoluments of the three (2016: four) individuals with the highest emoluments are within the following bands:

三名(二零一六年：四名)最高酬金人士之酬金範圍如下：

		2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
$Nil – $1,000,000	零港元 – 1,000,000港元	1	2
$1,000,001 – $1,500,000	1,000,001港元 – 1,500,000港元	1	1
$2,500,001 – $3,000,000	2,500,001港元 – 3,000,000港元	–	1
$3,000,001 – $3,500,000	3,000,001港元 – 3,500,000港元	1	–

10 Dividend

The board of directors of the Company does not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: $Nil).

10 股息

本公司董事會不建議派付截至二零一七年十二月三十一日止年度之任何末期股息(二零一六年：無)。

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11 Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company and the weighted average ordinary shares in issue during the year, calculated as follows:

(i) Loss for the purpose of calculating basic loss per share

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Loss attribute to the equity owners of the Company	本公司權益擁有人應佔虧損	46,846	191,816
Distribution paid to the holders of perpetual convertible securities (Note 26)	已派付永久可換股證券持有人之分派 (附註26)	5,100	–
Accrued distribution to the holders of perpetual convertible securities (Note 26)	永久可換股證券持有人應計分派 (附註26)	5,197	–
Loss for the purpose of calculating basic loss per share	就每股基本虧損而言之虧損	57,143	191,816

(ii) Weighted average number of ordinary shares

		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股 (Restated) (經重述)
Issued ordinary shares at 1 January	一月一日之已發行普通股	12,047,043	10,979,337
Effect of warrants exercised (Note 25(b)(i))	已行使認股權證之影響 (附註25(b)(i))	489,860	632,244
Effect of issuance of shares under open offer (Note 25(b)(ii))	根據公開發售發行股份之影響 (附註25(b)(ii))	–	55,760
Effect of issuance of shares upon conversion of perpetual convertible securities (Note 25(b)(iii))	於轉換永久可換股證券時發行新股之影響 (附註25(b)(iii))	141	–
Weighted average number of ordinary shares at 31 December	十二月三十一日之普通股加權平均數	12,537,044	11,667,341

(b) Diluted loss per share

There were no dilutive potential ordinary shares outstanding for the years ended 31 December 2017 and 2016. The effect of the deemed conversion of the perpetual convertible securities and exercise of the warrants were not included in the calculation of diluted loss per share as they are anti-dilutive during the year ended 31 December 2017.

11 每股虧損

(a) 每股基本虧損

每股基本虧損乃基於本公司普通股權益股東應佔虧損及年內已發行普通股加權平均數計算，有關計算如下：

(i) 就每股基本虧損而言之虧損

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Loss attribute to the equity owners of the Company	本公司權益擁有人應佔虧損	46,846	191,816
Distribution paid to the holders of perpetual convertible securities (Note 26)	已派付永久可換股證券持有人之分派 (附註26)	5,100	–
Accrued distribution to the holders of perpetual convertible securities (Note 26)	永久可換股證券持有人應計分派 (附註26)	5,197	–
Loss for the purpose of calculating basic loss per share	就每股基本虧損而言之虧損	57,143	191,816

(ii) 普通股加權平均數

		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股 (Restated) (經重述)
Issued ordinary shares at 1 January	一月一日之已發行普通股	12,047,043	10,979,337
Effect of warrants exercised (Note 25(b)(i))	已行使認股權證之影響 (附註25(b)(i))	489,860	632,244
Effect of issuance of shares under open offer (Note 25(b)(ii))	根據公開發售發行股份之影響 (附註25(b)(ii))	–	55,760
Effect of issuance of shares upon conversion of perpetual convertible securities (Note 25(b)(iii))	於轉換永久可換股證券時發行新股之影響 (附註25(b)(iii))	141	–
Weighted average number of ordinary shares at 31 December	十二月三十一日之普通股加權平均數	12,537,044	11,667,341

(b) 每股攤薄虧損

於截至二零一七年及二零一六年十二月三十一日止年度並無尚未發行潛在可攤薄普通股。視作轉換永久可換股證券及行使認股權證的影響並未計入每股攤薄虧損的計算中，因為於截至二零一七年十二月三十一日止年度該等證券及認股權證具有反攤薄效應。

12 Property, plant and equipment 12 物業、廠房及設備

		Furniture and leasehold improvements 傢俬及租賃裝修 $'000 千元	Machinery and equipment 機器及設備 $'000 千元	Motor vehicles 車輛 $'000 千元	Total 總額 $'000 千元
Cost:	**成本：**				
At 1 January 2017	於二零一七年一月一日	476	887	1,392	2,755
Additions	添置	665	474	–	1,139
Additions through acquisition of a subsidiary (Note 27)	通過收購附屬公司添置（附註27）	13	–	–	13
Disposals	出售	(5)	(253)	–	(258)
Exchange adjustments	匯兑調整	27	40	23	90
At 31 December 2017	於二零一七年十二月三十一日	1,176	1,148	1,415	3,739
Accumulated depreciation:	**累計折舊：**				
At 1 January 2017	於二零一七年一月一日	(216)	(626)	(400)	(1,242)
Charge for the year	本年度支出	(141)	(164)	(330)	(635)
Written back on disposals	出售撥回	–	229	–	229
Exchange adjustments	匯兑調整	(22)	(29)	(20)	(71)
At 31 December 2017	於二零一七年十二月三十一日	(379)	(590)	(750)	(1,719)
Carrying amount:	**賬面值：**				
At 31 December 2017	於二零一七年十二月三十一日	797	558	665	2,020

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12 Property, plant and equipment *(continued)* 12 物業、廠房及設備 *(續)*

		Furniture and leasehold improvements 傢俬及租賃裝修 $'000 千元	Machinery and equipment 機器及設備 $'000 千元	Motor vehicles 車輛 $'000 千元	Total 總額 $'000 千元
Cost:	**成本：**				
At 1 January 2016	於二零一六年一月一日	845	965	311	2,121
Additions	添置	98	103	1,099	1,300
Additions through acquisition of subsidiaries	通過收購附屬公司添置	2	5	–	7
Disposals	出售	(442)	(149)	–	(591)
Exchange adjustments	匯兑調整	(27)	(37)	(18)	(82)
At 31 December 2016	於二零一六年十二月三十一日	476	887	1,392	2,755
Accumulated depreciation:	**累計折舊：**				
At 1 January 2016	於二零一六年一月一日	(595)	(702)	(279)	(1,576)
Charge for the year	本年度支出	(40)	(93)	(137)	(270)
Written back on disposals	出售撥回	397	140	–	537
Exchange adjustments	匯兑調整	22	29	16	67
At 31 December 2016	於二零一六年十二月三十一日	(216)	(626)	(400)	(1,242)
Carrying amount:	**賬面值：**				
At 31 December 2016	於二零一六年十二月三十一日	260	261	992	1,513

13 Investments in subsidiaries

The following list only contains the particulars of the subsidiaries which principally affected the results, assets or liabilities of the Group.

13 於附屬公司之投資

以下列表僅包含主要影響本集團業績、資產或負債的附屬公司詳情。

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立／成立地點	Particulars of issued/ registered and paid up capital 已發行／註冊及繳足股本詳情	Proportion of ownership interest 擁有權權益百分比 The Group's effective interest 本集團實際權益	Held by the Company 本公司所持有	Held by a subsidiary 附屬公司所持有	Principal activity 主要業務活動
1 Miller Rise Development Ltd. 1 Miller Rise Development Ltd.	New Zealand 紐西蘭	NZD100 100紐西蘭元	100%	–	100%	Property development 房地產開發
173 Millwater Parkway Investment Ltd. 173 Millwater Parkway Investment Ltd.	New Zealand 紐西蘭	NZD100 100紐西蘭元	100%	–	100%	Property development 房地產開發
China Tourism & Culture Industrial Investment Fund Management Limited ("Tourism Fund") (Note (i)) 中國旅遊文化產業投資基金管理有限公司(「旅遊基金」)(附註(i))	The Cayman Islands 開曼群島	USD2,500,000 2,500,000美元	40%	–	40%	Investment holding 投資控股
Four Seas Tours Limited ("Four Seas Tours") 四海旅行社有限公司(「四海」)	Hong Kong 香港	3,000,000 shares 3,000,000股股份	65%	–	65%	Sale of air tickets and other travel related services 機票銷售及其他旅遊相關業務
Nanjing South China Baoqing Jewellery Co., Ltd. (南京南華寶慶珠寶首飾有限公司, "Nanjing Baoqing") (Note (ii)) 南京南華寶慶珠寶首飾有限公司(「南京寶慶」)(附註(ii))	Mainland China 中國大陸	RMB5,500,000 人民幣5,500,000元	55.63%	–	65.45%	Trading and retail of jewellery 珠寶貿易及零售

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13 Investments in subsidiaries *(continued)*
13 於附屬公司之投資 *(續)*

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立／成立地點	Particulars of issued/ registered and paid up capital 已發行／註冊及繳足股本詳情	Proportion of ownership interest 擁有權權益百分比 The Group's effective interest 本集團實際權益	Held by the Company 本公司所持有	Held by a subsidiary 附屬公司所持有	Principal activity 主要業務活動
Orient Victory Azure Asset Management Limited (formerly known as Afanti Asset Management Limited) 東勝瀛信資本管理有限公司 (前稱智盛資本管理有限公司)	Hong Kong 香港	5,650,000 shares 5,650,000股股份	100%	–	100%	Provision of advising on securities and assets management services 就證券及資產管理服務提供意見
Orient Victory Azure Capital Limited ("Azure Capital") (Note (iii)) 東勝瀛信財務顧問有限公司 (「瀛信財務」) (附註(iii))	Hong Kong 香港	1,200,000 shares 1,200,000股股份	100%	–	100%	Provision of advising on corporate finance services 就企業融資服務提供意見
Shenzhen Dongsheng Huamei Cultural Travel Company Limited (深圳東勝華美文化旅游有限公司) (Note (ii)) 深圳東勝華美文化旅遊有限公司 (附註(ii))	Mainland China 中國大陸	– Note (iv) 附註(iv)	100%	–	100%	Investment holding 投資控股

Notes:

(i) The Group has the power to control the entity through its power to appoint the majority of the board of directors.

(ii) The English translation of the names are for reference only. The official names of these entities are in Chinese.

