



同方康泰產業集團有限公司
Tongfang Kontafarma Holdings Limited

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)
(股份代號 Stock Code: 1312)



Annual Report 年報 2017



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公司資料 Corporate Information

董事會

執行董事

黃俞·主席
蔣朝文·首席執行官
黃清海

獨立非執行董事

陳思聰
張瑞彬
張俊喜

執行委員會

黃俞·主席
蔣朝文
黃清海

審核委員會

陳思聰·主席
張瑞彬
張俊喜

薪酬委員會

張瑞彬·主席
陳思聰
張俊喜

提名委員會

黃俞·主席
黃清海
陳思聰
張瑞彬
張俊喜

風險管理委員會

張俊喜·主席
黃俞
黃清海
陳思聰
張瑞彬

BOARD OF DIRECTORS

Executive Directors

Huang Yu, *Chairman*
Jiang Chaowen, *Chief Executive Officer*
Ng Qing Hai

Independent Non-Executive Directors

Chan Sze Chung
Zhang Ruibin
Zhang Junxi Jack

EXECUTIVE COMMITTEE

Huang Yu, *Chairman*
Jiang Chaowen
Ng Qing Hai

AUDIT COMMITTEE

Chan Sze Chung, *Chairman*
Zhang Ruibin
Zhang Junxi Jack

REMUNERATION COMMITTEE

Zhang Ruibin, *Chairman*
Chan Sze Chung
Zhang Junxi Jack

NOMINATION COMMITTEE

Huang Yu, *Chairman*
Ng Qing Hai
Chan Sze Chung
Zhang Ruibin
Zhang Junxi Jack

RISKS MANAGEMENT COMMITTEE

Zhang Junxi Jack, *Chairman*
Huang Yu
Ng Qing Hai
Chan Sze Chung
Zhang Ruibin

股份交易委員會

黃俞，主席
蔣朝文
黃清海

投資委員會

黃俞，主席
陳思聰
張瑞彬

主要往來銀行

香港

中信銀行（國際）有限公司
富邦銀行（香港）有限公司
渣打銀行（香港）有限公司
香港上海滙豐銀行有限公司
瑞士銀行

中國內地

東亞銀行（中國）有限公司
中國建設銀行股份有限公司
富邦華一銀行有限公司
中國工商銀行股份有限公司
平安銀行股份有限公司

註冊辦事處

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

總辦事處及主要營業地點

香港灣仔告士打道138號
聯合鹿島大廈15樓
電話：2111 9686
傳真：2111 1276
電郵：info@tfkf.com.hk

SHARE DEALING COMMITTEE

Huang Yu, *Chairman*
Jiang Chaowen
Ng Qing Hai

INVESTMENT COMMITTEE

Huang Yu, *Chairman*
Chan Sze Chung
Zhang Ruibin

PRINCIPAL BANKERS

Hong Kong

China CITIC Bank International Limited
Fubon Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
UBS AG

Mainland China

The Bank of East Asia (China) Limited
China Construction Bank Corporation
Fubon Bank (China) Co., Ltd.
Industrial and Commercial Bank of China Limited
Ping An Bank Co., Ltd.

REGISTERED OFFICE

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

15th Floor, Allied Kajima Building
138 Gloucester Road, Wanchai, Hong Kong
Tel. : 2111 9686
Fax : 2111 1276
E-mail : info@tfkf.com.hk

公司資料 Corporate Information

股份過戶登記總處

Estera Trust (Cayman) Limited
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

首席財務長及公司秘書

司徒敏慧

獨立核數師

德勤•關黃陳方會計師行

律師

陳馮吳律師事務所與世澤律師事務所聯營
普衡律師事務所
胡百全律師事務所
毅柏律師事務所

股份代號

1312

網站

<http://www.tfkf.com.hk>
<http://www.irasia.com/listco/hk/tfkf/index.htm>

PRINCIPAL SHARE REGISTRAR

Estera Trust (Cayman) Limited
P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR

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

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Si Tou Man Wai

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu

SOLICITORS

CFN Lawyers in association with Broad & Bright
Paul Hastings
P. C. Woo & Co.
Appleby

STOCK CODE

1312

WEBSITES

<http://www.tfkf.com.hk>
<http://www.irasia.com/listco/hk/tfkf/index.htm>

主席報告 Chairman's Statement

本人謹代表同方康泰產業集團有限公司（「本公司」）董事會（「董事會」）欣然向閣下呈報本公司及其附屬公司（「本集團」）截至二零一七年十二月三十一日止年度的經審核年度業績。

業績

本集團截至二零一七年十二月三十一日止年度之收入約為1,344.3百萬港元（二零一六年：633.3百萬港元），較去年增長112.3%。本集團之本年度溢利為35.9百萬港元（二零一六年：虧損27.6百萬港元）。每股基本虧損為0.04港仙（二零一六年：0.75港仙）。

本集團截至二零一七年十二月三十一日止年度錄得純利，而截至二零一六年十二月三十一日止年度則錄得虧損淨額。轉虧為盈之主要原因是(i)本集團在二零一六年七月收購同方藥業集團有限公司（「同方藥業」）及其附屬公司之60%股本權益後，其醫療、醫藥及健康業務產生溢利；(ii)本集團自二零一七年五月完成收購TFKT True Holdings 51%已發行股本及True Yoga Holdings Limited 29%已發行股本（「收購事項」）以來，其健身業務產生溢利；及(iii)本集團進行收購事項產生其他收益。

股息

董事會已議決不建議派付截至二零一七年十二月三十一日止年度之末期股息（二零一六年：無）。

On behalf of the board of directors (the "Board") of Tongfang Kontafarma Holdings Limited (the "Company"), I am pleased to present to you the audited annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017.

RESULTS

The revenue of the Group for the year ended 31 December 2017 was approximately HK\$1,344.3 million (2016: HK\$633.3 million), representing an increase of 112.3% as compared to the previous year. The profit for the year of the Group was HK\$35.9 million (2016: loss of HK\$27.6 million). The basic loss per share amounted to HK0.04 cents (2016: HK0.75 cents).

The Group recorded a net profit for the year ended 31 December 2017 as compared to the net loss for the year ended 31 December 2016. Such turnaround was primarily attributable to (i) the profit generated by the medical, pharmaceutical and health business of the Group following the Group's acquisition of 60% equity interest in 同方藥業集團有限公司 Tongfang Pharmaceutical Group Co., Ltd* ("Tongfang Pharmaceutical") and its subsidiaries in July 2016; (ii) the profit generated by the fitness business of the Group since the completion of the Group's acquisition of 51% and 29% of the issued share capital in TFKT True Holdings and True Yoga Holdings Limited, respectively, in May 2017 (the "Acquisition"); and (iii) the other gain arising from the Group's Acquisition.

DIVIDEND

The Board has resolved not to recommend any final dividend for the year ended 31 December 2017 (2016: Nil).

主席報告 Chairman's Statement

展望

醫療、醫藥及健康業務

在政策及經濟因素的雙重影響下，中國醫藥行業的整體環境將在競爭格局及運行模式等重大方面產生深遠的影響，政策及法規的變化直接考驗本集團的資金實力、研發能力、管理能力及應變能力，同方藥業將準確把握政策的導向，抓住改革帶來的機遇，以「聚焦市場前沿、深挖自身優勢、夯實內部管理、領先細分市場」作為整體策略，結合自身的優勢特點，採取科學的管理手段，為股東及社會創造更高的價值。

健身業務

隨着對健康生活的關注不斷提高，於二零一七年，因應持續增長的強勁需求，市場上多名競爭對手均開設新健身會所。尤其是，中國城市地區對健身中心之認知度及需求漸增，可預見增長潛力強勁。不少連鎖健身會所正物色在北京、上海及廣州等主要城市擴張網絡。持續發展之健身趨勢亦引發形形色色的新概念及小型健身室概念，可為8至20人之團體提供小組訓練課程。由於此類小型健身室通常位於購物商場及市內大街和優越位置，因此，此類健身室的增長有助提高人們對健身之意識。

本集團計劃委聘一間社交媒體營銷公司，通過多個社交媒體平台協助建立品牌。管理層亦將在中國主要城市選址開設旗艦會所，以及於各城市物色可行地點增設特許經營會所，隨後將於中國二、三線城市物色收購連鎖企業。本集團亦將發掘收購現有會所及住宅發展項目健身中心並重塑其品牌的可能性。此外，鑒於工業園營運商對健身中心存在需求，本集團亦將探討以特許經營業務模式，或由本集團管理屬於有關企業的健身中心的形式，在工業園內開設健身中心的可能性。

OUTLOOK

Medical, Pharmaceutical and Health Business

Under the dual impact of the regulatory and economic environment, the competitive landscape, operating mode and other material aspects of the PRC pharmaceutical industry will be greatly affected. The changes in policies and regulations bring direct challenges to the Group's capabilities in funding, research and development, management and adaptability to changes. Tongfang Pharmaceutical will capture the direction of the policies and grasp opportunities arising from such reforms. As an overall strategy, Tongfang Pharmaceutical will focus on front-line-markets, further leverage its own strengths, reinforce internal management and take the lead in individual market segments. Leveraging on its own unique advantages and adopting a scientific management approach, Tongfang Pharmaceutical will create greater value for its shareholders and the society as a whole.

Fitness Business

In 2017, various competitors have opened new fitness clubs in response to the steady and strong demand driven by the increasing awareness of a healthy lifestyle. In particular, there is a foreseeable strong growth potential for fitness centers in urban city areas in the PRC amid the increasing recognition and demand. Many chain fitness clubs are looking to expand their presence in the key cities such as Beijing, Shanghai and Guangzhou. The growing fitness trend has also led to the emergence of many new concepts and small scale fitness studio concepts which provide small group training classes for groups of 8 to 20 people. The growth of these small scale fitness studios strengthen the awareness of fitness as many of these studios are located in shopping malls and on main street and prime locations in the cities.

The Group plans to engage a social media marketing company to help build the brand by utilizing various social media platforms. The management will also identify locations for flagship clubs in PRC's major cities and potential locations for franchised clubs in each city, followed by the identification for acquisition of chain clubs in the second and third-tier cities of the PRC. The Group will also explore on the possibilities of taking over and rebranding existing clubs and fitness centres in residential developments. In addition, the Group will explore the likelihood of setting up fitness centres in industrial parks in view of the demand from the operators, either by way of franchising or by managing the respective fitness centres of the corporates in the industrial parks.

水泥業務

水泥是大宗原材料商品，是典型的週期性、投資拉動型產業，與宏觀經濟的週期與固定資產的投資波動密切相關。近年，中國對於產能過剩行業的供給側改革不斷推進，鋼鐵、煤炭、電解鋁和水泥等行業的基本面明顯改觀。在供給和需求雙降的大背景下，近期中國水泥行業供需狀況有所改善，但在固定資產投資持續放緩的背景下，供需平衡維持的時間有限。而隨着對環保問題的關注度日益加深，中國的環境監管框架未來將愈來愈嚴格。中國水泥行業將來或須在遵守環保法規時承擔更大的開支。本集團必需思考方向以應對相關挑戰。

致謝

本人藉此機會感謝各股東、客戶及供應商一直支持本集團，亦謹此代表本集團對董事會各成員及全體員工作出貢獻致以衷心謝意。

Cement Business

As cement is a raw material and bulk commodity, the cement industry is by nature subject and closely related to macro-economic-cycles and fluctuations in fixed assets investment. In recent years, the PRC has been pushing forward the supply-side reform for industries with overproduction, such as iron and steel, coal, electrolytic aluminium and cement industries, thereby greatly changing their fundamentals. With general decreases in both supply and demand, cement market equilibrium in the PRC restored recently. Nonetheless, the equilibrium was short-lived as investment in fixed assets is declining. Due to the growing concern about environmental protection issues, the PRC environmental regulatory framework will become increasingly stringent. The cement industry in the PRC may have to bear additional expenses on environmental issues for compliance purposes. The Group must consider the direction to tackle such challenges.

APPRECIATION

I would like to take this opportunity to thank our shareholders, customers and suppliers for their continuous support to the Group. I would also like to express the Group's appreciation for the contributions of the members of the Board and all staff.

主席
黃俞

二零一八年三月二十八日

* 僅供識別

Huang Yu
Chairman

28 March 2018

* For identification purpose only

管理層討論及分析 Management Discussion and Analysis

財務業績

同方康泰產業集團有限公司（「本公司」）及其附屬公司（「本集團」）截至二零一七年十二月三十一日止年度之收入約為1,344.3百萬港元（二零一六年：633.3百萬港元），較去年增長112.3%。本集團之本年度溢利為35.9百萬港元（二零一六年：虧損27.6百萬港元）。每股基本虧損為0.04港仙（二零一六年：0.75港仙）。

本集團截至二零一七年十二月三十一日止年度錄得純利，而截至二零一六年十二月三十一日止年度則錄得虧損淨額。轉虧為盈之主要原因是(i)本集團在二零一六年七月收購同方藥業集團有限公司（「同方藥業」）及其附屬公司之60%股本權益後，其醫療、醫藥及健康業務產生溢利；(ii)本集團自二零一七年五月完成收購TFKT True Holdings 51%已發行股本及True Yoga Holdings Limited 29%已發行股本（「收購事項」）以來，其健身業務產生溢利；及(iii)本集團進行收購事項產生其他收益。

截至二零一七年十二月三十一日止年度，本集團之分銷及銷售費用以及行政費用分別大幅增加98.1百萬港元及42.8百萬港元，主要是由於本集團在二零一六年七月收購醫療、醫藥及健康業務以及在二零一七年五月收購健身業務所致。

FINANCIAL RESULTS

The revenue of Tongfang Kontafarma Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2017 was approximately HK\$1,344.3 million (2016: HK\$633.3 million), representing an increase of 112.3% as compared to the previous year. The profit for the year of the Group was HK\$35.9 million (2016: loss of HK\$27.6 million). The basic loss per share amounted to HK0.04 cents (2016: HK0.75 cents).

The Group recorded a net profit for the year ended 31 December 2017 as compared to the net loss for the year ended 31 December 2016. Such turnaround was primarily attributable to (i) the profit generated by the medical, pharmaceutical and health business of the Group following the Group's acquisition of 60% equity interest in 同方藥業集團有限公司 Tongfang Pharmaceutical Group Co., Ltd* ("Tongfang Pharmaceutical") and its subsidiaries in July 2016; (ii) the profit generated by the fitness business of the Group since the completion of the Group's acquisition of 51% and 29% of the issued share capital in TFKT True Holdings and True Yoga Holdings Limited, respectively, in May 2017 (the "Acquisition"); and (iii) the other gain arising from the Group's Acquisition.

For the year ended 31 December 2017, the Group recorded significant increases of HK\$98.1 million and HK\$42.8 million in distribution and selling expenses and administrative expenses, respectively. Such increments were mainly attributable to the Group's acquisitions of the medical, pharmaceutical and health business and fitness business in July 2016 and May 2017, respectively.



二零一八年股東特別大會
Extraordinary General Meeting in 2018



二零一七年股東週年大會
Annual General Meeting in 2017

管理層討論及分析 Management Discussion and Analysis

業務回顧

醫療、醫藥及健康業務

二零一七年是中國醫藥行業轉變較多的一年。於二零一七年一月，中華人民共和國國家衛生和計劃生育委員會（是中國醫藥、醫療、衛生管理的主管部門）下發了藥品流通領域「兩票制」的實施方案，標誌着「兩票制」將在全國範圍內全面推行，該方案要求在二零一七年內國內所有省份、直轄市必須出台省級兩票制方案文件，二零一八年起全國全部執行。另外中國人力資源和社會保障部於二零一七年二月二十三日發佈了新版醫保目錄，這也是國家醫保藥品目錄時隔八年迎來首次大調整，同時開啟了醫保藥品談判准入機制，這意味着藥品招標工作於二零一七年重新開啟，預計二零一七年國內大部分省份均會重新開始招標。此外很多行業重要的法律法規出台頒佈，如《「十三五」國家藥品安全規劃》對藥品安全和品質提出了更高的要求；《國家食品藥品監督管理總局關於調整進口藥品註冊管理有關事項的決定》允許同步申報修改註冊程式；《中華人民共和國中醫藥法》保障促進中醫藥事業的發展。最後，醫療器械、短缺藥等等一系列法律法規都將給醫藥行業的競爭局面帶來重大的改變。

BUSINESS REVIEW

Medical, Pharmaceutical and Health Business

2017 was a year of changes for the pharmaceutical industry in the PRC. In January 2017, the National Health and Family Planning Commission of the People's Republic of China (a supervisory department of the pharmaceutical, medical and health management of the PRC) issued the implementation plan for the Two-Invoice System in respect of medicine circulation, signifying that the system will be put in place nationwide. The implementation plan requires that all provinces and municipalities shall introduce a written proposal of the Two-Invoice System at provincial level in 2017 and the system be fully implemented across the country from 2018 onwards. Besides, the Ministry of Human Resources and Social Security of the PRC released a new version of the medical insurance catalog on 23 February 2017. This represented the first substantial update to the national medicine catalog for medical insurance schemes after eight years. It also permitted negotiating market entry for medical insurance drugs. In other words, drug tendering will be reopened, and resumption is expected to take place in most of the provinces in 2017. Moreover, many other policies that have significant impact on the industry were issued. For example, the 13th Five-Year National Plan for Drug Safety (《「十三五」國家藥品安全規劃》) tightened safety and quality requirements for drugs. The Decision of the China Food and Drug Administration on Matters concerning Adjusting the Registration Administration of Imported Drugs (《國家食品藥品監督管理總局關於調整進口藥品註冊管理有關事項的決定》) permitted simultaneous applications and modified registration procedures. The Law of the People's Republic of China on Traditional Chinese Medicine (《中華人民共和國中醫藥法》) supports and promotes the development of traditional Chinese medical industry. Last but not least, laws and regulations regarding medical devices and shortage drugs shall materially change the competitive landscape of the medical industry.



重慶康樂製藥有限公司（「重慶康樂」）取得了「藥品GMP證書」
“Certificate of Good Manufacturing Practices for Pharmaceutical Products” awarded to Chongqing Kangle Pharmaceutical Co., Ltd.*
（“Chongqing Kangle”）

管理層討論及分析 Management Discussion and Analysis

1. 同方藥業

同方藥業主要從事化學藥的生產及銷售，在北京市延慶區擁有3萬平米的製劑車間，主打產品為處方用婦科用藥及局部麻醉用藥，截至二零一七年十二月三十一日止年度錄得營業收入人民幣163.6百萬元，比二零一六年人民幣82.6百萬元增長98.1%；截至二零一七年十二月三十一日止年度毛利人民幣143.3百萬元，比二零一六年人民幣66.9百萬元增長114.2%。

同方藥業及其附屬公司於二零一七年繼續以預算及關鍵績效指標管控為核心，並運用信息化手段全面加強公司管控。受惠於上述提到的「兩票制」及新版醫保目錄，同方藥業力求提升至更高峰。在銷售領域，同方藥業外聘了銷售團隊，以準確把握國家政策導向，積極進行市場開拓。在做深做實現有主要市場的同時，又在重新開標的省份陸續中標，為未來可持續的快速增長奠定了基礎。同方藥業在做大做強自身的同時，秉承公正、嚴格、守信、合法的經營理念，依法納稅，回報社會，被北京市延慶區政府評為納稅信用A級企業，得到當地政府的認同與好評。

2. 陝西紫光辰濟藥業有限公司（「陝西辰濟」）

陝西辰濟主要從事中藥相關領域之業務，包括中藥種植、製造及分銷以及營運位於陝西省寶雞市之生產設施。陝西辰濟截至二零一七年十二月三十一日止年度錄得營業收入人民幣64.3百萬元，比二零一六年營業收入人民幣56.1百萬元增長14.6%；截至二零一七年十二月三十一日止年度毛利人民幣24.3百萬元，比二零一六年毛利人民幣14.5百萬元增長67.6%。

陝西辰濟於二零一七年繼續以財務管理為中心，推行精細化管理。受惠於上述提到的「兩票制」及新版醫保目錄，陝西辰濟在銷售領域不斷創新，創建了具有自身特點的營銷模式，在品牌林立、品種紛繁的中藥市場裡謀得了屬於自己的一席之地。

1. Tongfang Pharmaceutical

Tongfang Pharmaceutical is principally engaged in the production and sales of chemical drugs with 30,000 square meters of drug production workshops in Yanqing District, Beijing. Its key products are prescription drugs for gynecological and local anesthesia purposes. For the year ended 31 December 2017, it recorded an operating revenue of RMB163.6 million, representing a growth of 98.1% from RMB82.6 million for 2016. Gross profit for the year ended 31 December 2017 amounted to RMB143.3 million, representing an increase of 114.2% from RMB66.9 million for 2016.

In 2017, Tongfang Pharmaceutical and its subsidiaries continue to focus on budgeting and key performance indicators control, as well as fully strengthening its information-based management. Benefiting from the abovementioned Two-Invoice System and updated medical insurance catalog, Tongfang Pharmaceutical aims to strive for growth to a new higher level. On the sales front, Tongfang Pharmaceutical has appointed external sales agency to accurately capture the direction of national policies to promote market expansion. In parallel with deepening and solidifying its existing key markets, Tongfang Pharmaceutical has been awarded tenders in the provinces resuming tendering activities, which have laid a foundation for the sustainable and rapid growth in the future. Besides business expansion, Tongfang Pharmaceutical also upholds the philosophy of fairness, strictness, trustworthiness and lawfulness in its operation; due payment of taxes and contribution to the society, and as a result, it was recognised and awarded grade-A tax credit by the local government in Yanqing District, Beijing.

2. Shaanxi Unisplendour Life Care Pharmaceutical Co., Ltd.* (陝西紫光辰濟藥業有限公司) (“Shaanxi Life Care”)

Shaanxi Life Care is principally engaged in business in the Chinese medicine-related fields, including the planting, manufacturing and distribution of Chinese medicines and operating a production facility in Baoji, Shaanxi. For the year ended 31 December 2017, it recorded an operating revenue of RMB64.3 million, representing an increase of 14.6% from RMB56.1 million for 2016. Gross profit for the year ended 31 December 2017 amounted to RMB24.3 million, representing an increase of 67.6% from RMB14.5 million for 2016.

In 2017, Shaanxi Life Care continues to focus on financial management by implementing micro management measures. On the sales front, benefiting from the abovementioned Two-Invoice System and updated medical insurance catalog, Shaanxi Life Care pursues innovative and unique marketing model, enabling it to gain a foothold among competitors in the Chinese medicine market.

管理層討論及分析 Management Discussion and Analysis

3. 重慶康樂

重慶康樂主要從事原料藥（「原料藥」）及醫藥中間體之研發、生產及銷售業務，營運位於重慶市長壽工業園區之生產設施。重慶康樂截至二零一七年十二月三十一日止年度錄得營業收入人民幣45.1百萬元，比二零一六年營業收入人民幣60.0百萬元下降24.8%；截至二零一七年十二月三十一日止年度毛利人民幣7.1百萬元，比二零一六年毛利人民幣10.8百萬元下降34.3%。

重慶康樂二零一七年上半年受外部環境影響，外貿業務比二零一六年下降較多。另外，國內主要客戶因為重組、品質標準調整等原因，而終止銷售。重慶康樂已從市場、生產、品質等多角度對現狀進行了分析，並採取了相應的應對措施（包括新客戶的開發、新產品的認證註冊等），並取得了良好的效果。報批多年的原料藥硫酸羥氯喹終於取得了重慶市食品藥品監督管理局下發的批文及藥品生產質量管理規範證書，預計首批新產品將於二零一八年初投入市場。同時，新建設的二期工程已進入竣工決算階段，也將在二零一八年第一季度投產。故此，重慶康樂二零一八年的表現預計將有好轉，並成為集團重要的業績貢獻來源。

4. 斯貝福（北京）生物技術有限公司（「斯貝福」）

斯貝福主要從事標準化實驗動物供應及動物源性藥原料供應。斯貝福截至二零一七年十二月三十一日止年度錄得營業收入人民幣34.5百萬元，比二零一六年營業收入人民幣26.3百萬元增長31.2%；截至二零一七年十二月三十一日止年度毛利人民幣14.8百萬元，比二零一六年毛利人民幣9.7百萬元增長52.6%。

斯貝福經過多年的努力已躋身中國實驗動物行業前茅。斯貝福後續的戰略方向是，在現有資源的基礎上積極進行業務延伸，通過自身技術、產品及資本的優勢，以實驗動物和動物源性藥為核心，快速擴張，佈局周邊服務及產品業務。

3. Chongqing Kangle

Chongqing Kangle is principally engaged in the research and development, production and sales of Active Pharmaceutical Ingredients ("API") and intermediate API in Chongqing Changshou Chemical Industrial Park. For the year ended 31 December 2017, it recorded an operating revenue of RMB45.1 million, representing a decrease of 24.8% from RMB60.0 million for 2016. Gross profit for the year ended 31 December 2017 amounted to RMB7.1 million, representing a decrease of 34.3% from RMB10.8 million for 2016.

The performance of Chongqing Kangle for the first half of 2017 was impacted by the external environment, with its foreign trade business showing a significant decline as compared to 2016. Furthermore, sales to individual key customers in the PRC were terminated due to various reasons including restructuring and adjustments in quality standards. Chongqing Kangle has conducted an analysis on its current condition from market, production, quality and other perspectives, and has also taken corresponding measures, which included exploring new customer base, verification and registration of new products, etc. Such measures have yielded excellent results. For instance, in respect of Hydroxychloroquine Sulfate API which approval was pending for years, written approval and GMP certificate were granted by Chongqing Food and Drug Administration; the initial launch of the products will take place in early 2018. Meanwhile, the construction of Phase II has reached the completion and closing stage, and this newly built plant will commence operation in the first quarter of 2018. Thus, it is envisaged that the performance of Chongqing Kangle will achieve a turnaround in 2018 and become an important contributor to the Group's results.

4. SPF (Beijing) Biotechnology Co., Ltd.* (斯貝福（北京）生物技術有限公司) ("SPF")

SPF is principally engaged in the supply of standardised laboratory animals and animal indigenous raw materials. For the year ended 31 December 2017, it recorded an operating revenue of RMB34.5 million, representing an increase of 31.2% from RMB26.3 million for 2016. Gross profit for the year ended 31 December 2017 amounted to RMB14.8 million, representing an increase of 52.6% from RMB9.7 million for 2016.

After years of efforts, SPF is now one of the leaders in the laboratory animal industry in the PRC. Going forward, it is the strategy of SPF to capitalise on its existing resources and expand its business outreach. It will take advantage of its strengths in technology, product and capital, and focus on laboratory animals and animal indigenous drugs to achieve fast expansion and build a business layout regarding peripheral services and products.

管理層討論及分析 Management Discussion and Analysis

同方藥業於二零一七年繼續致力於打造生物製藥全價值鏈型企業，採取聚焦和創新的驅動策略，在現有化學仿製藥、中藥等領域，結合自身資源對市場和客戶進行聚焦和深挖，努力提升每一區域、每一產品、每一客戶的單位價值創造，同時在新品研發、商業模式等領域，大膽創新，為未來的可持續發展奠定基礎。

In 2017, Tongfang Pharmaceutical continued its effort in developing a full value-chain biopharmaceutical enterprise. Based on its focused and innovation-driven strategy, it has made every effort to enhance the value of every segment, every product and every customer of the existing chemical generic medicine, Chinese medicine and other businesses using its internal resources and market and customer development. It has also taken aggressive attempts in product and business model innovation in order to lay a foundation for sustainable development in the future.