(iii) The entity was acquired in 2017. Further details on the acquisition are set out in Note 27.

(iv) The registered capital of this entity is RMB450,000,000. As of 31 December 2017, the registered capital has not been paid up.

附註：

(i) 本集團透過其委任董事會大多數成員之權力享有實體之控制權。

(ii) 名稱之英文翻譯僅供參考。該等實體之官方名稱以中文為準。

(iii) 該實體於二零一七年收購。有關收購的詳情載於附註27。

(iv) 該實體之註冊資本為人民幣450,000,000元。於二零一七年十二月三十一日，註冊資本尚未繳足。

13 Investments in subsidiaries *(continued)*

13 於附屬公司之投資 *(續)*

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

擁有重大非控股權益的本集團附屬公司詳情載列如下：

		2017 二零一七年	2016 二零一六年
Percentage of equity interest held by non-controlling interests:	非控股權益持有的股權百分比：		
– Four Seas Tours	– 四海	35%	35%
– Nanjing Baoqing	– 南京寶慶	44.37%	44.37%
– Tourism Fund	– 旅遊基金	60%	N/A 不適用

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Loss for the year allocated to non-controlling interests:	歸屬於非控股權益的本年度虧損：		
– Four Seas Tours	– 四海	(750)	(1,336)
– Nanjing Baoqing and its immediate holding company (collectively "**Nanjing Baoqing Group**")	– 南京寶慶及其直屬控股公司（統稱「**南京寶慶集團**」）	(1,388)	(913)
– Tourism Fund	– 旅遊基金	(6,959)	–

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Accumulated balances of non-controlling interests at the reporting period:	於報告期間非控股權益的累計結餘：		
– Four Seas Tours	– 四海	(361)	389
– Nanjing Baoqing Group	– 南京寶慶集團	2,284	3,427
– Tourism Fund	– 旅遊基金	4,716	–

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13 Investments in subsidiaries *(continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

13 於附屬公司之投資 *(續)*

下表列示上述附屬公司之財務資料概要，所披露金額為公司間交易抵銷前：

		Nanjing Baoqing Group 南京寶慶集團		Four Seas Tours 四海		Tourism Fund 旅遊基金	
		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Revenue	收入	26,540	30,265	236,289	78,333	–	–
Total expenses	費用總額	(29,668)	(32,322)	(238,431)	(82,150)	(11,599)	–
Loss for the year	本年度虧損	(3,128)	(2,057)	(2,142)	(3,817)	(11,599)	–
Current assets	流動資產	17,550	20,069	38,531	36,641	7,874	–
Non-current assets	非流動資產	280	230	906	199	–	–
Current liabilities	流動負債	(12,684)	(12,576)	(40,467)	(35,728)	–	–
Net assets	資產淨值	5,146	7,723	(1,030)	1,112	7,874	–
Net cash flows generated from/(used in) operating activities	經營活動所產生／(所用)之現金淨流量	1,691	3,603	300	5,460	(11,510)	–
Net cash flows generated from/(used in) investing activities	投資活動產生／(所用)之現金淨流量	(117)	(54)	(877)	(41)	7,762	–
Net cash flows generated from/(used in) financing activities	融資活動產生／(所用)之現金淨流量	(1,293)	(3,850)	–	–	11,622	–
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加／(減少)淨額	281	(301)	(577)	5,419	7,874	–

14 Interest in an associate

The following table lists out the particulars of China Comfort, which is an unlisted entity.

14 於聯營公司之權益

下表載列中國康輝之詳情，該公司為非上市實體。

Name of associate 聯營公司名稱	Place of establishment 成立地點	Particulars of registered and paid up capital 註冊及繳足股本詳情	Proportion of ownership interest 擁有權權益百分比 The Group's effective interest 本集團實際權益	Held by the Company 本公司所持有	Held by a subsidiary 附屬公司所持有	Principal activity 主要業務活動
China Comfort 中國康輝	Mainland China 中國大陸	RMB70,000,000 人民幣70,000,000元	49%	–	49%	Provision of tourism-related and ticket-sales-related services, and provision of brand name for use by the franchisees 提供旅遊相關及票務銷售相關服務並提供品牌名稱供加盟商使用

On 22 September 2015 (the "**Acquisition Date**"), the Group acquired 49% equity interests in China Comfort at a total consideration of RMB441,000,000 (approximately $541,573,000). China Comfort is accounted for using the equity method in the consolidated financial statements since the Acquisition Date.

於二零一五年九月二十二日(「**收購日期**」)，本集團以總代價人民幣441,000,000元(約541,573,000港元)收購中國康輝49%股本權益。自收購日期起，中國康輝乃採用權益法於綜合財務報表入賬。

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14 Interest in an associate *(continued)*

Summarised financial information of an associate

Summarised financial information of China Comfort, adjusted for fair value adjustments made at the Acquisition Date and any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements is disclosed below:

14 於聯營公司之權益 *(續)*

聯營公司之財務資料概要

中國康輝的財務資料概要(已就於收購日期進行之公平值調整及會計政策之任何差異作調整及與綜合財務報表賬面值對賬)披露如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Gross amounts of China Comfort's	**中國康輝之總金額**		
Non-current assets	非流動資產	1,138,155	1,044,747
Current assets	流動資產	237,413	155,213
Current liabilities	流動負債	(310,252)	(186,628)
Non-current liabilities	非流動負債	(247,718)	(230,641)
Non-controlling interests	非控股權益	(2,761)	–
Equity attributable to the Group	本集團應佔股本權益	814,837	782,691
Group's effective interest	本集團的實際利息	49%	49%
Group's share of net assets of China Comfort and carrying amount in the consolidated financial statements	計入綜合財務報表之本集團應佔中國康輝之淨資產及賬面值	399,271	383,519

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Revenue for the year	本年度收入	758,245	579,298
Net loss for the year (Note (i))	本年度虧損淨額(附註(i))	(27,587)	(302,804)
Group's effective interest	本集團的實際利息	49%	49%
Group's share of net loss of China Comfort in the consolidated financial statements	計入綜合財務報表之本集團應佔中國康輝的虧損淨額	(13,517)	(148,374)

14 Interest in an associate *(continued)*

Summarised financial information of an associate *(continued)*

Note:

(i) On the Acquisition Date, the identifiable net assets acquired by the Group included intangible assets (representing China Comfort's trademark and distribution network). These intangible assets are with indefinite useful lives and are allocated to the business of China Comfort as a whole, which is identified as a single cash-generating unit (i.e. China Comfort CGU). The carrying amount of these intangibles at 31 December 2017 amounted to $831,832,000. The management of the Group has carried out an impairment assessment on China Comfort CGU at 31 December 2017. The recoverable amount of China Comfort CGU is determined based on value-in-use calculation. The calculation uses cash flow projections covering a five-year period based on financial budgets prepared by the management of China Comfort and strategic projections representing the best estimated future performance of China Comfort, including the forecast revenue, cost of sales and other operating expenses. Cash flows beyond the five-year period are extrapolated using an estimate weighted average growth rate of 4% which is consistent with market concensus on long-term growth rate of travel industry in the PRC. The cash flows are discounted using a discount rate of 18.31%. The discount rate used is pre-tax and reflect specific risks relating to China Comfort CGU. Based on the results of the value-in-use calculation, the management of the Group considers that no impairment loss is required to be made on China Comfort CGU, and hence, the intangible assets.

14 於聯營公司之權益 *(續)*

聯營公司之財務資料概要 *(續)*

附註：

(i) 於收購日期，本集團收購的可識別資產淨值包括無形資產(即中國康輝的商標及分銷網絡)。該等無形資產具有無限使用年期，整體被分配予中國康輝業務，識別為單一現金產生單位(即中國康輝之現金產生單位)。該等無形資產之賬面值於二零一七年十二月三十一日達831,832,000港元。本集團管理層於二零一七年十二月三十一日對中國康輝之現金產生單位進行減值評估。中國康輝之現金產生單位的可收回款項按使用價值計算法釐定。該計算方法使用了五年期現流量預測，該預測基於中國康輝管理層編製的財務預算及戰略預測以反映中國康輝未來表現之最佳估計，包括預測收入、銷售成本及其他經營開支。超過五年期的現金流量採用估計長期增長率4%進行推算，此乃符合中國旅遊行業的長期增長率的市場共識。現金流量採用折現率18.31%進行折現。所使用的折現率為除稅前，並反映與中國康輝現金產生單位有關的特定風險。根據使用價值計算的結果，本集團管理層認為，毋須對中國康輝之現金產生單位及無形資產計提減值虧損撥備。

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15 Intangible assets 15 無形資產

		Securities licenses 證券牌照 $'000 千元
Cost:	**成本：**	
At 1 January 2016	於二零一六年一月一日	–
Addition through acquisition of subsidiaries	透過收購一間附屬公司添置	9,011
At 31 December 2016	於二零一六年十二月三十一日	9,011
At 1 January 2017	於二零一七年一月一日	9,011
Addition through acquisition of a subsidiary (Note 27)	透過收購一間附屬公司添置(附註27)	7,377
At 31 December 2017	於二零一七年十二月三十一日	16,388
Accumulated impairment losses:	**累計減值虧損：**	
At 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年十二月三十一日、二零一七年一月一日及二零一七年十二月三十一日	–
Carrying amount:	**賬面值：**	
At 31 December 2017	於二零一七年十二月三十一日	16,388
At 31 December 2016	於二零一六年十二月三十一日	9,011

The intangible assets represent the licences to carry out Type 4 (Advising on securities), Type 6 (Advising on corporate finance) and Type 9 (Asset management) activities under the Securities and Futures Ordinance (the "**SFO**") (Chapter 571 of the Laws of Hong Kong). Management assessed that the economic useful lives of the licenses to be indefinite.

無形資產指從事香港法例第571章證券及期貨條例(「**證券及期貨條例**」)項下第4類(就證券提供意見)、第6類(就企業融資提供意見)及第9類(資產管理)活動的牌照。管理層確定，有關牌照的經濟使用年期為無確定限期。

16 Inventories

(a) Inventories in the consolidated statement of financial position comprise:

16 存貨

(a) 綜合財務狀況表內之存貨包括：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Raw materials	原材料	836	1,441
Work in progress	在製品	100	61
Finished goods	製成品	12,383	14,508
Land held for future development	持作未來發展之土地	50,472	–
		63,791	16,010

At 31 December 2017, the Group's inventories with an aggregate carrying amount of $8,396,000 (2016: $6,679,000) were pledged as security for a third-party guarantee against the Group's bank loans. Further details are set out in Note 23 of the consolidated financial statements.

於二零一七年十二月三十一日，本集團賬面值總額8,396,000港元(二零一六年：6,679,000港元)之存貨已抵押用作第三方擔保人就本集團獲授銀行貸款之擔保。進一步詳情載於本綜合財務報表附註23。

The amount of land held for future development expected to be recovered after more than one year is $50,472,000 (2016: $Nil). All of the other inventories are expected to be recovered within one year.

預期於超過一年後收回之持作未來發展土地之金額為50,472,000港元(二零一六年：無)。所有其他存貨預期於一年內收回。

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

(b) 確認為開支並載入損益之存貨金額分析如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Carrying amount of inventories sold	已售存貨之賬面值	238,755	82,150
Write down of inventories	存貨撇銷	980	–
		239,735	82,150

(c) The analysis of carrying value of land held for property development is as follows:

(c) 持作房地產開發之土地之賬面值之分析如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
In New Zealand - 50 years or more (long leases)	於紐西蘭 － 50年或以上(長期租賃)	50,472	–

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17 Trade receivables 17 應收貿易賬款

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Trade receivables	應收貿易賬款	28,192	26,632
Less: allowance for doubtful debts (Note 17(b))	減：呆賬撥備 (附註17(b))	(33)	(828)
		28,159	25,804

All of the trade receivables are expected to be received within one year.

預計所有應收貿易賬款將於一年內收回。

(a) Ageing analysis (a) 賬齡分析

As at the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of allowance for doubtful debts, is as follows:

截至本報告期末，應收貿易賬款在扣除呆賬撥備後根據發票日期的賬齡分析如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Within 90 days	九十日內	25,768	24,585
91 to 180 days	九十一日至一百八十日	2,272	1,173
181 to 365 days	一百八十一日至三百六十五日	119	46
		28,159	25,804

Trade receivables are due within 14 to 90 days (2016: 14 to 90 days) from the date of billing. Further details on the Group's credit policy are set out in Note 32(a).

自發票日期起，應收貿易賬款於14至90日(二零一六年：14至90日)內到期。本集團信貸政策之進一步詳情載於附註32(a)。

17 Trade receivables *(continued)*

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see Note 2(j)).

The movements in the allowance for doubtful debts during the year are as follows:

17 應收貿易賬款 *(續)*

(b) 應收貿易賬款減值

應收貿易賬款的減值虧損乃使用撥備賬記賬，除非本集團信納收回該款項的可能性極低，於該情況下，減值虧損直接從應收貿易賬款撇銷(見附註2(j))。

年內呆賬撥備之變動如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
At 1 January	於一月一日	828	–
(Reversal of impairment loss)/impairment loss recognised	(減值虧損撥回)／已確認減值虧損	(795)	828
At 31 December	於十二月三十一日	33	828

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

並未被單獨或共同視為減值的應收貿易賬款的賬齡分析如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Neither past due nor impaired	未逾期亦未減值	25,768	10,653
Less than 90 days past due	逾期少於九十日	2,181	14,779
90 to 365 days past due	逾期九十日至三百六十五日	210	31
		28,159	25,463

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17 Trade receivables *(continued)*

(b) Impairment of trade receivables *(continued)*

All of the trade receivables relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

17 應收貿易賬款 *(續)*

(b) 應收貿易賬款減值 *(續)*

全部應收貿易賬款乃與在本集團有良好往績記錄的若干獨立客戶有關。根據過往經驗，管理層認為毋須就有關結餘作出減值撥備，原因是信貸質素並無重大轉變而結餘仍被認為可以全數收回。

18 Prepayments, deposits and other receivables

18 預付款項、按金及其他應收款

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Prepayments for acquisition and establishment of subsidiaries	收購及成立附屬公司之預付款項	11,675	11,849
Prepayments for other operating expenses	其他經營開支之預付款項	1,927	4,769
Interest receivable	應收利息	418	1,340
Other deposits and receivables	其他按金及應收賬款	1,229	1,343
		15,249	19,301

All of the prepayments, deposits and other receivables are expected to be recoverable or recognised as expense within one year.

所有預付款項、按金及其他應收款項預期可於一年內收回或確認為開支。

As at 31 December 2017, $599,700 (2016: $501,000) of the Group's other receivables were pledged as security for a third-party guarantee against the Group's bank loans. Further details are set out in Note 23 of the consolidated financial statements.

於二零一七年十二月三十一日，本集團金額為599,700港元(二零一六年：501,000港元)的其他應收款用作第三方擔保人就本集團銀行貸款獲授的擔保。進一步詳情載於本綜合財務報表附註23。

19 Restricted bank deposits 19 受限制銀行存款

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Guaranteed deposits for a letter of credit (Note (i))	有關信用證的有擔保存款 (附註(i))	33,248	33,393
Restricted deposit for future distributions to perpetual convertible securities holders (Note (ii))	向永久可換股證券持有人作出之未來分派之受限制存款 (附註(ii))	10,200	–
		43,448	33,393

Notes:

(i) The Group obtained a letter of credit from a bank and placed a deposit of RMB27,718,000 (equivalent to approximately $33,248,000) as security (2016: RMB30,000,000, equivalent to approximately $33,393,000). The letter of credit was pledged as security for China Comfort's bank loan. The letter of credit will expire in November 2018.

(ii) For the perpetual convertible securities issued on 30 March 2016 (Note 26), the Group undertook to the holders that it would deposit an amount equivalent to 6% of the outstanding principal amount of the perpetual convertible securities at a designated bank account to serve as guaranteed deposit.

附註：

(i) 本集團已獲取來自銀行的信用證並存入存款人民幣27,718,000元(相當於約33,248,000港元)作為抵押(二零一六年：人民幣30,000,000元，相當於約33,393,000港元)。信用證已抵押作為中國康輝銀行貸款的擔保。信用證將於二零一八年十一月到期。

(ii) 就二零一六年三月三十日已發行永久可換股證券而言(附註26)，本集團向持有人承諾，其將於指定銀行賬戶存放一筆與永久可換股證券之尚未償還本金額6%等額之款項，作為有擔保存款。

20 Cash and cash equivalents and other cash flow information 20 現金及現金等值項目以及現金流資料

(a) Cash and cash equivalents in the consolidated statement of financial position comprise: (a) 綜合財務狀況表內的現金及現金等值項目包括：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Cash at bank and on hand	銀行及手頭現金	35,632	39,539
Time deposits with original maturity of less than 3 months	原到期日少於三個月之定期存款	322,064	295,088
		357,696	334,627

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

人民幣不可自由兑換成其他貨幣，但依據《中國外匯管理條例及結匯、售匯及付匯管理規定》，准許本集團透過獲授權進行外匯業務之銀行將人民幣兑換為其他貨幣。

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20 Cash and cash equivalents and other cash flow information *(continued)*
20 現金及現金等值項目以及現金流資料 *(續)*

(b) Reconciliation of liabilities arising from financing activities
(b) 融資活動產生之負債之對賬

		Bank and other borrowings 銀行及其他借款 $'000 千元 (Note 23) (附註23)	Interest payable 應付利息 $'000 千元	Distributions payable 應付分派 $'000 千元 (Note 22) (附註22)	Total 總計 $'000 千元
At 1 January 2017	於二零一七年一月一日	9,617	72	15,892	25,581
Changes from financing cash flows:	融資現金流量變動：				
Proceeds from bank and other borrowings	銀行及其他借款所得款項	9,236	–	–	9,236
Repayment of bank and other borrowings	償還銀行及其他借款	(10,652)	–	–	(10,652)
Interest paid	已付利息	–	(631)	–	(631)
Distributions paid to holders of perpetual convertible securities	永久可換股證券持有人分派	–	–	(20,992)	(20,992)
Total changes from financing cash flows	融資現金流量變動總額	(1,416)	(631)	(20,992)	(23,039)
Exchange adjustments	匯兑調整	747	–	–	747
Other changes:	其他變動：				
Distributions declared	已宣告分派	–	–	5,100	5,100
Interest on bank and other borrowings (Note 6(a))	銀行及其他借款利息 (附註6(a))	–	624	–	624
At 31 December 2017	於二零一七年十二月三十一日	8,948	65	–	9,013

21 Trade payables

As at the end of reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

21 應付貿易賬款

截至本報告期末，應付貿易賬款根據發票日期作出之賬齡分析如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Within 90 days	九十日內	33,225	28,638
91 to 180 days	九十一日至一百八十日	48	42
181 to 365 days	一百八十一日至三百六十五日	28	86
Over 365 days	超過三百六十五日	90	73
		33,391	28,839

Included in trade payables are payables of $29,414,000 (2016: $25,415,000) due to a non-controlling equity shareholder of a subsidiary which are repayable within 40 days from the date of billing.

應付貿易賬款中包括應付一間附屬公司非控股權益股東之應付款項29,414,000港元(二零一六年：25,415,000港元)，須自發票日期起於四十日內償還。

All of the trade payables are expected to be settled within one year or are repayable on demand.

預計所有應付貿易賬款將於一年內清償或於要求時償還。

22 Other payables and accruals

22 其他應付款及應計費用

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Amounts due to related parties	應付關聯方款項	1,189	1,693
Payables to air tickets customers	應付機票客戶款項	6,185	5,738
Accrued legal and professional fee	應計法律及專業費用	6,809	7,923
Other accruals and payables	其他應計費用及應付款	8,472	9,636
Distributions payable	應付分派	–	15,892
		22,655	40,882

The amounts due to related parties are unsecured, non-interest-bearing and are repayable on demand. All of the other payables and accruals are expected to be settled or recognised as income within one year or are repayable on demand.