斯貝福之生產車間
Production plant of SPF

健身業務

於二零一六年，全球健身行業持續增長。根據《國際健康及運動俱樂部協會全球報告2017》(IHRSA Global Report 2017)，全球約有200,000間會所，服務會員162百萬人，業界估計總收入達831億美元。北美洲、歐洲及亞洲區內的主要市場持續增長。

亞太區佔全球人口近半，是全球最具潛力的健體會及健身行業市場。目前，亞太區共有31,000間健體會分佈於14個市場（不包括中東），服務會員17百萬人，區內業界總收入達144億美元。《國際健康及運動俱樂部協會亞太區健體會報告》(IHRSA Asia-Pacific Health Club Report)表示區內很大部分市場有待開發。北京、上海、吉隆坡及雅加達等亞洲較大型城市乃行業發展的基地，預期未來增長整體來自發展中城市及亞太區。

Fitness Business

The global fitness industry continued to grow in 2016. According to the International Health, Racquet and Sportsclub Association ("IHRSA") Global Report 2017, the total industry revenue reached an estimated US\$83.1 billion, as roughly 200,000 clubs served 162 million members worldwide. Leading markets in North America, Europe and Asia continued to grow.

The Asia-Pacific, home to nearly half of the world's population, is the world's largest potential market for the health club and fitness industry. At present, it serves 17 million members at 31,000 health clubs across 14 markets (excluding the Middle East), where the industry revenue totals US\$14.4 billion in the region. The IHRSA Asia-Pacific Health Club Report shows the regional market remains largely untapped. Larger cities in Asia, including Beijing, Shanghai, Kuala Lumpur and Jakarta, are home to maturing industries, while future growth is anticipated in growing cities as well as the Asia-Pacific.

管理層討論及分析 Management Discussion and Analysis



位於新加坡之健身中心
Fitness center located in Singapore



位於中國廈門之單車健身室
Spinning studio located in Xiamen, China

隨着亞太區的會員滲透率逐步追貼發達經濟體，會員滲透率稍微增長已經可以成為地方及新興業者的龐大商機，亞太區將成為全球最大的健體及健身服務消費者，可見上文的推動因素舉足輕重。再者，殷切需求結合目前的低滲透率及龐大人口，勢將開啟未開發市場難得一見的增長機遇。

自收購事項完成以來，本集團健身業務分部於本年度收入為229.1百萬港元，源自(i)於新加坡及中國經營健身及康體課程，主要包括健身、瑜珈、水療及美容課程；及(ii)有關台灣健身及健康服務之特許權費收入及服務費收入。

新加坡業務包括8間以True Fitness品牌經營的健身及瑜珈中心。除此等會所外，新加坡業務亦經營一間以True Yoga品牌經營的瑜珈中心。

新加坡市場在亞洲人口中的滲透率最高，超過4.8%的人口為健身中心的會員。為迎合關注健康的趨勢，本集團於年內新開設了一間便利會所。此間新概念會所平均佔地4,000至5,000平方呎，月費相較主流會所便宜。

水泥業務

截至二零一七年十二月三十一日止年度，本集團由水泥業務所產生的收入為761.5百萬港元（二零一六年：508.8百萬港元），比去年增加49.7%。水泥業務收入有所增加主要是受惠於中國水泥市場復甦使本集團水泥產品的平均售價及銷量均較去年上升。截至二零一七年十二月三十一日止年度，本集團的水泥及熟料銷量約為2,601,000噸（二零一六年：2,318,000噸），較去年上升12.2%。儘管由水泥業務所產生的收入有所上升，但受固定資產撇銷、其他應收款撇銷以及研發費用增加所影響，水泥業務對本集團的貢獻較去年大幅下降。

本集團屬下的水泥企業將繼續堅持創新理念，推動管理創新和產業創新，提升企業文化。並繼續加強技術革新，不斷挖掘各方面的潛力。

The implications of the above are immense as Asia-Pacific will be the world's largest consumer of health and fitness services as its membership penetration rate moves closer to those of developed economies, where a small increase of the membership penetration rate will translate to a sizeable opportunity for local and emerging players. Combined with exceptional demand dynamics, the currently low penetration rates and sizable population will present a rare growth opportunity to capitalise on a yet unpenetrated market.

The Group's revenue in its fitness business segment for the year since the completion of the Acquisition was HK\$229.1 million, which was attributable to (i) operation of fitness and wellness groups comprising mainly fitness, yoga, spa and aesthetics groups in Singapore and PRC; and (ii) royalty fee income and service fee income in relation to fitness and health activities in Taiwan.

The Singapore operation currently includes 8 fitness and yoga centres operating under the brand name of True Fitness. In addition to these clubs, the Singapore operation also operates a yoga centre under the brand name of True Yoga.

The Singapore market has the highest penetration rate among the population in Asia with over 4.8% of the population being members of a fitness centre. The Group has opened a new express club in the year to cater for the increasingly health awareness. This new concept club has an average size of 4,000 to 5,000 sq ft and charges a lower monthly fee as compared to the mainstream clubs.

Cement Business

For the year ended 31 December 2017, the Group's revenue generated from the cement business amounted to HK\$761.5 million (2016: HK\$508.8 million), representing an increase of 49.7% as compared to last year. The increase in revenue from the cement business was mainly attributable to higher average selling prices and sales volume of the Group's cement products as compared to last year driven by the recovery of the cement market in the PRC. For the year ended 31 December 2017, the sales volume of the Group's cement and clinker was approximately 2,601,000 tons (2016: 2,318,000 tons), representing an increase of 12.2% as compared to last year. Notwithstanding an increase in revenue from the cement business, write-off of fixed assets and other receivables and the increase in research and development expenses have hugely reduced the contribution of the cement business to the Group as compared to last year.

The Group's subsidiaries engaging in the cement business will continue to follow the philosophy of innovation to forge ahead with innovation in management and operation. They will also enhance their corporate culture, continue to strengthen their technological innovation and explore potential in all respects.

管理層討論及分析 Management Discussion and Analysis

財務回顧

流動資金及融資

於二零一四年十二月二十二日，本公司於公開發售（「公開發售」）中額外發行股份以籌集所得款項總額約495.0百萬港元。公開發售之詳情及所得款項用途之更新載於本年報第48至49頁董事會報告內「公開發售之所得款項用途」一節。

除透過公開發售籌集之所得款項外，本集團於截至二零一七年十二月三十一日止年度的資本開支、日常經營及投資主要由其經營所得現金以及來自主要往來銀行及第三方之貸款提供資金。

FINANCIAL REVIEW

Liquidity and Financing

On 22 December 2014, additional shares of the Company were issued in an open offer (the "Open Offer") to raise gross proceeds of approximately HK\$495.0 million. Details of the Open Offer and update on the use of proceeds are set out in the section headed "Use of Proceeds from Open Offer" in the Directors' report on pages 48 and 49 of this annual report.

Except for the proceeds raised from the Open Offer, the Group's capital expenditure, daily operations and investments during the year ended 31 December 2017 were mainly funded by cash generated from its operations and loans from principal bankers and third parties.



二零一七年有關水泥業務之年度工作會議
2017 annual work conference in relation to the cement business

於二零一七年十二月三十一日，本集團持有銀行結餘及現金儲備約415.0百萬港元（二零一六年：1,027.4百萬港元），包括現金及現金等價物約381.5百萬港元以及已抵押銀行存款約33.5百萬港元（二零一六年：現金及現金等價物約581.1百萬港元、已抵押銀行存款約421.4百萬港元、原到期日為四至十二個月之定期存款約22.3百萬港元以及受限制銀行存款約2.5百萬港元）。

As at 31 December 2017, the Group maintained bank balances and cash reserves of approximately HK\$415.0 million (2016: HK\$1,027.4 million), including cash and cash equivalents of approximately HK\$381.5 million and pledged bank deposits of approximately HK\$33.5 million (2016: cash and cash equivalents of approximately HK\$581.1 million, pledged bank deposits of approximately HK\$421.4 million, time deposits with original maturity between 4 to 12 months of approximately HK\$22.3 million and restricted bank deposit of approximately HK\$2.5 million).

管理層討論及分析 Management Discussion and Analysis

於二零一七年十二月三十一日，本集團之未償還借貸約629.5百萬港元（二零一六年：916.3百萬港元）須於一年內償還，而未償還借貸約175.5百萬港元（二零一六年：163.1百萬港元）須於一年後償還。本集團之未償還借貸以港元（「港元」）、人民幣（「人民幣」）、美元（「美元」）及新加坡元（「新加坡元」）計值，分別佔47.2%、52.3%、0.3%及0.2%。本集團之未償還借貸中約78.2%按浮動利率計息，其餘則按固定利率計息。

於二零一七年十二月三十一日，本集團的資產負債比率（借貸總額除以總資產）如下：

借貸總額

總資產

資產負債比率

As at 31 December 2017, the Group had outstanding borrowings of approximately HK\$629.5 million repayable within one year (2016: HK\$916.3 million) and outstanding borrowings of approximately HK\$175.5 million repayable after one year (2016: HK\$163.1 million). The Group's outstanding borrowings were denominated in Hong Kong dollars ("HK\$"), Renminbi ("RMB"), United States dollars ("USD") and Singapore dollars ("SGD") as to 47.2%, 52.3%, 0.3% and 0.2%, respectively. Around 78.2% of the Group's outstanding borrowings were charged with interest at floating rates while the remainder were at fixed rates.

The gearing ratio (total borrowings over total assets) of the Group as at 31 December 2017 was as follows:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
Total borrowings	805,002	1,079,441
Total assets	3,444,210	3,154,191
Gearing ratio	23.4%	34.2%

於二零一七年十二月三十一日，一筆為數158.6百萬港元（二零一六年：147.7百萬港元）之結餘已計入其他關聯方欠款中，該等欠款指透過一間銀行向上海建材（集團）有限公司（前稱上海建築材料（集團）總公司）（「上海建材」）提供委託貸款及相關應收利息。交易詳情載於本公司日期為二零一七年五月二十六日之公告。

As at 31 December 2017, a balance amounting to HK\$158.6 million (2016: HK\$147.7 million) were included in the amounts due from other related parties, which represent the provision of entrusted loans through a bank to 上海建材（集團）有限公司 (Shanghai Building Material (Group) Company Limited*) (formerly known as 上海建築材料（集團）總公司 (Shanghai Building Material (Group) General Company*)) ("Shanghai Building Material") and the related interest receivable. Details of the transactions were set out in the announcement of the Company dated 26 May 2017.

財務管理及政策

本集團之財務政策旨在令本集團面對之財務風險減至最低。本集團之政策為不參與投機性之衍生金融交易，亦不會將流動資金投資於高風險金融產品。

Financial Management and Policy

The Group's financial policy aims at minimising the Group's financial risk exposure. Our policy is not to engage in speculative derivative financial transactions and not to invest the current capital in financial products with significant risk.

外匯波動風險

本集團之業務主要位於中國及新加坡，其大多數交易、相關營運資金及借貸以人民幣、新加坡元、美元及港元計值。本集團密切監控有關外匯風險，並將於需要時考慮對沖重大貨幣風險。然而，由於本集團之綜合財務報表以港元呈列，而港元有別於其功能貨幣，故本集團無可避免地面對因將賬目換算為呈列貨幣而產生之外匯風險（不論正面或負面）。

Risk of Foreign Exchange Fluctuation

The Group's operations are mainly located in the PRC and Singapore and most of its transactions, related working capital and borrowings are denominated in RMB, SGD, USD and HK\$. The Group closely monitors such foreign exchange exposure and will consider hedging significant currency exposure if necessary. However, since the Group's consolidated financial statements are presented in HK\$ which is different from its functional currency, it is inevitable that the Group would face foreign exchange exposure, whether positive or negative, from translating the accounts to its presentation currency.

管理層討論及分析 Management Discussion and Analysis

資產抵押

有關資產抵押之詳情載於本年報綜合財務報表附註47。

重大收購

於二零一七年五月六日，本公司（作為擔保人）及Fester Global Limited（「Fester Global」，為本公司之直接全資附屬公司，作為買方）與Active Gains Universal Limited及Active Yield Investment Limited（統稱「賣方」）各方及黃友誠先生（作為保證人）訂立一份買賣協議。據此，Fester Global有條件同意購買而相關賣方分別有條件同意出售TFKT True Holdings之51%股權及True Yoga Holdings Limited之29%股權，代價合共36,720,000美元。上述收購已於二零一七年五月二十九日落實完成。交易詳情載於本公司日期為二零一七年五月六日、二零一七年五月十一日及二零一七年五月二十九日之公告以及日期為二零一七年七月二十八日之通函。

重大資本承擔及投資

誠如本公司於二零一二年二月十五日所公佈，上海聯合水泥有限公司（「上海上聯」）與國有企業上海建材於二零一二年二月十三日訂立《關於建設「白龍港項目」合作協議》及《關於設立合資公司（原則）協議》，於取得上海浦東白龍港之新水泥生產設施發展項目（「白龍港項目」）之相關政府批文後成立一間合資公司（「合資公司」），以經營及管理白龍港項目。根據上市規則第十四章，成立合資公司構成本公司一項非常重大收購。合資公司註冊股本之50%股份人民幣400.0百萬元（相當於約480.0百萬港元（二零一六年：446.9百萬港元））將由本集團之內部資源出資及提供資金。交易詳情載於本公司日期為二零一二年二月十五日及二零一四年一月三十日之公告以及日期為二零一二年三月十六日之通函。

Pledge of Assets

Details regarding the pledge of assets are set out in note 47 to the consolidated financial statements of this annual report.