應付關聯方款項為無抵押、免息及須於要求時償還。預計所有其他應付款及應計費用於一年內清償或確認為收入或按要求償還。

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23 Short-term borrowings

The analysis of the Group's short-term borrowings is as follows:

23 短期借款

本集團短期借款分析如下：

		Notes 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Bank loans	銀行貸款	(i)	4,798	5,565
Other borrowings	其他借款	(ii)	4,150	4,052
			8,948	9,617

Notes:

(i) The bank loans bear interest at a rate of 4.35% (2016: rates ranged from 4.5% to 6.0%) per annum. The Group's bank loans with an aggregate carrying amount of $4,798,000 (2016: $4,452,000) are guaranteed by Nanjing Minxing Credit Guarantee Co., Ltd. ("**Nanjing Minxing**"), a third party. Such guarantees are further secured by the Group's inventories and other receivables with carrying amount of $8,396,000 and $599,700 as at 31 December 2017, respectively (2016: $6,679,000 and $501,000, respectively).

(ii) Other borrowings are unsecured, bear interest at 6.5% per annum (2016: 6.5% per annum) and are repayable on demand.

All of the short-term borrowings at 31 December 2017 and 2016 are denominated in RMB.

附註：

(i) 銀行貸款按4.35%(二零一六年：利率介乎4.5%至6.0%之間)之年利率計息。本集團總賬面值4,798,000港元(二零一六年：4,452,000港元)之若干銀行貸款由第三方南京民興信用擔保有限責任公司(「南京民興」)擔保。於二零一七年十二月三十一日，該等擔保由本集團賬面值分別為8,396,000港元及599,700港元(二零一六年：分別為6,679,000港元及501,000港元)之存貨及其他應收款項作進一步擔保。

(ii) 其他借款為無抵押，按6.5%(二零一六年：年利率6.5%)之年利率計息及須於要求時償還。

於二零一七年及二零一六年十二月三十一日，所有短期借款均以人民幣計值。

24 Income tax in the consolidated statement of financial position

(a) Deferred tax liabilities recognised

The movements of deferred taxation during the year are as follows:

24 綜合財務狀況表內所得稅

(a) 已確認之遞延稅項負債

年內遞延稅項變動如下：

		Fair value adjustment on intangible assets 無形資產公平值調整 $'000 千元
At 1 January 2016	於二零一六年一月一日	–
Addition through acquisition of subsidiaries	透過收購一間附屬公司添置	(1,487)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	(1,487)
Addition through acquisition of a subsidiary (Note 27)	透過收購一間附屬公司添置(附註27)	(1,217)
At 31 December 2017	於二零一七年十二月三十一日	(2,704)

(b) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(p), the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately $19,603,000 (2016: $9,738,000), $25,535,000 (2016: $20,502,000) and $200,000 (2016: $Nil) related to the Group's subsidiaries in Hong Kong, Mainland China and New Zealand, respectively.

(b) 未確認之遞延稅項資產

根據附註2(p)所載的會計政策，本集團並未就與本集團於香港、中國大陸及紐西蘭的附屬公司有關之累計稅務虧損分別約19,603,000港元(二零一六年：9,738,000港元)、25,535,000港元(二零一六年：20,502,000港元)及200,000港元(二零一六年：無)確認遞延稅項資產。

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25 Capital, reserves and distributions

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

25 股本、儲備及分派

(a) 權益部分變動

本集團各綜合權益組成項目的期初與期末結餘對賬載於綜合權益變動表。本公司權益之個別組成項目於年初與年終之變動詳情如下：

		Notes 附註	Share capital 股本 $'000 千元 Note 25(b) 附註25(b)	Share premium 股份溢價 $'000 千元 Note 25(c) 附註25(c)	Perpetual convertible securities 永久可換股證券 $'000 千元 Note 26 附註26	Accumulated losses 累計虧損 $'000 千元	Total 總額 $'000 千元
Balance at 1 January 2016	於二零一六年一月一日結餘		54,897	295,359	–	(76,395)	273,861
Changes in equity for 2016:	二零一六年股本權益變動：						
Loss and total comprehensive income for the year	本年度虧損及全面收益總額		–	–	–	(189,017)	(189,017)
Issuance of new shares upon exercise of warrants	於行使認股權證後發行新股份		3,921	149,009	–	–	152,930
Issuance of new shares under open offer	根據公開發售發行新股份		1,417	34,864	–	–	36,281
Issuance of perpetual convertible securities	發行永久可換股證券		–	–	396,556	–	396,556
Balance at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日之結餘		60,235	479,232	396,556	(265,412)	670,611
Changes in equity for 2017:	二零一七年股本權益變動：						
Loss and total comprehensive income for the year	本年度虧損及全面收益總額		–	–	–	(22,829)	(22,829)
Distributions to holders of perpetual convertible securities	永久可換股證券持有人分派	26	–	–	–	(5,100)	(5,100)
Issuance of new shares upon exercise of warrants	於行使認股權證後發行新股份	25(b)(i)	3,503	131,704	–	–	135,207
Issuance of new shares upon conversion of perpetual convertible securities	於永久可換股證券轉換後發行新股份	25(b)(ii)	7	147	(154)	–	–
Balance at 31 December 2017	於二零一七年十二月三十一日結餘		63,745	611,083	396,402	(293,341)	777,889

25 Capital, reserves and distributions *(continued)*

25 股本、儲備及分派 *(續)*

(b) Share capital

(b) 股本

		2017 二零一七年		2016 二零一六年	
		Number of ordinary shares 普通股數目 '000 千股	$'000 千元	Number of ordinary shares 普通股數目 '000 千股	$'000 千元
Authorised:	**法定：**				
Ordinary share at $0.005 each	每股面值為0.005港元之普通股	20,000,000	100,000	20,000,000	100,000
Issued and fully paid:	**已發行及繳足：**				
At 1 January	於一月一日	12,047,043	60,235	10,979,337	54,897
Issuance of new shares upon exercise of warrants (Note (i))	因行使認股權證而發行新股份(附註(i))	700,552	3,503	784,260	3,921
Issuance of new shares under open offer (Note (ii))	根據公開發售發行新股份(附註(ii))	–	–	283,446	1,417
Issuance of new shares upon conversion of perpetual convertible securities (Note (iii))	於永久可換股證券獲兑換後發行新股份(附註(iii))	1,330	7	–	–
At 31 December	於十二月三十一日	12,748,925	63,745	12,047,043	60,235

Notes:

(i) In 2016, the Company made a bonus issue of warrants to the shareholders of the Company on the basis of one warrant for every seven existing ordinary shares of the Company. Accordingly, 1,568,476,768 units of warrants were issued on 4 May 2016.

Each warrant entitles the holder to subscribe in cash for one new ordinary share at an initial subscription price of $0.195 or $0.193 after 24 October 2016 after adjusting for the effect of the open offer mentioned in Note 25(b)(ii). The warrants are exercisable at any time during the period of twelve months commencing from 4 May 2016 and ending on 3 May 2017 (both dates inclusive). Details of the warrants are disclosed in the Company's circular dated 26 April 2016.

附註：

(i) 於二零一六年，本公司向本公司股東發行紅利認股權證，基準為每持有本公司七股現有普通股獲發一份認股權證。因此，於二零一六年五月四日，已發行1,568,476,768份認股權證。

每份認股權證賦予其持有人權利以現金按初步認購價每股0.195港元或每股0.193港元(自二零一六年十月二十四日後調整附註25(b)(ii)所述公開發售之影響之後)認購一股新普通股。認股權證可於二零一六年五月四日起至二零一七年五月三日(包括首尾兩日)止十二個月期間隨時行使。有關認股權證之詳情於本公司日期為二零一六年四月二十六日之通函內披露。

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25 Capital, reserves and distributions *(continued)*

(b) Share capital *(continued)*

Notes: *(continued)*

During the year, 700,552,419 units (2016: 784,259,285 units) of warrants had been exercised by the holders and accordingly, 700,552,419 ordinary shares were issued and allotted by the Company to the holders of the warrants. The consideration of $135,207,000 from the exercise of warrants were credited to share capital and share premium account at the amounts of $3,503,000 and $131,704,000, respectively. The remaining 83,665,064 units of warrants had expired upon maturity.

(ii) In September 2016, the Company conducted an open offer of ordinary share with an alternative of perpetual convertible security on the basis of one ordinary share or one unit of perpetual convertible security for every five ordinary shares held by the eligible shareholders (the "**Open Offer**") at a subscription price of $0.128 for each ordinary share or each unit of perpetual convertible security. Details of the Open Offer are set out in the Company's prospectus dated 29 September 2016. As a result of the Open Offer, 283,446,432 ordinary shares and 2,069,272,901 units of perpetual convertible securities were issued by the Company.

(iii) During the year, 1,330,000 units of the 2016 October PCS (as defined in Note 26) have been converted into 1,330,000 ordinary shares of the Company. The amount of $154,000 from the above conversion were credited to share capital and share premium account at the amounts of $7,000 and $147,000, respectively.

25 股本、儲備及分派 *(續)*

(b) 股本 *(續)*

附註：*(續)*

於本年度，持有人已行使700,552,419份(二零一六年：784,259,285份)認股權證，因此，本公司已向認股權證持有人發行及配發700,552,419股普通股。行使認股權證的代價135,207,000港元中，3,503,000港元及131,704,000港元已分別計入股本及股份溢價賬。餘下83,665,064份認股權證已到期。

(ii) 於二零一六年九月，本公司以合資格股東每持有五股普通股獲配發一股普通股或一份永久可換股證券的基準公開發售普通股或另行選擇永久可換股證券(「**公開發售**」)，認購價為每股普通股或每份永久可換股證券0.128港元。公開發售詳情載於本公司日期為二零一六年九月二十九日的招股章程。於公開發售完成後，283,446,432股普通股及2,069,272,901份永久可換股證券已由本公司發行。

(iii) 於本年度，1,330,000份二零一六年十月永久可換股證券(定義見附註26)已轉換為本公司1,330,000股普通股。上述轉換中產生之金額154,000港元已分別按金額7,000港元及147,000港元計入股本及股份溢價賬。

25 Capital, reserves and distributions *(continued)*

(c) Share premium

Share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company. Under the Companies Law of the Cayman Islands, the share premium account of the Company is distributable to the equity shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

(d) PRC statutory reserves

In accordance with the articles of association of the PRC subsidiaries of the Group, the PRC subsidiaries are required to set up certain statutory reserves, which are non-distributable. The transfers of these reserves are at discretion of the directors of the respective PRC subsidiaries. The statutory reserves can only be utilised for predetermined means upon approval by the relevant authority.

(e) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

25 股本、儲備及分派 *(續)*

(c) 股份溢價

股份溢價指本公司之股份面值與發行本公司股份所收取所得款項之間的差額。根據開曼群島公司法，本公司之股份溢價賬可供分派予本公司的權益股東，惟緊隨建議分派股息日期後，本公司須能夠償付一般業務過程中其到期應付的債務。

(d) 中國法定儲備

根據本集團中國附屬公司之組織章程細則，中國附屬公司須設立若干不可分派之法定儲備。中國各附屬公司董事可酌情轉撥該等儲備。法定儲備僅可在有關當局批准之情況下用於預定用途。

(e) 匯兑儲備

匯兑儲備包括所有由換算海外業務財務報表產生之外匯差額。

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25 Capital, reserves and distributions *(continued)*

(f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital for the years ended 31 December 2017 and 2016.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes borrowings less cash and cash equivalents. The gearing ratios as at the end of the reporting period were as follows:

25 股本、儲備及分派 *(續)*

(f) 資本管理

本集團資本管理之主要目標是為了確保本集團之持續營運能力及維持健康之資本比率，以支持其業務及盡量提高股東價值。

本集團會管理資本結構，並會根據經濟狀況之變動及其資產風險特性而對其作出調整。本集團可以通過調整向股東作出的股息付款、向股東發還資本或發行新股以保持或調整資本結構。於截至二零一七年及二零一六年十二月三十一日止年度，有關資本管理之目標、政策或步驟並無改變。

本集團採用資本負債比率監管資本，資本負債比率為債務淨額除以股本權益總值與債務淨額之和。債務淨額按借款減現金及現金等值項目計算。報告期末之資本負債比率如下：

		Notes 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Borrowings	借款	23	8,948	9,617
Less: cash and cash equivalents	減：現金及現金等值項目	20	(357,696)	(334,627)
Net debt	**債務淨額**		(348,748)	(325,010)
Total equity	股本權益總值		858,324	742,353
Total equity plus net debt	**股本權益總值加債務淨額**		509,576	417,343
Gearing ratio	**資本負債比率**		N/A 不適用	N/A 不適用

26 Perpetual convertible securities

On 30 March 2016, the Company issued perpetual convertible securities in an aggregate principal amount of $170,000,000 (the "**2016 March PCS**"). The net proceeds of $155,668,000 were recorded as equity.

On 24 October 2016, the Company issued perpetual convertible securities in an aggregate principal amount of $264,867,000 (the "**2016 October PCS**", together with the 2016 March PCS, the "**PCS**") under the Open Offer (Note 25(b)(iii)). Out of the net proceeds of $256,780,000, $15,892,000 were recorded as a payable for the guaranteed distributions according to the terms of the 2016 October PCS (Note 22) and the remaining amount of $240,888,000 were recorded as equity.

The PCS has no fixed maturity date. The Company may at its option redeem in whole or in part of the PCS. The PCS are convertible at the option of the holders into ordinary shares of the Company on a one-to-one ratio at the conversion price of $0.5436 and $0.128 per ordinary share of the Company for the 2016 March PCS and the 2016 October PCS, respectively.

Distributions at a rate of 6% per annum shall be payable on the PCS semi-annually and may be deferred at the sole discretion of the Company unless compulsory distribution payment events (including a discretionary dividend to ordinary shareholders of the Company or repaying any securities of lower rank or early redemption of securities prior to its stated maturity) has occurred.

During the year, 1,330,000 units of the 2016 October PCS have been converted into ordinary shares in the Company (Note 25(b)(iii)). At 31 December 2017, there are 2,067,942,901 units of the perpetual convertible securities.

During the year, the Company has paid distributions of $5,100,000 to holders of the 2016 March PCS.

26 永久可換股證券

於二零一六年三月三十日，本公司發行本金總額為170,000,000港元的永久可換股證券(「二零一六年三月永久可換股證券」)。所得款項淨額155,668,000港元乃作為股權入賬。

於二零一六年十月二十四日，本公司根據公開發售(附註25(b)(iii))發行本金總額為264,867,000港元的永久可換股證券(「二零一六年十月永久可換股證券」，連同二零一六年三月永久可換股證券統稱為「永久可換股證券」)。在所得款項淨額256,780,000港元中，15,892,000港元乃根據二零一六年十月永久可換股證券(附註22)條款作為保證分派應付款項入賬，及餘下240,888,000港元則作為股權入賬。

永久可換股證券並無固定到期日。本公司可選擇贖回全部或部分永久可換股證券。永久可換股證券持有人可選擇按一比一的比率以換股價每股二零一六年三月永久可換股證券0.5436港元及每股二零一六年十月永久可換股證券0.128港元將永久可換股證券轉換為本公司普通股。

永久可換股證券按每年6%的分派率每半年支付一次分派，而本公司可全權酌情選擇延遲支付分派，惟發生強制性分派付款事件(包括於其所述到期日前向本公司普通股股東分派酌情股息或償還任何次等證券或提早贖回證券)則除外。

年內，1,330,000份二零一六年十月永久可換股證券已兑換為本公司之普通股(附註25(b)(iii))。於二零一七年十二月三十一日，共有2,067,942,901份永久可換股證券。

年內，本公司已向二零一六年三月永久可換股證券持有人支付5,100,000港元之分派。

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27 Acquisition of a subsidiary

On 24 October 2016, the Group entered into a share purchase agreement with a vendor to acquire 100% equity interests in Azure Capital at a cash consideration of $6,424,000. Azure Capital owned the license to carry out Type 6 (Advising on corporate finance) activities under the SFO. The acquisition was completed on 24 January 2017.

For the period from the date of acquisition to 31 December 2017, Azure Capital contributed revenue of $302,000 and loss of $597,000 to the Group's results. Had the acquisition occurred on 1 January 2017, the management estimates the Group's consolidated revenue and loss for the year would have been $264,570,000 and $56,031,000, respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017.

27 收購一間附屬公司

於二零一六年十月二十四日，本集團與一名賣家訂立股份購買協議，以收購瀛信財務的全部股本權益，現金代價為6,424,000港元。瀛信財務持有牌照從事證券及期貨條例項下第6類(就企業融資提供意見)活動。收購事項已於二零一七年一月二十四日完成。

於收購日期起至二零一七年十二月三十一日止期間，瀛信財務為本集團業績貢獻收入302,000港元及帶來虧損597,000港元。倘收購事項已於二零一七年一月一日發生，管理層估計年內本集團綜合收入及虧損分別為264,570,000港元及56,031,000港元。於釐定該等金額時，管理層已假設於收購日期產生的公平值調整與倘收購事項已於二零一七年一月一日發生之調整相同。

27 Acquisition of a subsidiary *(continued)*

Identifiable assets acquired and liabilities assumed

The identifiable assets acquired and liabilities assumed in the above acquisition at the acquisition date were as follows:

27 收購一間附屬公司 *(續)*

收購的可識別資產及承擔的負債

於收購日期，在上述收購事項中收購的可識別資產及承擔的負債如下：

		Pre-acquisition carrying amounts 收購前賬面值 $'000 千元	Fair value adjustments 公平值調整 $'000 千元	Recognised values on acquisition 就收購事項確認的價值 $'000 千元
Property, plant and equipment (Note 12)	物業、廠房及設備(附註12)	13	–	13
Intangible assets (Note 15)	無形資產(附註15)	–	7,377	7,377
Trade and other receivables	貿易及其他應收款項	50	–	50
Cash and cash equivalents	現金及現金等值項目	286	–	286
Trade and other payables	貿易及其他應付款項	(85)	–	(85)
Deferred tax liabilities (Note 24(a))	遞延稅項負債(附註24(a))	–	(1,217)	(1,217)
Total identifiable net assets and consideration satisfied in cash	可識別資產淨值及已償付現金代價總額	264	6,160	6,424
Less: cash and cash equivalents acquired	減：收購的現金及現金等值項目			(286)
Net cash outflow	現金流出淨額			6,138

The intangible assets represent Azure Capital's license to carry out Type 6 activities under the SFO. The fair value of the intangible assets of $7,377,000 at the acquisition date, was with reference to valuations carried out by a qualified valuer. Management assessed that the economic useful lives of the license to be indefinite.

無形資產指瀛信財務可從事證券及期貨條例項下第6類活動的牌照。於收購日期，無形資產公平值7,377,000港元經參考合資格估值師的估值而釐定。管理層確定，有關牌照的經濟使用年期為無確定限期。

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28 Commitments

At 31 December 2017, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

28 承擔

於二零一七年十二月三十一日，根據不可註銷經營租約應付之未來最低租金總額如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Within one year	一年內	5,377	5,946
In second to fifth year, inclusive	二至五年內(包括首尾兩年)	6,886	4,387
After five years	五年以上	900	–
		13,163	10,333

The Group leases certain of its retail stores and office properties under operating lease arrangements. Leases for these retail stores are negotiated for terms ranging from one to eight years (2016: one to eight years), and those for office properties are for terms ranging from one to two years (2016: one to two years). None of the leases includes contingent rentals.

本集團根據經營租約安排租用若干零售店舖及寫字樓物業。該等零售店舖租約為期介乎一至八年不等(二零一六年：一至八年)，而寫字樓物業租約為期介乎一至二年不等(二零一六年：一至二年)。概無租約包含或然租金。

29 Contingent Liabilities

At 31 December 2017, the Group had contingent liabilities in respect of a letter of credit secured for bank borrowings of an associate in an amount of $33,248,000 (2016: $33,393,000). The letter of credit will expire in November 2018.