Material Acquisitions

On 6 May 2017, the Company, as guarantor, and Fester Global Limited (“Fester Global”), a direct wholly-owned subsidiary of the Company, as purchaser, entered into a sale and purchase agreement with each of Active Gains Universal Limited and Active Yield Investment Limited (collectively, the “Vendors”), and Mr. Patrick John Wee Ewe Seng, as warrantor, pursuant to which Fester Global has conditionally agreed to purchase, and the respective Vendors have conditionally agreed to sell 51% shareholding in TFKT True Holdings and 29% shareholding in True Yoga Holdings Limited, respectively for the consideration in an aggregate sum of US\$36,720,000. The completion of the above acquisition took place on 29 May 2017. Details of the transaction were set out in the announcements of the Company dated 6 May 2017, 11 May 2017 and 29 May 2017, respectively and the circular of the Company dated 28 July 2017.

Material Capital Commitments and Investments

As announced by the Company on 15 February 2012, Shanghai Allied Cement Co., Ltd. (“Shanghai SAC”) entered into the 《關於建設「白龍港項目」合作協議》 (Bailonggang Project Construction Cooperation Agreement*) and the 《關於設立合資公司（原則）協議》 (Agreement in Principle for the Establishment of the Joint Venture Company*) on 13 February 2012 with Shanghai Building Material, a state-owned enterprise, for the purpose of setting up a joint venture company (the “JV Company”) to operate and manage the development of new cement production facilities at Bailonggang, Pudong, Shanghai (the “Bailonggang Project”) after the relevant government approvals for the Bailonggang Project being obtained. The setting up of the JV Company constituted a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. The 50% share of registered capital of the JV Company amounting to RMB400.0 million (equivalent to approximately HK\$480.0 million (2016: HK\$446.9 million)) will be contributed and funded by internal resources of the Group. Details of the transaction were set out in the announcements of the Company dated 15 February 2012 and 30 January 2014, respectively and the circular of the Company dated 16 March 2012.

管理層討論及分析 Management Discussion and Analysis



斯貝福通過了「國家高新技術企業」認證
“Certificate of the High and New
Technology Enterprises” awarded
to SPF



斯貝福獲評為「中關村信用培育雙百
工程中百家最具發展潛力信用企業」
SPF be rated as “One of the Top
100 Trustworthy Enterprises with
Most Development Potential in
Zhongguancun Credit Promotion
Double-Hundred Project”



同方藥業獲頒發「年度傑出貢獻企業」
“Outstanding Corporate Contribution
Award of the Year” awarded to
Tongfang Pharmaceutical

誠如本公司於二零一二年十月三日所公佈，上海上聯於二零一二年九月二十八日訂立三份購買協議，以購買若干設備及機器供日後用於白龍港項目，總代價為人民幣380.0百萬元（相當於約456.0百萬港元（二零一六年：424.6百萬港元））。本公司不計劃將該等設備及機器留作自用。截至二零一七年十二月三十一日，上海上聯已償付三份協議各自項下總代價之首期付款合共人民幣68.3百萬元（二零一六年：人民幣68.3百萬元）（相當於約82.0百萬港元（二零一六年：76.3百萬港元））。交易詳情載於本公司日期為二零一二年十月三日之公告以及日期為二零一二年十一月十五日之通函。

As announced by the Company on 3 October 2012, Shanghai SAC entered into three purchase agreements on 28 September 2012 for the purchases of certain equipment and machineries at the aggregate consideration of RMB380.0 million (equivalent to approximately HK\$456.0 million (2016: HK\$424.6 million)), for future use in the Bailonggang Project. The Company does not intend to retain such equipment and machineries for its own use. Up to 31 December 2017, Shanghai SAC has settled the first installment of the total consideration under the three respective agreements in an aggregate amount of RMB68.3 million (2016: RMB68.3 million) (equivalent to approximately HK\$82.0 million (2016: HK\$76.3 million)). Details of the transaction were set out in the announcement and circular of the Company dated 3 October 2012 and 15 November 2012, respectively.

報告期後事項

有關報告期末後事項之詳情載於本年報綜合財務報表附註56。

EVENT AFTER THE REPORTING PERIOD

Details regarding the event after the end of the reporting period are set out in note 56 of the consolidated financial statements of this annual report.

僱員

於二零一七年十二月三十一日，本集團有2,118名（二零一六年：1,064名）員工。本集團之一貫政策為提供具競爭力之薪酬待遇，並按僱員表現發放薪金及花紅獎勵。此外，根據購股權計劃及股份獎勵計劃各自之條款，合資格僱員或可分別獲授購股權及獎勵股份。該等計劃旨在激勵選定僱員為本集團作出貢獻，及讓本集團可招聘及挽留具有卓越才幹之僱員，以及吸納及挽留對本集團而言屬寶貴之人力資源。

EMPLOYEES

As at 31 December 2017, the Group had 2,118 (2016: 1,064) employees. The Group maintains a policy of paying competitive remuneration packages and employees are also rewarded salary and bonus on a performance related basis. In addition, share options and awarded shares may be granted to eligible employees pursuant to the terms of the share option scheme and the share award scheme, respectively. The purpose of the schemes is to provide incentives to the selected employees to contribute to the Group and to enable the Group to recruit and retain high-calibre employees, and attract and retain human resources that are valuable to the Group.

* 僅供識別

* For identification purpose only

環境、社會及管治報告 Environmental, Social and Governance Report

編製基礎

我們根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄二十七所載的《環境、社會及管治報告指引》（「環境、社會及管治指引」）編製此報告。同方康泰產業集團有限公司（「本公司」）董事（「董事」）會（「董事會」）認為，我們於截至二零一七年十二月三十一日止年度已遵守環境、社會及管治指引載列的「不遵守就解釋」條文。董事會計劃每年編製環境、社會及管治報告（「環境、社會及管治報告」），而此乃本集團之第二份環境、社會及管治報告。

本集團的業務營運

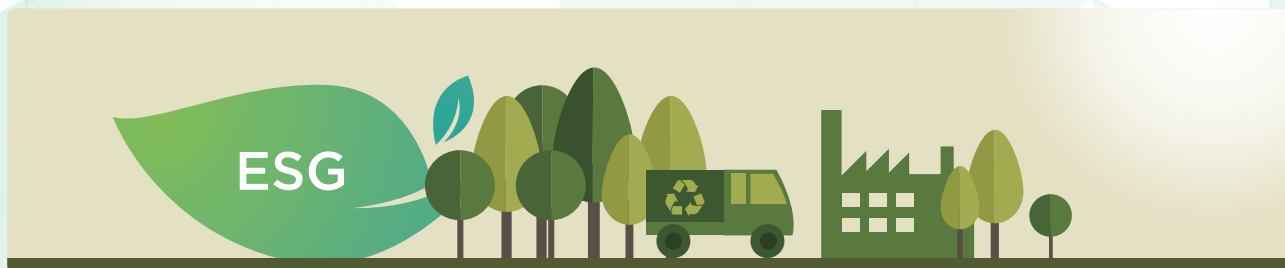
截至二零一七年十二月三十一日止年度，本公司及其附屬公司（「本集團」）主要從事(1)在中華人民共和國（「中國」）製造及銷售處方藥、實驗室相關產品及醫藥研究及測試（「醫療、醫藥及健康業務」）；(2)在新加坡、台灣及中國經營健身中心及提供健身和健康諮詢服務（「健身業務」）；及(3)在山東省和上海市製造及銷售水泥及熟料、買賣水泥以及提供技術服務（「水泥業務」）。本報告提供醫療、醫藥及健康業務、健身業務以及水泥業務的概要披露。

BASIS OF PREPARATION

We have adopted the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) as set out in Appendix 27 to the Rules Governing the List of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong (the “Stock Exchange”) in preparing this report. The board of directors (the “Directors” and “Board”, respectively) of Tongfang Kontafarma Holdings Limited (the “Company”) considered we have complied with the “comply or explain” provisions as set out in the ESG Guide for the year ended 31 December 2017. The Board plans to prepare the Environmental, Social and Governance Report (the “ESG report”) annually and this is the second ESG report of the Group.

BUSINESS OPERATION OF THE GROUP

For the year ended 31 December 2017, the Company and its subsidiaries (the “Group”) was principally engaged in (1) the manufacturing and sales of prescription drugs, laboratory related products and pharmaceutical research and testing in the People’s Republic of China (the “PRC”) (the “Medical, Pharmaceutical and Health Business”); (2) the operation of fitness centres and provision of consultation services for fitness and health activities in Singapore, Taiwan and the PRC (the “Fitness Business”); and (3) the manufacturing and sales of cement and clinker, trading of cement and provision of technical services with operations in Shandong province and Shanghai (the “Cement Business”). This report provides general disclosures that cover Medical, Pharmaceutical and Health Business, Fitness Business and Cement Business.



我們的環境、社會及管治（「環境、社會及管治」）管理方針

董事會已以本公司的整體經營策略為藍本，明訂落實清晰達意且目標明確的環境、社會及管治管理方針的舉措。

執行委員會負責制定政策及指引，為出於可持續發展目的開展的環境、社會及管治活動和事業分配預算。

我們的理念是推動可持續經濟，為本集團打造穩固根基和美好將來，從而為本集團之商業夥伴和本公司之股東創造更高價值。

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) MANAGEMENT APPROACH

The Board endorsed an initiative to pursue a clear and prioritised ESG management approach that is closely aligned with the Company’s overall business strategy.

The Executive Committee is responsible for the formation of policy and guideline, and allocates the budget for ESG activities undertakings for sustainable development.

Our vision is to promote sustainable economies, build a solid foundation and a bright future for the Group and enhance the value of business partners of the Group and shareholders of the Company.

環境、社會及管治報告 Environmental, Social and Governance Report



同方藥業集團有限公司之員工活動
Employee Activity of Tongfang Pharmaceutical Group Co., Ltd.*



斯貝福(北京)生物技術有限公司(「斯貝福」)之員工培訓
Staff training of SPF (Beijing) Biotechnology Co., Ltd.* (“SPF”)

我們的策略是遵守適用於其業務的所有環境要求，並持續改進其環境管理工作至行業的最佳常規。

二零一六年八月及二零一七年十月，我們聘請了外部顧問為所有集團公司管理層籌辦風險管理和環境、社會及管治報告培訓及工作坊。環境保護及產品責任被認定是我們的關鍵層面。另外，外部顧問已向本集團提供企業管治守則的最新發展及資料，並給予最佳常規的推薦意見。此等資料有助我們不斷提升企業管治。

保護我們的環境

我們意識到我們的業務與環境責任密不可分，並承諾盡量減少經營活動對環境的影響。我們的環境策略致力於使業務與環境之間取得和諧平衡。

我們的主要環境政策如下：

- 遵循適用於我們的業務的所有環境規定
- 根據行業最佳常規改進環境結構
- 將環境因素融入業務運營的各個階段（例如規劃、設計與製造）
- 通過培訓增強員工環境意識
- 支持我們經營所在社區的環保活動

我們一直努力推行減量化、再利用、再循環三大原則，從業務運營的所有可能方面減少資源消耗及排放物。我們制定了內部操作指引，包含詳細的水電使用規定，如空調的運行時間和溫度設定。

Our strategy is to comply with all environmental requirements applicable to our business and to continuously improve our environment management towards the industry best practice.

We engaged an external consultant to organise trainings and workshops on risk management and ESG reporting for management of all group entities in August 2016 and October 2017. Environmental Protection and Product Responsibilities are chosen as our key aspects. The external consultant also provided the Group with latest development and updates on the Code on Corporate Governance and recommended best practice. These information are valuable to us in achieving continuous improvement in corporate governance.

PROTECTING OUR ENVIRONMENT

We recognise the environmental responsibilities associated with our business and are committed to minimise the environmental impacts of our business operation. Our environmental strategy is to strike a harmonious balance between our business and the environment.

Our major environmental policy is as below:

- To comply with all environmental requirements applicable to our operations
- To improve the environmental structure towards the industry's best practices
- To integrate environmental considerations in all stages of business operations (e.g. planning, design and manufacturing)
- To enhance environmental awareness of our employees via trainings
- To support environmental initiatives of the communities where we operate

We have a constant endeavour of reducing the consumption of resources and emissions in all possible aspects in the course of business operations by promoting the 3R Principle (Reduce, Reuse and Recycle). We have formulated internal operational guidelines containing detailed requirements regarding water and electricity consumption such as the operating hours and temperature setting of air conditioners.



環境、社會及管治報告 Environmental, Social and Governance Report

水泥生產、餘熱發電、製藥生產過程以及提供健身服務需要大量水。我們的水源各異，且在很大程度上取決於工廠及健身中心的位置。我們自覺地採取措施，減少用水，維護及補給水源。我們在工廠的所有公共區域提供垃圾回收箱，按性質對廢棄物進行分類以進行循環再利用，並委派可回收廢棄物收集承包商協助處理廢棄物。

我們開始更換老化設備或將其升級至更高效型號。在建造或升級工廠時，對環境的影響乃我們的關鍵考慮因素。我們正在為工廠和辦公室更換發光二極管（「LED」）燈飾，比傳統燈飾節能高達40%。

為了建設環保的工作環境，我們要求運營工廠至少三分之一的管理區域達致環保。

醫療、醫藥及健康業務

為了響應中國政府對使用替代能源的號召，我們在北京工廠實施了太陽能發電項目（「太陽能發電項目」）。該項目安裝了太陽能光伏，佔地超過30,000平方呎，能夠提供北京工廠的每日能源消耗。過剩的太陽能將出售給附近工廠。我們的太陽能發電項目有效推動了替代能源發展，通過減少溫室氣體排放改善環境。由於建造商的技術問題，該項目已經順延，會於技術問題解決後立即恢復。

Huge amount of water is required during the cement manufacturing process, residual heat power generation process, the medicine manufacturing process and provision of fitness service. Our sources of water vary and largely depend on the location of our plants and fitness centres. We are consciously taking steps in reducing our consumption and contributing towards maintenance and recharge of water sources. We provide waste recycling bins at all common areas of our plants to separate waste by nature for recycling and appoint waste recyclables collection contractors to help discharge them.