29 或然負債

於二零一七年十二月三十一日，本集團就聯營公司之銀行借款所提供信用證作擔保的或然負債額為33,248,000港元(二零一六年：33,393,000港元)。信用證將於二零一八年十一月到期。

30 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

30 重大關聯方交易

(a) 主要管理人員薪酬

本集團主要管理人員之薪酬，包括支付予附註8所披露之本公司董事及附註9所披露若干最高薪僱員之金額如下：

		2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Short-term employee benefits	短期僱員福利	8,651	7,834
Post-employment benefits	離職後福利	77	72
		8,728	7,906

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30 Material related party transactions *(continued)*

30 重大關聯方交易 *(續)*

(b) Other related party transactions

(b) 其他關聯方交易

The Group had the following material transactions with related parties during the year:

本集團於本年度內與關聯方有下列重大交易：

		Notes 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
Transactions with companies controlled by the ultimate controlling shareholder of the Company:	*與本公司最終控股股東控制的公司進行的交易：*			
Repayment of borrowings to related parties	償還關聯方的借款	(i)	–	466,110
(Decrease)/increase in advances from related parties	關聯方墊款（減少）/ 增加	(i)	(679)	1,127
Transactions with non-controlling shareholders of subsidiaries:	*與附屬公司非控股股東進行的交易：*			
Purchase of air tickets	購買機票	(ii)	219,315	59,261
Agency fee paid for air tickets and travel related services provided	就機票及所提供旅遊相關服務支付之代理費	(ii)	–	3,198
Management service fee	管理服務費	(ii)	1,200	1,200
Net proceeds from air tickets and travel related services sold	銷售機票及旅遊相關服務所得款項淨額	(i)	136	207

Notes:

(i) These related party transactions constitute exempted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(ii) These related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

附註：

(i) 此等關聯方交易構成上市規則第14A章所定義的獲豁免關連交易或持續關連交易。

(ii) 此等關聯方交易構成上市規則第14A章所定義的關連交易或持續關連交易。

31 Company-level statement of financial position 31 公司層面的財務狀況表

		Notes 附註	2017 二零一七年 $'000 千元	2016 二零一六年 $'000 千元
NON-CURRENT ASSETS	**非流動資產**			
Property, plant and equipment	物業、廠房及設備		830	1,080
Investments in subsidiaries	於附屬公司之投資	13	–	–
			830	1,080
CURRENT ASSETS	**流動資產**			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款		9,444	3,436
Amounts due from subsidiaries	應收附屬公司款項		807,163	662,385
Restricted bank deposits	受限制銀行存款		10,200	–
Cash and cash equivalents	現金及現金等值項目		29,143	98,705
			855,950	764,526
CURRENT LIABILITIES	**流動負債**			
Other payables and accruals	其他應付款及應計費用		10,188	26,134
Amounts due to subsidiaries	應付附屬公司款項		68,605	68,459
Amounts due to related companies	應付關連公司款項		98	402
			78,891	94,995
NET CURRENT ASSETS	**流動資產淨值**		777,059	669,531
NET ASSETS	**資產淨值**		777,889	670,611
CAPITAL AND RESERVES	**股本及儲備**	25		
Share capital	股本	25(b)	63,745	60,235
Perpetual convertible securities	永久可換股證券	26	396,402	396,556
Reserves	儲備		317,742	213,820
TOTAL EQUITY	**股本權益總值**		777,889	670,611

Approved and authorised for issue by the board of directors on 29 March 2018.

於二零一八年三月二十九日獲董事會核准及授權刊發。

Shi Baodong
石保棟
Chairman
主席

Zhao Huining
趙會寧
Director
董事

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32 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to impairment loss is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The Group's concentration of credit risk is mainly in Hong Kong and Mainland China by geographical location. The Group's credit risk exposure is spread over a number of counterparties and customers. Hence, it has no significant concentration of credit risk by a single debtor.

As disclosed in Note 19, the Group provided a letter of credit to secure for China Comfort's bank loan amounted to RMB27,718,000 (equivalent to approximately $33,248,000) (2016: RMB30,000,000, equivalent to approximately $33,393,000), which would expose the Group to credit risk. The maximum exposure to credit risk in respect of this guarantee at the end of the reporting period is disclosed in Note 29.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables is disclosed in Note 17 of the consolidated financial statements.

32 財務風險管理及金融工具之公平值

本集團在日常業務過程中產生信貸、流動資金、利率及外匯風險。

本集團所面臨之該等風險及本集團為管理該等風險而採用的財務風險管理政策及慣例載述於下文。

(a) 信貸風險

本集團僅與獲認同及信譽良好之第三方進行交易。按本集團之政策，所有欲按信貸條款進行交易之客戶，必須經過信貸核實程序。此外，本集團持續監察應收款項結餘，且本集團面對之減值虧損並不重大。

本集團的其他金融資產(包括現金及現金等值項目及其他應收款)之信貸風險來自交易對手違約，而有關風險所涉最高金額相等於該等工具之賬面值。

因地理位置原因，本集團的信貸風險主要集中在香港及中國大陸。本集團的信貸風險均分散於若干交易對手和顧客。因此，沒有重大集中信貸風險於單一債務人。

誠如附註19所披露，本集團就中國康輝的銀行貸款人民幣27,718,000元(相當於約33,248,000港元)(二零一六年：人民幣30,000,000元，相當於約33,393,000港元)提供信用擔保，從而令本集團承擔信用風險。於報告期末，該擔保相關的信用風險所涉最高金額乃於附註29披露。

有關本集團來自應收貿易賬款之信貸風險的進一步量化數據，已於本綜合財務報表附註17中披露。

32 Financial risk management and fair values of financial instruments *(continued)*

(b) Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. trade receivables) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other interest-bearing loans.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

32 財務風險管理及金融工具之公平值 *(續)*

(b) 流動性風險

本集團採用循環的流動資金計劃工具監控資金短缺的風險。該工具考慮其涉及金融工具與金融資產(如應收貿易賬款)之到期日以及來自營運業務之預期現金流量。本集團旨在透過動用銀行貸款及其他附息貸款，維持資金持續性及彈性之平衡。

根據已訂約未折現付款，本集團於報告期末的金融負債到期情況如下：

		2017	
		Contractual undiscounted cash outflow within 1 year or on demand	Carrying amount
		二零一七年	
		訂約未折現現金流出 一年內或按要求	賬面值
		$'000 千元	$'000 千元
Trade payables	應付貿易賬款	33,391	33,391
Financial liabilities included in other payables and accruals	計入其他應付款及應計費用之金融負債	22,655	22,655
Short-term borrowings	短期借款	9,052	8,948
		65,098	64,994

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32 Financial risk management and fair values of financial instruments *(continued)*

32 財務風險管理及金融工具之公平值 *(續)*

(b) Liquidity risk *(continued)*

(b) 流動性風險 *(續)*

		2016	
		Contractual undiscounted cash outflow within 1 year or on demand	Carrying amount
		二零一六年 訂約未折現現金流出 一年內或按要求	賬面值
		$'000 千元	$'000 千元
Trade payables	應付貿易賬款	28,839	28,839
Financial liabilities included in other payables and accruals	計入其他應付款及應計費用之金融負債	40,882	40,882
Short-term borrowings	短期借款	9,721	9,617
		79,442	79,338

(c) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. At 31 December 2017 and 2016, certain borrowings bear interest at floating interest rates.

If there would be a general increase in the interest rates of debts obligations with floating interest rates by fifty basis points (2016: fifty basis points), with all other variables held constant, the Group's loss after tax would be increased by approximately $16,000 (2016: $19,000) for the year ended 31 December 2017.

(c) 利率風險

本集團所面對的市場利率變動風險，主要與本集團的浮息債務責任有關。於二零一七年及二零一六年十二月三十一日，若干借款按浮動利率計息。

如浮息債務責任的利率普遍上升五十個基點(二零一六年：五十個基點)，在所有其他變量均保持不變的情況下，本集團於截至二零一七年十二月三十一日止年度的除稅後虧損將增加約16,000港元(二零一六年：19,000港元)。

32 Financial risk management and fair values of financial instruments *(continued)*

(d) Currency risk

The Group operates in Hong Kong, Mainland China and New Zealand and is exposed to currency risk primarily through cash and deposit balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relates. The Group has certain investments in Mainland China and New Zealand, whose net assets are exposed to translation risk.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of the reporting period.

32 財務風險管理及金融工具之公平值 *(續)*

(d) 貨幣風險

本集團於香港、中國大陸及紐西蘭經營業務並主要因產生外幣(交易相關之經營業務之功能貨幣以外的貨幣)計值之現金及存款結餘而面臨貨幣風險。本集團於中國大陸及紐西蘭的若干投資之淨資產面對換算風險。

下表詳列本集團於報告期末所面臨的因已確認資產或負債以相關實體功能貨幣以外的貨幣計值而引致的貨幣風險。就呈列目的而言，風險金額乃以港元列示，乃使用報告期末的即期匯率換算得出。

Exposure to foreign currencies (expressed in Hong Kong dollars)
外匯風險(以港元列示)

		2017 二零一七年			2016 二零一六年		
		RMB 人民幣 $'000 千元	United States dollars 美元 $'000 千元	New Zealand dollars 紐西蘭元 $'000 千元	RMB 人民幣 $'000 千元	United States dollars 美元 $'000 千元	Japanese Yen 日圓 $'000 千元
Cash and cash equivalents	現金及現金等值項目	16,603	8,945	20,806	3,344	8	–
Restricted bank deposits	受限制銀行存款	33,248	–	–	33,393	–	–
Trade payables	應付貿易賬款	(899)	(111)	–	(23)	(70)	(156)
Other payables and accruals	其他應付款及應計費用	(1,998)	(386)	(126)	(3,762)	–	–
Exposure arising from recognised assets and liabilities	已確認資產及負債引致的風險	46,954	8,448	20,680	32,952	(62)	(156)

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32 Financial risk management and fair values of financial instruments *(continued)*

(d) Currency risk *(continued)*

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB and New Zealand dollars ("**NZD**") exchange rate, with all other variables held constant, of the Group's loss after tax (due to changes in the fair value of monetary assets and liabilities). In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

32 財務風險管理及金融工具之公平值 *(續)*

(d) 貨幣風險 *(續)*

下表顯示在所有其他變量保持不變之情況下，本集團除税後虧損於報告期末對人民幣及紐西蘭元(「紐元」)匯率之合理可能波動的敏感度(由於貨幣資產及負債的公平值變動所致)。就此而言，假設港元與美元之間的挂鉤匯率不會受到美元兑其他貨幣之價值變動之影響。該分析未計入因將海外業務的財務報表換算為本集團的呈列貨幣所產生的差異。

		2017 二零一七年		
		Change in foreign currency rate 匯率變動	Decrease/ (increase) in loss after tax 除税後虧損減少／(增加) $'000 千元	Increase/ (decrease) in equity 股本權益增加／(減少) $'000 千元
If Hong Kong dollar weakens against RMB	如港元兑人民幣貶值	5%	2,348	2,348
If Hong Kong dollar strengthens against RMB	如港元兑人民幣升值	(5%)	(2,348)	(2,348)
If Hong Kong dollar weakens against NZD	如港元兑紐元貶值	5%	1,034	1,034
If Hong Kong dollar strengthens against NZD	如港元兑紐元升值	(5%)	(1,034)	(1,034)