We have started to replace or upgrade our aged equipment to models that have higher efficiency. When constructing or upgrading plants impacts on the environment are our key consideration. Ongoing replacement of Light Emitting Diodes (“LED”) lights in our plants and office provides energy savings of up to 40% compared to conventional lights.

In order to promote a green working environment, we request at least one-third of the managed area of our operation plants to be green.

About our Medical, Pharmaceutical and Health Business

In response to the promotion of alternative energy use by the PRC government, we have implemented a solar energy generation project (“Solar Energy Generation Project”) in our plant in Beijing. The project installed solar photovoltaic, which covers an area of over 30,000 square feet and is able to supply the daily energy consumption of our plant in Beijing. Any surplus of solar energy generated would be sold to the plants nearby. Our Solar Energy Generation Project effectively promotes the development of alternative energy use as well as making contribution to a better environment by reducing greenhouse gas emissions. Due to the technical issue of the constructors, the project has been delayed and the project will be resumed once the technical issue is solved.



重慶康樂製藥有限公司（「重慶康樂」）— 廠區純化水系統
Chongqing Kangle Pharmaceutical Co., Ltd.* (“Chongqing Kangle”) — Water purifying system in the plant

環境、社會及管治報告 Environmental, Social and Governance Report

醫療、醫藥及健康業務的有害廢棄物主要包括試劑瓶、處置藥品和實驗廢液等醫療廢物。我們按照有關法律法規處理所有有害廢棄物。所有有害廢棄物在處置前將由合資格的公司進行無害化處理。在報告期間內，我們的重慶生產基地產生147噸化學廢物，包括蒸餾殘渣、活性污泥、廢碳、試劑及受污染包裝。我們的實驗動物車間產生20.5噸醫療廢物，包括動物屍體。該等廢物已交由合資格的公司處置。

我們的實驗動物車間在飼養動物的過程中產生臭氣，主要成分為氨。我們採用密閉獨立送風隔離籠具飼養動物，廢氣收集率100%，從隔離籠抽出的廢氣在風機的作用下進入噴淋塔。在塔內，從其他程序再循環的水噴灑而下，與廢氣中的氨發生中和反應，從而起到淨化效果。為了提高噴淋塔的效率，我們採用空心球來增加氣體接觸面積，並有效地分散氣流。經淨化的氣體通過煙囪排放。

我們所有的中央空調機組採用變頻控制，維持穩定的溫度及濕度，節能達25-30%。

我們的實驗動物車間的高壓鍋冷卻用水會再循環用於清洗設備及供噴淋吸收塔所需，每年節水達1,540噸。在報告期間內，我們耗水674,600噸。

本集團的若干附屬公司定期進行能源審計或碳審計，監測能源使用。所有藥廠均通過了中國國家環境保護部的環境評價認證。在報告期間內，我們耗電3,937百萬千瓦時，產生二氧化碳排放約12百萬噸。

健身業務

電力及水乃健身業務耗用的主要資源。除利用LED置換照明系統外，我們亦在健身中心張貼海報，推廣節能，提醒用家及員工減少耗水。此外，我們正進行業務數字化，過渡成為無紙辦公室。由本集團收購以來，我們的健身業務耗水307,528噸，耗電10.86百萬千瓦時，產生二氧化碳排放約6.37百萬噸。

Clinical waste such as reagent bottles, disposed drug and experimental liquid waste are the major hazardous wastes of our Medical, Pharmaceutical and Health Business. We handle all of our hazardous waste in accordance with the relevant laws and regulations. All hazardous wastes would have to go through neutralisation treatment by qualified firms before disposal. During the reporting period, our production base in Chongqing produced 147 tonnes chemical wastes including distillation residues, actively sludge, spent carbon, reagents and contaminated packaging. Our experimental animal workshop produced 20.5 Tonnes medical wastes including animal carcasses. All these wastes were sent to qualified firms for disposal.

Unpleasant smell (mainly composed of ammonia) is produced by our experimental animal workshop in the breeding of animals. We adopted closed independent ventilation cage to raise our animals and to collect 100% of the unpleasant smell from the cage to spray tower through fans. In the tower, water recycled from other processes would be sprayed to purify the gas from the impact of ammonia. To improve the efficiency of the spray tower, we adopted hacketten to increase the surface area of the gas and to diversify the stream efficiently. Purified gas would be discharged through chimneys.

All of our central-station air handling units adopts frequency control to constant temperature and humidity, which provides energy savings of up to 25-30%.

Water used in pressure cookers in our experimental animal workshops would be recycled for cleansing the equipment and for the spray absorber, which provides water savings of up to 1,540 tonnes each year. During the reporting period, we consumed 674,600 tonnes of water.

Regular energy audit or carbon audit was performed by certain subsidiaries of the Group to monitor energy usage. All pharmaceutical plants have passed the environmental assessment certification of the Ministry of Environmental Protection in the PRC. During the reporting period, we consumed 3,937 million kWh of electricity, which generated approximately 12 million tonnes of carbon dioxide emission.

About our Fitness Business

Electricity and water are the major resources used in our Fitness Business. Apart from replacing our lighting system with LEDs, we promote energy saving by having posters around the fitness centres to remind users and staff to consume less water. Furthermore, we are digitalising our business and transitioning ourselves into a paper-less office. Since the acquisition to the Group, our fitness business consumed 307,528 tonnes of water and 10.86 million kWh of electricity, which generated approximately 6.37 million tonnes of carbon dioxide emission.



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水泥業務

在熟料及礦渣生產過程中會產生廢氣（例如氮氧化物（「NO_x」）、二氧化硫（「SO₂」）和粉塵）和溫室氣體（例如二氧化碳（「CO₂」））排放物。我們為水泥窯安裝了窯內氣體分析儀，在線監測空氣污染物。我們亦按照水泥工業大氣污染物排放標準「GB4915-2013」的規定（粉塵濃度<20mg/Nm³、NO_x≤400mg/Nm³、SO₂<100mg/Nm³）為窯安裝SNCR進行脫硫脫硝。我們安裝了粉塵回收處理設備，回收生產過程中產生的粉塵，並在水泥生產中再利用。當地環境部門定期進行實地視察，監控生產線的污染物排放。所有排放標準全部達到環境部門的要求。

在過去數年，我們完成了原料磨逆變器的改造，帶式輸送散裝水泥運輸車的技術更新及電除塵器改造。我們在窯系統中採用了低NO_x分階段燒製技術。

於二零一六年，我們對用水和排放系統進行了技術提升，以使排放的經使用水達到再使用的生產標準。因此，水系統可達到零排放。在報告期間內，我們用水量為240,038噸。

本公司多年來一直定期進行能源審計或碳審計，監測能源使用情況。我們的水泥達到水泥單位產品能源消耗限額「GB16780-2012」的規定。在報告期間內，我們耗電7,988百萬千瓦時，產生二氧化碳排放約24百萬噸。

經過我們對製造工廠進行的持續升級，於二零一五年山東聯合王晁水泥有限公司被認定為國家高新技術企業。在不久將來，我們將繼續提升水泥窯的集塵率，並促進其他環保項目的發展。

我們的水泥以水泥車交付或以環保袋（符合水泥包裝袋國家包裝袋標準「GB 9744-2010」）包裝。

About our Cement Business

During the manufacturing process of clinker and slag, exhaust gas emissions (e.g. nitrogen oxides (“NO_x”), sulphur dioxide (“SO₂”) and dust) and greenhouse gas emissions (e.g. carbon dioxides (“CO₂”)) are produced. We have installed kiln gas analysers to our cement kilns for online monitoring of the air pollutants. We have also installed SNCR for the de-sulfurization and de-nitrification to our kilns in accordance to the Emission Standard of Air Pollutants for Cement Industry “GB4915-2013” requirement (dust density <20mg/Nm³, NO_x≤400mg/Nm³, SO₂<100 mg/Nm³). Dust-reclaiming mills were in place to recycle the dust incurred in the manufacturing process and to be reused in cement production. Site visits are regularly conducted by local environmental authorities to monitor the pollutant emissions of the production lines. All emission standards have met the requirements of the environmental authorities.

During the past few years, we have completed the reformation of inverter of clinker powder raw mill, technological updates of the belt-conveyed bulk cement carrier and the reformation of electrical dust precipitator. We have adopted low NO_x staged burning techniques in the kiln system.

In 2016, we have technically improved our water usage and discharge system so that discharged used water is able to meet the production standards for reuse purpose. As such, the water system is able to achieve zero emission. During the reporting period, we consumed 240,038 tonnes of water.

Regular energy audit or carbon audit has been performed by the Company to monitor energy usage over the years. Our cement has met the Norm of Energy Consumption per Unit Products of Cement “GB16780-2012” requirement. During the reporting period, we consumed 7,988 million kWh of electricity, which generated approximately 24 million tonnes of carbon dioxide emission.

As a result of ongoing upgrade of our manufacturing plants, Shandong Allied Wangchao Cement Limited was identified as one of the national high-tech enterprises in 2015. In the coming future, we would continue to enhance the dust collection rate of our cement kiln and other environmental projects.

Our cement is either distributed by cement tankers or packed in environmental friendly bags, which fulfilled the National Standard of Sacks for packing cement “GB 9744-2010”.



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同方藥業集團有限公司 — 有關生產基地安全的員工培訓
Tongfang Pharmaceutical Group Co., Ltd* — Staff training in relation to production base safety



重慶康樂員工參加長壽經開區應急技能比武大賽
Staff of Chongqing Kangle participated in Emergency Skill Competition held by Changshou Economic Development Zone

合規

相關法律法規主要包括但不限於：

- 《中華人民共和國環境保護法》
(主席令第9號：2015.01.01實施版)
- 《中華人民共和國大氣污染防治法》
(主席令第31號：2016.01.01實施版)
- 《中華人民共和國水污染防治法》
(主席令第70號：2018.01.01實施版)
- 《危險廢物貯存污染控制標準》
- 《危險廢物污染防治技術政策》

在報告期間內，未有於我們的運營中發現違反相關環境法律法規的任何已報告事件。

不重大關鍵績效指標

由於我們認為製成品耗用的物料及無害廢物並不重大，故本集團決定不披露有關資料。製成品耗用的物料主要是紙盒及屬一般商業廢物的無害廢物。

僱傭

我們認同僱員乃我們重要的資產，並且不論背景及性別向僱員提供公平及平等的機會。於二零一七年十二月三十一日，本集團醫療、醫藥及健康業務有750名僱員，健身業務則有1,124名僱員，而水泥業務有223名僱員。我們致力於為所有僱員打造一個開明而有啟發性的工作環境。

COMPLIANCE

Major relevant laws and regulations include but not limited to the below:

- 《危險廢物轉移聯單管理辦法》
(國家環境保護總局令第5號：1999.10.01實施版)
- 《中華人民共和國固體廢物污染環境防治法》
(主席令第57號：2016.年11月07實施版)
- 《城市生活垃圾管理辦法》(建設部令157號：2007.07.01實施版及建設部24號：2015.05.04修訂版)
- 《北京市生活垃圾管理條例》(北京市第十三屆人民代表大會常務委員會公告第20號：2012.03.01實施版)

In the reporting period, no reported instances of non-compliance to relevant environmental laws and regulations was noted in our operation.

Non-material key performance indicators

The Group decided not to disclose the material consumed for finished goods and non-hazardous wastes as we considered they are not significant. Materials consumed for finished goods are mainly paper boxes and non-hazardous wastes which are normal commercial wastes.

EMPLOYMENT

We recognise our employees as an important asset and we provide fair and equal opportunities to our employees regardless of their backgrounds and genders. As at 31 December 2017, the Group had 750 employees from the medical, pharmaceutical and health business, 1,124 employees from fitness business and 223 employees from the cement business. We are committed to build an open and inspirational working environment to all our employees.

環境、社會及管治報告 Environmental, Social and Governance Report

我們鼓勵公平競爭

所有僱傭決定均應基於客觀標準。所有僱傭政策遵循平等機會原則，特別是僱員招聘、培訓、職業發展和晉升。我們根據職責和表現釐定薪酬待遇。工作時間、休息時間及界定供款符合相關勞工法律法規。

僱員手冊規範了我們的薪酬方案，包括基本薪金、花紅、社保供款和法定假期。我們按照當地勞工法律法規為社保供款。我們的薪酬方案與當地行業的同業相若。工作時間和休息時間符合當地勞工法律法規。

在報告期間內，未有發現違反相關勞工法律法規的任何已報告事件。

我們絕不容忍歧視或騷擾

我們絕不容忍因任何僱員的性別、年齡、種族或受法律保護的任何身份而對其進行歧視或騷擾。有關歧視或騷擾的投訴將在保密的情況下公正處理。在報告期間內，未有發現任何已報告的歧視或騷擾事件。

我們歡迎意見反饋

我們鼓勵僱員積極主動地向管理層提出意見反饋及關注事項。僱員可通過多種渠道表達不滿和投訴，我們將按照預定程序合理處理收到的不滿和投訴，平等對待所有員工。

我們提倡職業安全與健康

我們努力為僱員提供安全的工作環境，保護彼等免受職業危害。所有工作場所都實施了環境、健康和安全管理系統。我們制定了安全指引，並傳達所有員工。

We promote fair competition

All employment decisions shall be based on objective criteria. Equal opportunities principles are applied in all employment policies, in particular to recruitment, training, career development and promotion of employees. Remuneration packages are determined based on responsibilities and performance. Working time, rest periods and defined contributions are in compliance with relevant labour laws and regulations.

Regulated by the employee handbook, our remuneration scheme consists of basic salary, bonus, social security contribution and statutory holidays. We contributed social security in compliance with local labour law and regulations. Our remuneration scheme is comparable to the peers in the local industry. Working hours and rest periods are in compliance with local labour laws and regulations.

In the reporting period, no reported instance of non-compliance with relevant labour laws and regulations was noted.

We do not tolerate discrimination or harassment

We do not tolerate discrimination or harassment against any employee based on their gender, age, race, or any status protected by law. Complaints about discrimination or harassment would be dealt with on a confidential basis and impartially. In the reporting period, no reported instance on discrimination or harassment was noted.

We welcome feedbacks

We encourage our employees to provide feedbacks and address their concerns to the management proactively. Number of channels are in place for its employees to express grievances and complaints which will be well-handled according to the predetermined procedures to ensure equality to all employees when related matters are handled.

We promote occupational safety and health

We are committed to provide a safe working environment to our employees and to protect them from occupational hazards. Environmental, Health and Safety Management Systems are implemented in all sites. Safety guidelines are formulated and communicated to all employees.

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我們定期舉辦相關培訓，以提高僱員工健康與安全意識。我們委任了安全專員監督各個運營層面的安全水平，並定期向本集團僱員提供有關辦公設備、生產設施、開採工具和檢測設備操作的信息和培訓課程。管理層抽查安全措施的實施是否到位。我們的健身教練接受定期內部培訓及不定期外部培訓，確保彼等具備良好狀態。

於二零一七年十月，我們的實驗動物車間邀請了外部顧問為我們的員工進行實地火警安全演習。

在報告期間內，未有於我們的運營中發現違反相關職業安全與健康的法律法規的任何已報告事件。

Relevant trainings are organised regularly to improve our employees' awareness on health and safety. We have appointed safety officers to supervise the safety level of each aspect of operations and provide the Group's employees with information and training courses about operation of equipment in office, production facilities, mining tools and inspection equipment on a regular basis. Spot checks by the management on the implementation of safety measures are in place. Regular internal trainings and ad-hoc external trainings are provided to our physical trainers to ensure they are well-equipped.

In October 2017, our experimental animal workshop invited external advisers to conduct an in-house fire safety training for our staff.

In the reporting period, no reported instance of non-compliance to relevant occupational safety and health laws and regulations was noted in our operation.



我們提供學習機會

我們向僱員充分提供有關生產、技能和行為規範的培訓。我們持續向僱員提供適當的質量和藥品生產質量管理規範（「藥品生產質量管理規範」）培訓。我們的制度不單確保所有合適僱員接受培訓，同時監測培訓成效。

禁止童工和強制勞工

我們的僱傭政策嚴格禁止僱用童工和強制勞工。在報告期間內，未有發現童工或強制勞工的任何已報告事件。

We provide learning opportunities

We provide our employees with adequate trainings regarding production, skillsets and code of behaviour. We provide appropriate and ongoing trainings on quality and Good Manufacturing Practice ("GMP") to our employees. Our system not only ensures that all applicable employees are trained, but also monitors the effectiveness of the trainings.

Prohibition on child and forced labour

Our employment policy strictly prohibits the employment of children and forced labour. In the reporting period, no reported instance on child labour or forced labour was noted.



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供應鏈管理

我們的所有原材料從本集團的合格供應商名單採購。合資格供應商名單之錄取必須遵循嚴格的標準。經過初步篩選後，潛在供應商將會接受實地審核，包括對供應商的質量管理水平、確保穩定供應的能力、安全和環境管理、僱員健康及社會責任、企業文化和商業信譽的全面評估等。我們對合資格供應商名單密切實施動態管理，定期評估，淘汰不適合的供應商。

產品責任

產品質量是我們業務經營的重點之一。我們建立了嚴格的內部控制制度來管理我們的知識產權，包括商標和專利行政管理、專有技術和保密管理，以及情報和信息收集。我們適時註冊新設計產品的商標。我們適時在網站更新大部分產品的詳細描述。

醫療、醫藥及健康業務

我們應用並恪守一套嚴格的質量標準，採納了相關政策和程序，識別、衡量、控制及維持卓越的產品品質。我們不斷改善這些標準，完善我們的質量和安全程序，確保持續遵循藥品生產質量管理規範。

我們的生產設施接受國家部門的檢查。我們在所有製造工廠採用藥品生產質量管理規範。位於北京的化學藥生產基地、位於陝西省寶雞市的中藥生產基地以及位於重慶市的原料藥及中間體生產基地均通過了中國國家食品藥品監督管理總局的藥品生產質量管理規範認證。位於重慶市的原料藥及中間體生產線同時取得美國FDA認證及世界衛生組織（「世衛」）PQ認證。於二零一七年，重慶康樂的原料藥取得新世衛PQ認證。位於北京市的實驗動物車間取得北京市科學技術委員會的實驗動物生產資格認證。

SUPPLY CHAIN MANAGEMENT

All our raw materials were sourced from the Group's list of qualified suppliers. Admission to the list of qualified suppliers must follow strict standards. After a preliminary screening, potential suppliers will be subject to an on-site audit entailing a comprehensive assessment of the supplier's quality management level, capability of ensuring a stable supply, safety and environmental management, employee health and social responsibility, corporate culture and business reputation, etc. The list of qualified suppliers was managed closely with regular assessments to eliminate unfit suppliers.

PRODUCT RESPONSIBILITY

Product quality is one of our main focuses in our business operation. We have established a strict internal control system to manage our intellectual property, encompassing the administration of trademarks and patents, the management of proprietary technology and confidentiality, and intelligence and information gathering. Trademarks of newly designed products would be registered on a timely basis. Detailed descriptions of most of our products are updated timely on our websites.

Medical, Pharmaceutical and Health Business

We apply and adhere to a strict set of quality standards, and we adopted policies and procedures to identify, measure, control and sustain product-quality excellence. We strive continuously to improve these standards in order to enhance our quality and safety procedures and ensure ongoing compliance with GMP.

Our manufacturing facilities are inspected by national authorities. We adopted GMP in all of our manufacturing plants. Our chemical drugs production base located in Beijing, the Chinese medicines production base located in Baoji City, Shaanxi Province, and the active pharmaceutical ingredients and intermediates production base located in Chongqing City have all obtained the GMP certification from the China Food and Drug Administration of the PRC. The active pharmaceutical ingredients and intermediates production line located in Chongqing City have also obtained the FDA certification of the United States and the PQ certification of the World Health Organisation ("WHO"). In 2017, Chongqing Kangle obtained a new WHO PQ Certification for an active pharmaceutical ingredient. Our experimental animal workshop located in Beijing City has obtained the experimental animal production qualification certification of the Beijing Municipal Science & Technology Commission.

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標籤是建立我們品牌聲譽的關鍵。為免錯貼標籤，我們分開不同產品的生產線。我們的所有產品均貼有詳細信息的標籤，符合相關標籤法律法規的規定。

Labelling is essential for our brand reputation. To prevent mislabelling, we separate our production lines for different products. All of our products are labelled with detailed information in line with the requirements of relevant labelling laws and regulations.

按照我們的藥物回收政策，我們的藥品根據有害反應及後果的危急程度分為三大類。藥物回收政策訂明受感染項目需即時回收，最快24小時完成。為確保回收程序行之有效，每年均會進行回收演習。

According to our drug recall policy, our pharmaceutical products are divided into three categories based on their emergence level of harmful impact and consequences. The drug recall policy also prescribes that affected items be recalled immediately, as fast as 24 hours. To ensure the effectiveness of the recall process, recall drills are performed every year.

我們的實驗動物車間每年飼養超過3百萬隻小鼠，並向國內外科研機構、大專院校以及其他製藥公司出售小鼠，支援生命健康科學研究。於二零一六年，主要從事標準化實驗室動物供應及動物源性藥原料供應的斯貝福獲得了北京實驗動物行業協會頒發的二零一五年北京實驗動物行業先進集體獎。為了保證以人道方式飼養實驗室小鼠，我們提供了充足的空間、優質的食物和適宜的溫度，為實驗室小鼠創造良好的生活環境。我們不時向相關員工提供關於動物福利的技術更新。我們遵循動物福利與仁慈終點建立的原則，並對實驗室小鼠實施安樂死。

Our experimental animal workshop breeds over 3 million mice every year and we sell those mice to domestic and international research institutions, tertiary institutions and other pharmaceutical companies to support the life and health science research. In 2016, SPF, which principally engaged in the supply of standardised laboratory animals and animal indigenous raw materials, obtained the 2015 Beijing Advanced Laboratory Animals Industry Award (“北京實驗動物行業先進集體獎”) issued by the Beijing Association on Laboratory Animal Care. To ensure the laboratory mice being raised humanely, we provide them with a good living environment with adequate space, quality food and suitable temperature. Technical updates regarding the animal welfare are given to related employees from time to time. We follow the Principle of Animal Welfare and Humane Endpoint (“動物福利與仁慈終點建立的原則”) and implement euthanasia on our laboratory mice.

健身業務

Fitness Business

我們致力為客戶提供配置最尖端新穎的心血管訓練設備的優質健身服務。我們的健康中心位於台灣、新加坡及中國。於二零一七年十二月三十一日，台灣有12間健身中心及1間瑜珈及舞蹈會所，新加坡有8間健身中心及1間瑜珈及舞蹈會所，而中國則有2間健身中心。新客戶獲提供免費私人教練課堂，幫助客戶熟悉各種器械的正確使用方法。我們就每份經簽署的合約給予24小時冷靜期，歡迎客戶在冷靜期內取消任何經簽署合約。我們按照相關私隱保障法律處理客戶的私人信息。我們的新加坡健身中心於二零一五年至二零一七年連續三年榮獲Shape Sports Awards（塑形運動大獎）。

We are committed to provide quality fitness service with latest state-of-the-art cardiovascular training equipment to our customers. Our fitness centres locates in Taiwan, Singapore and PRC. As at 31 December 2017, there are 12 fitness centres and 1 yoga and dance club in Taiwan, 8 fitness centres and 1 yoga and dance club in Singapore, and 2 fitness centres in PRC. Free Personal Trainers Sessions are provided to new customers to help them get familiar with the correct ways to use the machines. We provided a 24-hour cool down period for each signed contract. Customers are welcomed to cancel any signed contracts within the cool down period. We handle our customers' private information in accordance to the relevant privacy protection laws. Our fitness centres in Singapore is awarded by Shape Sports Awards for consecutive three years from 2015 to 2017.

環境、社會及管治報告 Environmental, Social and Governance Report

水泥業務

我們通過季度問卷調查等客戶參與措施為客戶提供優質水泥。我們確保我們的產品質量達到通用硅酸鹽水泥國家標準「GB175-2007」。

反貪污

為了維持公平、高效的經營和工作環境，我們高度重視反貪污工作。本集團絕不容忍任何形式的貪污。此外，我們在僱員手冊採納了行為守則，禁止僱員向與本集團有業務往來的人員、公司或組織勒索、收取或接受任何形式的利益。我們制定了舉報制度，僱員可舉報所有形式的懷疑非法行為。在報告期內，未有發現任何賄賂、勒索、詐騙和洗黑錢的已報告事件。

社區投資

我們積極參與社區和慈善活動。我們的水泥業務捐贈水泥幫助周圍村莊修橋築路，完善基礎設施。本集團通過捐贈金錢或物資向貧困人士提供幫助。本集團自成立以來已對外捐贈超過人民幣4.1百萬元。

多年來，聯合王晁於兒童節（六月一日）向學校贊助校服，向僱員子女贊助筆記本、授予獎學金，於重陽節看望鄰近村莊的老人及貧困員工家庭，並自願修繕附近道路。自二零零八年以來，本集團為捐款和慈善工作動用超過15.4百萬港元。

作為企業社會責任舉措的一環，我們亦向新加坡的弱勢兒童提供免費個人培訓課堂。

* 僅供識別

Cement Business

We are committed to provide quality cement to our customers through customer engagement such as quarterly questionnaire surveys. We ensure the quality of our products is up to the National Standard of Common Portland Cements “GB175-2007”.

ANTI-CORRUPTION

In order to maintain a fair and efficient business and working environment, we put great emphasis on anti-corruption. Our Group does not tolerate any form of corruption. Also, we adopted relevant code of conduct in employee handbook to prohibit employees from extorting, charging or accepting any form of interest from people, companies or organisations which conducts business with the Group. Whistleblowing system is formulated for employees to report any suspect of all forms of illegal practices. In the reporting period, no reported instance on bribery, extortion, fraud and money laundering was noted.

COMMUNITY INVESTMENT

We actively take part in community and charitable activities. For our cement business, the Group donates cement to help surrounding villages repair bridges, construct roads, and improve infrastructure facilities. For people living in poverty, the Group helps them through donating money or goods. Since the establishment of the Group, it has donated over RMB4.1 million to external parties.

Over the years, Allied Wangchao has sponsored uniforms to schools on Children’s day (1 June), sponsored notebooks and granted scholarships to the children of our employees, paid visit to the elderly living in adjacent villages and poverty-stricken families of our staff during Chung Yang Festival and voluntarily repaired roads nearby. The Group has spent over HK\$15.4 million on donation and charity work since 2008.

As part of corporate social responsibility initiatives, we also provided free personal training sessions to underprivileged children in Singapore.

* For identification purpose only

企業管治報告

Corporate Governance Report

同方康泰產業集團有限公司(「本公司」)致力於切合實際之框架內維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。本公司董事(「董事」)會(「董事會」)相信良好的企業管治對本公司之成功及提升股東價值至為重要。

Tongfang Kontafarma Holdings Limited (the “Company”) is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The board of directors of the Company (the “Directors” and the “Board”, respectively) believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholders’ value.