32 Financial risk management and fair values of financial instruments *(continued)*

(d) Currency risk *(continued)*

32 財務風險管理及金融工具之公平值 *(續)*

(d) 貨幣風險 *(續)*

		2016 二零一六年		
		Change in foreign currency rate 匯率變動	Decrease/ (increase) in loss after tax 除税後虧損減少／(增加) $'000 千元	Increase/ (decrease) in equity 股本權益增加／(減少) $'000 千元
If Hong Kong dollar weakens against RMB	如港元兑人民幣貶值	5%	1,648	1,648
If Hong Kong dollar strengthens against RMB	如港元兑人民幣升值	(5%)	(1,648)	(1,648)

(e) Fair value measurement

Management has assessed that the fair value of cash and cash equivalents, restricted bank deposits, trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, and bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(e) 公平值計量

管理層估計現金及現金等值項目、受限制銀行存款、應收貿易賬款、計入預付款項、按金及其他應收款之金融資產、應付貿易賬款、計入其他應付款及應計費用之金融負債以及銀行及其他借款的公平值與其賬面值相若，主要是由於該等金融工具屬於短期性質。

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33 Non-adjusting events after the reporting period

(a) Acquisition of Great Ascent Limited

On 22 January 2018, the Company announced that the Group entered into an agreement to acquire 40% equity interests in Great Ascent Limited ("**Great Ascent**"), a company incorporated in Hong Kong with limited liability and owns an exclusive operation right in Hongshan Sports Park through its PRC subsidiary, at a cash consideration of approximately $100,525,000. At the date of this report, the acquisition has yet to be completed.

(b) Acquisition of Jiangsu Yiersan Real Estate Development Company Limited

On 22 January 2018, the Company announced that the Group entered into an agreement to acquire 40% equity interests in Jiangsu Yiersan Real Estate Development Company Limited ("**Yiersan**"), a company incorporated in the PRC with limited liability and primarily involved in real estate development and management, property services, real estate agencies, construction consulting services and sales of building materials, at a cash consideration of approximately $24,452,000. At the date of this report, the acquisition has yet to be completed.

(c) Distribution to holders of the 2016 October PCS and 2016 March PCS

On 20 March 2018, the Company announced a distribution of $7,940,900, calculated at the distribution rate of 6% per annum, to the holders of the 2016 October PCS. The distribution will be made on 24 April 2018.

On 28 March 2018, the Company made a distribution of $5,100,000, calculated at the distribution rate of 6% per annum, to the holders of the 2016 March PCS.

34 Immediate and ultimate controlling party

At 31 December 2017, the directors of the Company consider the immediate parent and ultimate controlling party of the Group to be Orient Victory Real Estate Group Holdings Limited, which is incorporated in the BVI, and Mr. Shi Baodong, respectively. Orient Victory Real Estate Group Holdings Limited does not produce financial statements available for public use.

33 報告期後的非調整事項

(a) 收購振浩有限公司

於二零一八年一月二十二日，本公司宣佈與本集團就收購振浩有限公司(「振浩」)(一間於香港註冊成立之有限公司及透過其中國附屬公司擁有紅山體育園之獨家經營權))40%之股權訂立協議，現金代價約為100,525,000港元。於本報告日期，該收購事項尚未完成。

(b) 收購江蘇一二三房地產開發有限公司

於二零一八年一月二十二日，本公司宣佈本集團就收購江蘇一二三房地產開發有限公司(「一二三」)(一間於中國註冊成立之有限公司，主要涉及房地產開發及管理、物業服務、房地產代理、建築顧問服務及銷售建築材料)40%之股權訂立協議，現金代價約為24,452,000港元。於本報告日期，該收購事項尚未完成。

(c) 向二零一六年十月永久可換股證券及二零一六年三月永久可換股證券持有人分派

於二零一八年三月二十日，本公司宣佈向二零一六年十月永久可換股證券持有人派發按年度派息率6%計算之分派7,940,900港元。有關分派將於二零一八年四月二十四日作出。

於二零一八年三月二十八日，本公司向二零一六年三月永久可換股證券持有人派發按年度派息率6%計算之分派5,100,000港元。

34 直接及最終控股方

於二零一七年十二月三十一日，本公司董事認為本集團的直接母公司及最終控股方分別為於英屬維爾京群島註冊成立的東勝置業集團控股有限公司及石保棟先生。東勝置業集團控股有限公司並無刊發可供公眾使用的財務報表。

35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

35 截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂本、新訂準則及詮釋的可能影響

截至本財務報表刊發之日，香港會計師公會已頒佈多項準則修訂本及新訂準則、詮釋，該等修訂本、新訂準則及詮釋於截至二零一七年十二月三十一日止年度尚未生效，亦未於本財務報表中採納。該等修訂本、新訂準則及詮釋包括下列可能與本集團有關者。

		Effective for accounting periods beginning on or after 於以下日期或之後開始之會計期間生效
HKFRS 9, *Financial instruments*	香港財務報告準則第9號，*金融工具*	1 January 2018 二零一八年一月一日
HKFRS 15, *Revenue from contracts with customers*	香港財務報告準則第15號，*來自客戶合約收益*	1 January 2018 二零一八年一月一日
HKFRS 16, *Leases*	香港財務報告準則第16號，*租賃*	1 January 2019 二零一九年一月一日

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35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 *(continued)*

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards. While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ending 30 June 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

35 截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂本、新訂準則及詮釋的可能影響 *(續)*

本集團正評估該等修訂本及新訂準則預期對初步應用之期間產生之影響。迄今為止，本集團已識別可能對綜合財務報表構成重大影響的新訂準則若干方面。有關預期影響的進一步詳情於下文論述。由於本集團尚未完成其評估，故本集團可於適當時候識別進一步影響，並將於決定於該等新規定生效日期前是否採納該等新規定及根據新訂準則有替代方法可用時採用何種過渡方法時考慮該等影響。儘管就香港財務報告準則第9號及香港財務報告準則第15號進行之評估絕大部分已完成，首次採納該等準則之實際影響或會有所不同，因為迄今已完成的評估乃基於本集團的目前可得資料進行，而於該等準則首次應用於本集團截至二零一八年六月三十日止六個月之中期財務報告前，可能會發現進一步影響。本集團亦可能會更改其會計政策選擇，包括過渡選擇，直至該等準則首次應用於該財務報告內。

35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 *(continued)*

HKFRS 9, Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, *Financial instruments: Recognition and measurement*. HKFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification and measurement of financial liabilities.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. Expected impacts of the new requirements on the Group's financial statements are as follows:

35 截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂本、新訂準則及詮釋的可能影響 *(續)*

香港財務報告準則第9號，金融工具

香港財務報告準則第9號將取代有關金融工具會計處理方法的現有準則香港會計準則第39號，*金融工具：確認及計量*。香港財務報告準則第9號引入金融資產分類及計量的新規定，包括金融資產減值的計量及對沖會計。另一方面，香港財務報告準則第9號納入且並無大幅變更香港會計準則第39號有關確認及終止確認金融工具及金融負債分類及計量的規定。

香港財務報告準則第9號按追溯基礎於二零一八年一月一日或之後開始的年度期間生效。本集團計劃使用重列比較資料的豁免及將針對二零一八年一月一日股本的期初結餘確認任何過渡調整。新規定對本集團財務報表的預期影響如下：

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35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 *(continued)*

HKFRS 9, Financial instruments *(continued)*

(a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss ("**FVTPL**") and (3) fair value through other comprehensive income ("**FVTOCI**") as follows:

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then effective interest, impairments and gains/losses on disposal will be recognised in profit or loss.

- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

35 截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂本、新訂準則及詮釋的可能影響 *(續)*

香港財務報告準則第9號，金融工具 *(續)*

(a) 分類及計量

香港財務報告準則第9號包括金融資產的三個主要分類方法：(1)按攤銷成本；(2)按公平值計入損益(「**按公平值計入損益**」)；及(3)按公平值計入其他全面收益(「**按公平值計入其他全面收益**」)計量如下：

- 債務工具之分類乃基於實體管理金融資產的業務模式及該資產的合約現金流特點而釐定。倘債務工具分類為按公平值計入其他全面收益計量，則實際權益、減值及出售收益／虧損將於損益內確認。

- 就股本證券而言，不論實體採用何種業務模式均分類為按公平值計入損益計量，惟股本證券並非持作買賣及該實體不可撤回地選擇指定該證券為按公平值計入其他全面收益計量則例外。倘股本證券獲指定為按公平值計入其他全面收益計量，則僅該證券的股息收入將於損益內確認。該證券之收益、虧損及減值將於其他全面收益內確認且不可撥回。

35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 *(continued)*

HKFRS 9, Financial instruments *(continued)*

(a) Classification and measurement *(continued)*

The Group has assessed that its financial assets currently measured at amortised cost will continue with their respective classification and measurements upon the adoption of HKFRS 9. The Group does not have any financial assets currently measured at FVTPL or classified as "available-for-sale" and therefore this new requirement may not have any impact on the Group on adoption of HKFRS 9.

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement may not have any impact on the Group on adoption of HKFRS 9.

35 截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂本、新訂準則及詮釋的可能影響 *(續)*

香港財務報告準則第9號，金融工具 *(續)*

(a) 分類及計量 *(續)*

本集團已評估其目前按攤銷成本計量之財務資產將於採納香港財務報告準則第9號後繼續沿用其各自之分類及計量。本集團並無任何按公平值計入損益計量或歸類為「可供出售」之金融資產，因此於採納香港財務報告準則第9號時，該新規定不會對本集團造成任何影響。

香港財務報告準則第9號有關金融負債之分類及計量規定與香港會計準則第39號相較基本保持不變，惟香港財務報告準則第9號規定因指定為按公平值計入損益計量之金融負債信貸風險有變而導致其公平值變動之部分乃於其他全面收益內確認(不會重新分類至損益)。本集團現時並無任何指定為按公平值計入損益計量之金融負債，因此於採納香港財務報告準則第9號時，該新規定不會對本集團造成任何影響。

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35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 *(continued)*

HKFRS 9, Financial instruments *(continued)*

(b) Impairment

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. The Group expects that this new impairment model may result in an earlier recognition of credit losses on the Group's trade receivables and other financial assets. Based on a preliminary assessment, if the Group were to adopt the new impairment requirements at 31 December 2017, there will not have a significant impact on cumulated impairment loss as compared with that recognised under HKAS 39.

HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, *Revenue*, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specifies the accounting for revenue from construction contracts.

35 截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂本、新訂準則及詮釋的可能影響 *(續)*

香港財務報告準則第9號，金融工具 *(續)*

(b) 減值

香港財務報告準則第9號之新減值模式以「預期信貸虧損」模式取代香港會計準則第39號項下的「已產生虧損」模式。根據預期信貸虧損模式，毋須再待發生虧損事件方確認減值虧損。相反，實體須根據資產以及事實及情況確認及計量預期信貸虧損為12個月預期信貸虧損或永久預期信貸虧損。本集團預期新減值模式可能導致提早就本集團應收貿易賬款及其他金融資產確認信貸虧損。基於初步評估，倘本集團採納截至二零一七年十二月三十一日之最新減值規定，累計減值虧損與根據香港會計準則第39號確認著相比並未受到重大影響。

香港財務報告準則第15號，來自客戶合約收益

香港財務報告準則第15號建立了一個確認來自客戶合約收入的綜合框架。香港財務報告準則第15號將取代現有的收入準則，即香港會計準則第18號*收入*(涵蓋銷售商品和提供服務產生的收入)和香港會計準則第11號*建造合約*(規定了建造合約收入的會計核算)。

35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 *(continued)*

HKFRS 15, Revenue from contracts with customers *(continued)*

Based on the assessment completed to date, the Group has identified the following areas which are expected to be affected:

(a) **Timing of revenue recognition**

The Group's revenue recognition policies are disclosed in Note 2(q). Currently, revenue from the sale of goods and provision of services is generally recognised when the risks and rewards of ownership have passed to the customers and when the services have been rendered, respectively.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

(i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

(ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

(iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

35 截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂本、新訂準則及詮釋的可能影響 *(續)*

香港財務報告準則第15號，來自客戶合約收益 *(續)*

根據迄今已完成的評估，本集團已識別了預期會受到影響的以下方面：

(a) **收入確認時間**

集團的收入確認政策披露於附註2(q)。目前，銷售貨品產生的收入通常在所有權風險及回報轉移至客戶時確認，而提供服務產生的收入則服務已獲提供時確認。

根據香港財務報告準則第15號，收入於客戶獲得合約中承諾商品或服務的控制權時確認。香港財務報告準則第15號確定了對承諾商品或服務的控制權被視為隨時間轉移的三種情況：

(i) 當客戶同時取得及消耗實體履約所提供的利益時；

(ii) 實體的履約行為創造或改良了客戶在資產被創造或改良時所控制的資產(如在建工程)；

(iii) 實體的履約行為並未創造一項可被實體用於替代用途的資產，並且實體具有就迄今為止已完成的履約部分獲得客戶付款的可執行權利。

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35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 *(continued)*

HKFRS 15, Revenue from contracts with customers *(continued)*

(a) Timing of revenue recognition *(continued)*

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

The Group has assessed that the new revenue standard is not likely to have significant impact on how it recognises revenue from sales of goods.

The Group plans to elect to use the cumulative effect transition method for the adoption of HKFRS 15 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018. As allowed by HKFRS 15, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. Since the number of "open" contracts at 31 December 2017 is limited, the Group expects that the transition adjustment to be made upon the initial adoption of HKFRS 15 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial results from 2018 onwards.

35 截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂本、新訂準則及詮釋的可能影響 *(續)*

香港財務報告準則第15號，來自客戶合約收益 *(續)*

(a) 收入確認時間 *(續)*

倘合約條款及實體履約行為並不屬於任何該等三種情況，則根據香港財務報告準則第15號，實體於某一時間點(即控制權轉移時)就銷售商品或服務確認收入。所有權的風險及回報的轉移僅為於釐定控制權轉移發生時將考慮的其中一項指標。

本集團已評估新訂收益準則不太可能對其目前就銷售貨品確認收益帶來重大影響。

本集團計劃選擇就採納香港財務報告準則第15號使用累積效應過渡法，並將確認首次應用之累積效應，作為對二零一八年一月一日權益期初結餘之調整。誠如香港財務報告準則第15號所允許，本集團計劃僅將該等新規定應用於二零一八年一月一日前尚未完成之合約。由於二零一七年十二月三十一日「期初」合約數目有限，本集團預期於首次採納香港財務報告準則第15號時將作出之過渡調整並不重大。然而，上述會計政策的預期變化可對本集團於二零一八年往後的財務業績產生重大影響。

35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 *(continued)*

HKFRS 16, Leases

As disclosed in Note 2(h), currently the Group enters into some leases as the lessee and classifies the leases into operating leases.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

35 截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂本、新訂準則及詮釋的可能影響 *(續)*

香港財務報告準則第16號，租賃

誠如附註2(h)所披露，本集團目前作為承租人訂立若干租賃，並將該等租賃歸類為經營租賃。

預期香港財務報告準則第16號將不會大幅影響出租人將其於租賃項下權利及義務入賬之方式。然而，一旦採用香港財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，受可行權宜方法之規限，承租人將按與現有融資租賃會計處理方法類似之方法將所有租賃入賬，即於租賃開始日期，承租人將按最低未來租賃款項之現值確認及計量租賃責任，確認相應之「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債未償還結餘所產生之利息開支及使用權資產折舊，而非根據現有政策於租期內按系統基準確認根據經營租賃所產生之租賃開支。作為一項可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下)及低價值資產之租賃，於此情況下，租金開支將繼續於租期內按系統基準確認。

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35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 *(continued)*

HKFRS 16, Leases *(continued)*

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for retail stores and office properties which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in Note 28, at 31 December 2017 the Group's future minimum lease payments under non-cancellable operating leases amount to $13,163,000 for retail stores and office properties, the majority of which is payable within one to five years. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard offers different transition options and practical expedients, including the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. If this practical expedient is chosen, the Group will apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. If the practical expedient is not chosen, the Group will need to reassess all of its decisions about which existing contracts are, or contain, leases, using the new definition. Depending on whether the Group elects to adopt the standard retrospectively or follow a modified retrospective method of recognising a cumulative-effect adjustment to the opening balance of equity at the date of initial application, the Group may or may not need to restate comparative information for any changes in accounting resulting from the reassessment.

35 截至二零一七年十二月三十一日止年度已頒佈但尚未生效的修訂本、新訂準則及詮釋的可能影響 *(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號將主要影響本集團作為租約承租人就零售店舖及辦公物業(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租約期間於損益表確認開支的時間。誠如附註28所披露，於二零一七年十二月三十一日，本集團零售店舖及辦公物業於不可撤銷經營租約項下的未來最低租賃款項將達13,163,000港元，其中大多數於一至五年內支付。因此，一旦採納香港財務報告準則第16號，若干該等款項可能須確認為租賃負債，並附帶相應使用權資產。經考慮實際權宜方法的適用性及調整現時與採納香港財務報告準則第16號之間已訂立或終止的任何租約及貼現影響後，本集團將須進行更為詳細的分析以釐定於採納香港財務報告準則第16號時經營租約承擔所產生的新資產及負債的金額。

香港財務報告準則第16號將於二零一九年一月一日或之後開始之年度期間生效。該準則提供不同之過渡選擇及可行權宜方法，包括融入先前評估之可行權宜方法，當中現有安排為(或包含)租賃。倘選擇此可行權宜方法，本集團僅將香港財務報告準則第16號對租賃之新定義應用於首次應用日期或之後訂立之合約。倘並無選擇可行權宜方法，本集團將須使用新定義重新評估其對哪些現有合約為(或包含)租賃而作之所有決定。視乎本集團是否選擇以追溯方式採納該準則，或遵從經修訂可追溯方式確認對首次應用當日權益期初結餘之累計效應調整，本集團未必需要重列因重新評估而引致任何會計變動之比較資料。

FIVE YEAR FINANCIAL SUMMARY
五年財務摘要

31 December 2017 二零一七年十二月三十一日
(Expressed in HK$) (以港元列示)

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements is set out below.

過去五個財政年度本集團的業績、資產、負債及非控股權益概要(摘自已刊發之經審核財務報表)已列於下表。

Results 業績

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元	2014 二零一四年 HK$'000 千港元	2013 二零一三年 HK$'000 千港元
REVENUE	收入	264,570	109,417	66,444	127,429	200,556
(LOSS)/PROFIT BEFORE TAX	除税前(虧損)/溢利	(55,995)	(194,065)	829	3,328	27,406
INCOME TAX	所得税	(36)	–	20	(2,786)	(5,533)
(LOSS)/PROFIT FOR THE YEAR	本年度(虧損)/溢利	(56,031)	(194,065)	849	542	21,873
ATTRIBUTABLE TO:	應佔方:					
EQUITY OWNERS OF THE COMPANY	本公司權益擁有人	(46,846)	(191,816)	1,369	1,029	21,812
NON-CONTROLLING INTERESTS	非控股權益	(9,185)	(2,249)	(520)	(487)	61
		(56,031)	(194,065)	849	542	21,873

FIVE YEAR FINANCIAL SUMMARY
五年財務摘要

31 December 2017 二零一七年十二月三十一日
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Assets and liabilities 資產及負債

		31 December 十二月三十一日				
		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元	2014 二零一四年 HK$'000 千港元	2013 二零一三年 HK$'000 千港元
TOTAL ASSETS	總資產	926,022	823,178	943,382	185,982	471,429
TOTAL LIABILITIES	總負債	(67,698)	(80,825)	(552,278)	(56,503)	(257,426)
TOTAL EQUITY	股本權益總值	858,324	742,353	391,104	129,479	214,003
ATTRIBUTABLE TO:	應佔方：					
EQUITY OWNERS OF THE COMPANY	本公司權益擁有人	851,772	738,537	384,796	122,349	192,489
NON-CONTROLLING INTERESTS	非控股權益	6,552	3,816	6,308	7,130	21,514
		858,324	742,353	391,104	129,479	214,003

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