企業管治守則及企業管治報告

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

按照香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之《企業管治守則》及《企業管治報告》(「企業管治守則」)，董事會已檢討本公司之企業管治常規。董事認為，於截至二零一七年十二月三十一日止年度(「本年度」)，本公司一直應用企業管治守則並原則及遵守所有適用守則條文。

The Board has reviewed the corporate governance practices of the Company in light of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In the opinion of the Directors, the Company applied the principles of, and complied with, all the applicable code provisions of the CG Code throughout the year ended 31 December 2017 (the “Year”).

董事會

董事會目前共由六名董事組成，其中三名為執行董事(「執行董事」)及三名為獨立非執行董事(「獨立非執行董事」)。於本年度內及截至本報告日期止之董事會成員載列如下：

THE BOARD

The Board currently comprises six Directors in total, with three executive Directors (the “Executive Directors”) and three independent non-executive Directors (the “INEDs”). The composition of the Board during the Year and up to the date of this report is set out as follows:

執行董事

黃俞先生(主席)
 蔣朝文先生(於二零一七年十二月十一日獲委任為本公司首席執行官(「首席執行官」)；於二零一八年一月二十三日獲委任為執行董事)
 黃清海先生(於二零一七年十二月十一日離任董事總經理)

Executive Directors

Mr. Huang Yu (*Chairman*)
 Mr. Jiang Chaowen (*appointed as the chief executive officer of the Company (the “Chief Executive Officer”) with effect from 11 December 2017 and an Executive Director with effect from 23 January 2018*)
 Mr. Ng Qing Hai (*ceased to be the Managing Director with effect from 11 December 2017*)

非執行董事

張軼先生(於二零一七年十二月十一日調任為非執行董事；於二零一八年一月二十三日辭任非執行董事)

Non-Executive Director

Mr. Zhang Yi (*re-designated as a non-Executive Director with effect from 11 December 2017 and resigned as a non-Executive Director with effect from 23 January 2018*)

獨立非執行董事

陳思聰先生
 張瑞彬先生
 張俊喜先生

INEDs

Mr. Chan Sze Chung
 Mr. Zhang Ruibin
 Mr. Zhang Junxi Jack

董事之履歷詳情載於本年報董事會報告第54至60頁之「董事及高級管理人員之履歷詳情」一節。

The brief biographical details of the Directors are set out in the “Biographical Details of Directors and Senior Management” section in the Directors’ Report on pages 54 to 60 of this annual report.

企業管治報告 Corporate Governance Report

董事之間概無財務、業務、家族或其他重大關係。

董事會程序

於本年度，獨立非執行董事為本公司及其附屬公司（統稱「本集團」）提供廣泛之專業知識及經驗。彼等積極參與董事會及董事委員會會議，對有關本集團策略、表現及管理程序之事宜作出獨立判斷，並顧及本公司全體股東（「股東」）之利益。

於本年度全年及截至本報告日期止，本公司有三名獨立非執行董事，佔董事會人數不少於三分之一。根據上市規則第3.10條之規定，至少一名獨立非執行董事具備適當之專業資格或會計或相關財務管理專業知識。本公司已接獲每名獨立非執行董事有關其獨立性之年度確認書，並認為所有獨立非執行董事均具備上市規則第3.13條所載指引下之獨立性。

董事會定期召開會議，討論本集團之整體策略以及營運及財政表現，並審閱及批准本集團之全年及中期業績以及其他須處理之個別事項。各董事於本年度內出席本公司董事會會議、董事委員會會議及股東週年大會（「股東週年大會」）之紀錄載列如下：

There are no financial, business, family or other material relationship among the Directors.

Board Process

During the Year, the INEDs provided the Company and its subsidiaries (collectively, the "Group") with a wide range of expertise and experience. Their active participation in the Board and Board committee meetings has brought independent judgement on issues relating to the Group's strategy, performance and management process, taking into account the interests of all shareholders of the Company (the "Shareholders").

Throughout the Year and up to the date of this report, the Company had three INEDs representing not less than one-third of the Board. At least one of the INEDs has the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. The Company has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results and other ad hoc matters which need to be dealt with. The attendance records of each Director at board meetings, board committee meetings and annual general meeting of the Company (the "AGM") for the Year are set out below:

	董事會	提名委員會	薪酬委員會	審核委員會	投資委員會	風險管理委員會	二零一七年股東週年大會
	Board	Nomination Committee	Remuneration Committee	Audit Committee	Investment Committee	Management Risks Committee	2017 AGM
於本年度內舉行會議之次數	Number of meetings held during the Year	6	1	1	2	1	1
		出席／舉行會議之次數（附註1）					
		Number of meetings attended/held (Note 1)					
執行董事：	Executive Directors:						
黃俞先生（主席）	Mr. Huang Yu (Chairman)	6/6	1/1			1/1	1/1
黃清海先生（附註2）	Mr. Ng Qing Hai (Note 2)	6/6	1/1			1/1	0/1
非執行董事：	Non-Executive Director:						
張軼先生（附註3）	Mr. Zhang Yi (Note 3)	5/6					1/1
獨立非執行董事：	INEDs:						
陳思聰先生	Mr. Chan Sze Chung	6/6	1/1	1/1	2/2	1/1	1/1
張瑞彬先生	Mr. Zhang Ruibin	6/6	1/1	1/1	2/2	1/1	1/1
張俊喜先生	Mr. Zhang Junxi Jack	4/6	1/1	1/1	2/2	1/1	0/1

企業管治報告 Corporate Governance Report

附註：

1. 於本年度內獲委任或辭任之各董事之出席情況乃參考於彼等各自之任期內舉行之有關會議次數得出。
2. 黃清海先生自二零一七年十二月十一日起不再擔任董事總經理，惟留任執行董事。
3. 張軼先生於二零一七年十二月十一日調任非執行董事，並於二零一八年一月二十三日辭任非執行董事。

經董事會決定或考慮之事宜主要包括本集團整體策略、全年營運預算、全年及中期業績、董事委任或重新委任（按提名委員會之建議）、重大合約及交易、企業管治以及其他重大政策及財務事宜等。董事會已將日常職責委派予行政管理人員，並由執行委員會（其具有特定書面職權範圍）指示／監督。董事會及本公司管理層之職能已分別確立並以書面列載，並不時由董事會作出檢討，以確保該等職能與現行規則及規例一致。

董事會定期會議的舉行日期於每年預先編定，以便更多董事出席會議。召開董事會定期會議前會給予全體董事至少十四天之通知，以便彼等皆有機會提出商討事項以列入會議議程內。本公司之公司秘書（「公司秘書」）協助主席／董事總經理／首席執行官編製會議議程，以及確保遵守所有適用法律、規則及規例。議程及隨附之董事會文件在擬舉行董事會定期會議（在可行情況下，亦適用於其他董事會會議）之日期前至少三天呈送予全體董事。每份董事會會議記錄之初稿於提交下一次董事會會議審批前，先供全體董事傳閱並提出意見。所有會議記錄均由公司秘書保存，並供所有董事於發出合理通知後，於任何合理時間內查閱。

根據董事會現行慣例，倘主要股東或董事在董事會將予考慮之事項中存有董事會認為屬重大之利益衝突，則有關事項會於正式召開之董事會會議上由董事會處理。本公司之經修訂及重訂組織章程大綱及章程細則（「章程細則」）亦規定，除當中所述之例外情況外，董事不得就涉及其或其任何緊密聯繫人擁有重大權益的任何合約、安排或建議之任何董事會決議案表決（亦不得將其計入法定人數內）。

Notes:

1. Attendances of each of the Directors appointed or resigned during the Year were made by reference to the number of such meetings held during their respective tenures.
2. Mr. Ng Qing Hai ceased to be the Managing Director with effect from 11 December 2017 but continue to act as an Executive Director.
3. Mr. Zhang Yi had been re-designated as a non-Executive Director with effect from 11 December 2017 and resigned as a non-Executive Director with effect from 23 January 2018.

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, Directors' appointment or re-appointment (based on the recommendations made by the Nomination Committee), material contracts and transactions, corporate governance as well as other significant policy and financial matters. The Board has delegated the day-to-day responsibility to the executive management under the instruction/supervision of the Executive Committee which has its specific written terms of reference. The respective functions of the Board and the management of the Company have been formalised and set out in writing and are reviewed by the Board from time to time to ensure that they are consistent with the existing rules and regulations.

Regular Board meetings are scheduled in advance each year to facilitate maximum attendance of Directors. A notice of a regular Board meeting of at least 14 days is given to all Directors such that they are given an opportunity to include matters for discussion in the agenda. The company secretary of the Company (the "Company Secretary") assists the Chairman/Managing Director/the Chief Executive Officer in preparing the agenda for meetings and ensures that all applicable laws, rules and regulations are complied with. The agenda and the accompanying Board papers are sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before being tabled at the following Board meeting for approval. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

According to the current Board practice, if a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter will be dealt with by the Board at a duly convened Board meeting. The amended and restated memorandum and articles of association of the Company (the "Articles of Association") also stipulate that save for the exceptions as provided therein, a Director shall not vote (nor shall he/she be counted in the quorum) on any resolution of the Board in respect of any contract, arrangement or proposal in which such Director or any of his/her close associates has a material interest.

企業管治報告 Corporate Governance Report

每名董事均有權查閱董事會文件及相關資料，亦可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級管理人員。董事獲持續提供上市規則及其他適用監管規定之最新重大發展之資料，以確保彼等遵守及秉持良好企業管治常規。此外，書面程序已於二零一一年十二月制定，讓各董事在履行其職責時，可在適當情況下尋求獨立專業意見，有關合理費用由本公司承擔。

董事之持續專業發展 （「持續專業發展」）

在持續專業發展方面，除出席會議及審閱由本公司管理層發出之文件及通函外，董事於本年度內參與之活動包括：

Every Director is entitled to have access to Board papers and the related materials and to the advice and services of the Company Secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors are continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, a written procedure was established in December 2011 to enable the Directors, in discharge of their duties, to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

Directors' Continuous Professional Development （“CPD”）

For CPD, in addition to Directors' attendance at meetings and review of papers and circulars sent by the management of the Company, the Directors participated in the activities including the following during the Year:

參與持續專業發展活動 Participation in CPD Activities

董事姓名	Name of Directors	閱讀法規更新 Reading Regulatory Updates	出席與董事 職責有關之 培訓／簡佈會／ 講座／會議 Attending trainings/ briefings/ seminars/ conference relevant to Directors' duties
執行董事：	Executive Directors:		
黃俞先生	Mr. Huang Yu	✓	✓
黃清海先生	Mr. Ng Qing Hai	✓	✓
非執行董事：	Non-Executive Director:		
張軼先生 ^(附註)	Mr. Zhang Yi ^(Note)	✓	✓
獨立非執行董事：	INEDs:		
陳思聰先生	Mr. Chan Sze Chung	✓	✓
張瑞彬先生	Mr. Zhang Ruibin	✓	✓
張俊喜先生	Mr. Zhang Junxi Jack	✓	✓

附註：

Note:

張軼先生於二零一七年十二月十一日調任非執行董事，並於二零一八年一月二十三日辭任非執行董事。

Mr. Zhang Yi had been re-designated as a non-Executive Director with effect from 11 December 2017 and resigned as a non-Executive Director with effect from 23 January 2018.

董事確認彼等已符合有關董事培訓之企業管治守則之守則條文第A.6.5條。

The Directors confirmed that they have complied with code provision A.6.5 of the CG Code on directors' training.

企業管治報告 Corporate Governance Report

董事會成員多元化

企業管治守則之守則條文第A.5.6條規定提名委員會（或董事會）應訂有涉及董事會成員多元化之政策，並於企業管治報告內披露其政策或政策摘要。

本公司於二零一三年十二月採納了董事會成員多元化政策（「董事會成員多元化政策」）。提名委員會負責檢討董事會成員多元化政策。董事會成員多元化政策載列有關董事會成員多元化之目標及原則，以在可行情況下達致本公司在董事會成員多元化方面取得平衡之策略目標。

甄選人選將基於一系列多元化準則，包括但不限於性別、年齡、文化及教育背景、知識、專業經驗及技能。最終決定將按人選之長處及可為董事會作出之貢獻而定。

主席及行政總裁之角色

企業管治守則之守則條文第A.2.1條規定主席與行政總裁的角色應有所區分及由不同人士擔任。

董事會主席與董事總經理／首席執行官之角色有所區分。有關職責分工加強該等董事之獨立性及問責性。董事會主席黃俞先生負責董事會之領導及有效運作，而董事總經理黃清海先生則負責本集團之整體管理。自二零一七年十二月十一日起，黃清海先生不再擔任董事總經理，惟留任執行董事，而蔣朝文先生則獲委任為首席執行官。

Board Diversity

Code provision A.5.6 of the CG Code stipulates that the Nomination Committee (or the Board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report.

The Company adopted a board diversity policy (the “Board Diversity Policy”) in December 2013. The Nomination Committee has been in charge of the review of the Board Diversity Policy. The Board Diversity Policy sets out the objectives and principles regarding board diversity for the purpose of achieving the Company’s strategic objectives of balanced diversity at the Board as far as practicable.

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

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the CG Code provides that the roles of the chairman and the chief executive should be separate and performed by different individuals.

The roles of the Chairman of the Board and the Managing Director/the Chief Executive Officer are separate. Such division of responsibilities reinforces the independence and accountability of these Directors. Mr. Huang Yu, the Chairman of the Board, is responsible for leadership and effective running of the Board, while Mr. Ng Qing Hai, the Managing Director, is responsible for overall management of the Group. With effect from 11 December 2017, Mr. Ng Qing Hai ceased to be the Managing Director but continue to act as an Executive Director, and Mr. Jiang Chaowen had been appointed as the Chief Executive Officer.

企業管治報告 Corporate Governance Report

董事之委任及重選

提名委員會之職權範圍包括訂明遴選及推薦本公司董事候選人程序及準則之提名方法。

每名新獲委任之董事將於首次委任時獲公司秘書或本公司之律師提供一套入職資料。該套入職資料乃根據香港法例第622章公司條例（「條例」）、上市規則以及香港法例第571章證券及期貨條例（「證券及期貨條例」）董事須遵守之職責及持續責任之全面、正式及按每名董事情況專門編制之指引。此外，該套入職資料亦包括簡述本公司運作及業務之資料、本公司最新公佈之財務報告及董事會採納之企業管治常規文件。董事會持續獲更新上市規則及其他適用之監管規定之重大發展，以確保彼等遵守及維持良好之企業管治常規。

所有獨立非執行董事之委任已設特定任期，但同時亦受章程細則之有關條文或任何其他適用法例所規限，董事須離任或退任，但可膺選連任。獨立非執行董事之任期詳情載於本年報第60頁之董事會報告所載之「獨立非執行董事之任期」一節。

根據章程細則，於每屆股東週年大會上，當時在任董事的三分之一（或如其人數並非三或三之倍數，則最接近但不少於三分之一）須輪值退任。此外，任何獲董事會委任以填補臨時空缺之董事之任期僅至其獲委任後之本公司首次股東大會為止，而獲委任為董事會新增之成員可任職至下屆股東週年大會為止，在該兩種情況下，該等董事屆時均可於相關會議上膺選連任。每名董事須至少每三年輪值退任一次。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The terms of reference of the Nomination Committee include the nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

Every newly appointed Director will receive an induction package from the Company Secretary or the lawyer of the Company on the first occasion of his/her appointment. This induction package is a comprehensive, formal and tailored induction on the responsibilities and on-going obligations to be observed by a director pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Ordinance"), Listing Rules and Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). In addition, this induction package includes materials briefly describing the operations and business of the Company, the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. Directors are continuously updated on any major developments of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

All INEDs were appointed for a specific term, but subject to the relevant provisions of the Articles of Association or any other applicable laws whereby the Directors shall vacate or retire from their office but are eligible for re-election. Details of the term of appointment of the INEDs are set out in the section headed "Terms of Office for the Independent Non-Executive Directors" contained in the Directors' Report on page 60 of this annual report.

According to the Articles of Association, at each AGM, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Further, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment whilst for those appointed as an addition to the Board shall hold office until the next AGM and in both cases, those Directors shall then be eligible for re-election at the relevant meeting. Every Director shall be subject to retirement by rotation at least once every three years.

企業管治職能

董事會負責按照其職權範圍履行企業管治職責。董事會在企業管治職能方面之職責包括：

- (i) 制定及檢討本公司之企業管治政策及常規；
- (ii) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (iii) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (iv) 制定、檢討及監察適用於僱員及董事之操守準則及合規手冊；及
- (v) 檢討本公司遵守企業管治守則之情況及在企業管治報告內之披露。

於本年度，董事會已根據其職權範圍履行企業管治職責。

董事委員會

董事會已成立多個委員會，包括提名委員會、薪酬委員會、審核委員會、投資委員會、風險管理委員會及執行委員會，各委員會均以書面具體列明其職權範圍。公司秘書保存各委員會之所有會議記錄及決議案，並提供副本予全體董事會成員傳閱，而各委員會須向董事會匯報其決定及建議（倘適用）。委員會會議亦已在可行情況下採納董事會會議之程序及安排（於本報告「董事會」一節提述）。

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties in accordance with its terms of reference. The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and CPD of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the Year, the Board has performed the corporate governance duties in accordance with its terms of reference.

BOARD COMMITTEES

The Board has established various committees, including the Nomination Committee, the Remuneration Committee, the Audit Committee, the Investment Committee, the Risks Management Committee and the Executive Committee, each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and the committees are required to report back to the Board on their decisions and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section headed "The Board" of this report, have been adopted for the committee meetings so far as practicable.

企業管治報告 Corporate Governance Report

提名委員會

提名委員會之主席為董事會主席，大部份成員為獨立非執行董事。目前，提名委員會由五名成員組成，即執行董事黃俞先生（提名委員會主席）及黃清海先生以及獨立非執行董事陳思聰先生、張瑞彬先生及張俊喜先生。

提名委員會之主要職責為就包括董事之提名及委任、繼任計劃以及董事會之架構及組合在內之事宜向董事會提出建議。提名委員會獲提供充裕資源以履行其職責，並可按本公司之政策在有需要時尋求獨立專業意見。提名委員會之主要角色及職能已載於其職權範圍內，該職權範圍已於聯交所及本公司各自之網站內登載。

根據其職權範圍，提名委員會將於有需要時召開會議，亦可透過傳閱文件方式處理事宜。於二零一七年，提名委員會已舉行一次會議，每名成員之出席情況載於本報告「董事會」一節內。除上述提名委員會會議外，於本年度內，提名委員會亦曾透過傳閱文件方式處理事宜。於本年度內及截至本報告日期止，提名委員會已履行之主要工作概述如下：

- (i) 審閱及建議董事會批准就重選董事於股東週年大會上提呈決議案；
- (ii) 經考慮董事會成員多元化政策後，檢討董事會的架構、人數及組成；
- (iii) 檢討獨立非執行董事之獨立性；
- (iv) 審閱及建議董事會批准兩名獨立非執行董事之續任及有關任期；
- (v) 審閱及建議董事會批准首席執行官之委任及董事之調任；
- (vi) 檢討董事會、主席、董事總經理／首席執行官及管理人員之職能／角色；
- (vii) 審閱執行董事之任命以及執行委員會及股份交易委員會之新成員組合，並就此作出推薦以供董事會批准；及
- (viii) 建議董事會批准成立投資委員會。

Nomination Committee

The Nomination Committee is chaired by the Chairman of the Board and comprises a majority of INEDs. Currently, the Nomination Committee consists of five members, namely Mr. Huang Yu (Chairman of the Nomination Committee) and Mr. Ng Qing Hai, who are Executive Directors, and Mr. Chan Sze Chung, Mr. Zhang Ruibin and Mr. Zhang Junxi Jack, who are INEDs.

The primary duty of the Nomination Committee is to make recommendations to the Board on matters including nomination and appointment of directors, succession planning and structure and composition of the Board. The Nomination Committee is provided with sufficient resources to discharge its duties and it can seek independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Nomination Committee are included in its terms of reference, which are available on the respective websites of the Stock Exchange and the Company.

The Nomination Committee will meet as and when necessary in accordance with its terms of reference and may also deal with matters by way of circulation. A Nomination Committee meeting was held in 2017 and the attendance of each member is set out in the section headed "The Board" of this report. In addition to the above-mentioned Nomination Committee meeting, the Nomination Committee also dealt with matters by way of circulation during the Year. During the Year and up to the date of this report, the major work performed by the Nomination Committee was as follows:

- (i) reviewed and recommended for the Board's approval of the proposed resolutions for re-election of Directors at AGMs;
- (ii) reviewed the structure, size, composition of the Board taking into account the Board Diversity Policy;
- (iii) reviewed the independence of INEDs;
- (iv) reviewed and recommended for the Board's approval of the renewal of two INEDs' appointments and relevant terms of the appointments;
- (v) reviewed and recommended for the Board's approval of the appointment of the Chief Executive Officer and re-designation of Directors;
- (vi) reviewed the functions/roles of the Board, Chairman, Managing Director/Chief Executive Officer and management;
- (vii) reviewed and recommended for the Board's approval of the appointment of Executive Director and the new compositions of the Executive Committee and the Share Dealing Committee; and
- (viii) recommended for the Board's approval of the formation of investment committee.

薪酬委員會

薪酬委員會目前由三名成員組成，即張瑞彬先生（薪酬委員會主席）、陳思聰先生及張俊喜先生，全屬獨立非執行董事。

薪酬委員會之主要職責為就全體董事及本集團高級管理人員之本公司薪酬政策及架構以及其他與薪酬相關之事宜，向董事會提出建議。薪酬委員會會定期監察所有董事之薪酬，以確保其薪酬及報酬合理。薪酬委員會獲提供充裕資源以履行其職責，並可按本公司之政策在有需要時尋求獨立專業意見。薪酬委員會之主要角色及職能已載於其職權範圍內，該職權範圍已於聯交所及本公司各自之網站內登載。

根據其職權範圍，薪酬委員會每年須至少召開一次會議。於二零一七年，薪酬委員會已舉行一次會議，每名成員之出席情況載於本報告「董事會」一節內。除上述薪酬委員會會議外，於二零一七年，薪酬委員會亦曾透過傳閱文件方式處理事宜。於本年度內及截至本報告日期止，薪酬委員會已履行之工作概述如下：

- (i) 審閱及建議董事會批准董事及高級管理人員之現有薪酬政策及架構；
- (ii) 審閱及建議董事會批准董事及高級管理人員截至二零一六年十二月三十一日止年度之薪酬待遇，以及執行董事本年度之薪金增幅；及
- (iii) 審閱及建議董事會批准首席執行官及董事之薪酬待遇。

Remuneration Committee

The Remuneration Committee currently consists of three members, namely Mr. Zhang Ruibin (Chairman of the Remuneration Committee), Mr. Chan Sze Chung and Mr. Zhang Junxi Jack, all being the INEDs.

The primary duty of the Remuneration Committee is to make recommendations to the Board on the Company's policy and structure for remuneration of all directors and senior management of the Group and other matters relating to remuneration. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that their remuneration and compensation are reasonable. The Remuneration Committee is provided with sufficient resources to discharge its duties and it can seek independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Remuneration Committee are included in its terms of reference, which are available on the respective websites of the Stock Exchange and the Company.

The Remuneration Committee shall meet at least once a year in accordance with its terms of reference. A Remuneration Committee meeting was held in 2017 and the attendance of each member is set out in the section headed "The Board" of this report. In addition to the above Remuneration Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during 2017. During the Year and up to the date of this report, the Remuneration Committee had performed the work as summarised below:

- (i) reviewed and recommended for the Board's approval of the existing policy and structure for the remuneration of Directors and senior management;
- (ii) reviewed and recommended for the Board's approval of the remuneration packages of Directors and senior management for the year ended 31 December 2016, and the salary increments of the Executive Directors for the Year; and
- (iii) reviewed and recommended for the Board's approval of the remuneration packages of the Chief Executive Officer and Directors.



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每名董事將有權獲取之董事袍金需於每年之股東週年大會上提呈股東批准。就董事之額外職責及服務而應付予彼等之額外薪酬（包括獨立非執行董事之任何服務費），將按彼等各自之僱傭合約或服務合約之相應合約條款釐定，惟須經薪酬委員會建議及獲董事會批准。董事薪酬之詳情載於本年報所載之綜合財務報表附註10，而自本公司二零一七年年中期報告日期起直至本報告日期止之若干董事酬金之變更詳情亦已於董事會報告「董事資料變動」內披露。本集團薪酬政策之詳情亦已載於本年報第17頁之管理層討論及分析所載之「僱員」一節內。

根據企業管治守則之守則條文第B.1.5條，高級管理層成員（董事除外）於本年度之年度酬金範圍載列於本年報所載之綜合財務報表附註10。

審核委員會

審核委員會目前由三名獨立非執行董事組成，即陳思聰先生（審核委員會主席）、張瑞彬先生及張俊喜先生。為保持獨立性及客觀性，審核委員會由一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事擔任主席。

審核委員會之主要職責為協助董事會監察本公司財務報表之完整性、準確性及公平性，檢視風險管理及內部監控系統是否有效及足夠，評估外聘核數師之獨立性以及本公司內部審計及法規監核功能之表現及有效性。審核委員會獲提供充裕資源以履行其職責，並可按本公司之政策在有需要時尋求獨立專業意見。審核委員會之主要角色及職能已載於其職權範圍內，該職權範圍已於聯交所及本公司各自之網站內登載。

根據其職權範圍，審核委員會每年須至少召開兩次會議。於本年度內，審核委員會已舉行兩次會議，而各成員之出席情況載於本報告「董事會」一節內。除上述審核委員會會議外，於本年度內，審核委員會亦曾透過傳閱文件方式處理事宜。

Each Director will be entitled to a Director's fee which is to be proposed for the Shareholders' approval at the AGM each year. Further remuneration payable to the Directors (including any service fees of the INEDs) for their additional responsibilities and services will depend on their respective contractual terms under their respective employment contracts or service contracts as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 10 to the consolidated financial statements of this annual report while detailed changes in the emoluments of certain Directors since the date of the 2017 Interim Report of the Company and up to the date of this report were also disclosed in the "Changes in Directors' Information" of the Directors' Report. Details of the remuneration policy of the Group are also set out in the "Employees" section contained in the Management Discussion and Analysis on page 17 of this annual report.

Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management (other than the Directors) during the Year by band is set out in note 10 to the consolidated financial statements of this annual report.

Audit Committee

The Audit Committee currently consists of three INEDs, namely Mr. Chan Sze Chung (Chairman of the Audit Committee), Mr. Zhang Ruibin and Mr. Zhang Junxi Jack. To retain independence and objectivity, it is chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise.

The primary duty of the Audit Committee is to assist the Board in its oversight of the completeness, accuracy and fairness of the financial statements of the Company, the effectiveness and adequacy of risk management and internal control systems, the independence of the external auditor and the performance and effectiveness of the Company's internal audit and compliance function. The Audit Committee is provided with sufficient resources to discharge its duties and it can seek independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Audit Committee are included in its terms of reference, which are available on the respective websites of the Stock Exchange and the Company.

The Audit Committee shall meet at least twice a year in accordance with its terms of reference. Two Audit Committee meetings were held during the Year and the attendance of each member is set out in the section headed "The Board" of this report. In addition to the above Audit Committee meetings, the Audit Committee also dealt with matters by way of circulation during the Year.

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於本年度內及截至本報告日期止，審核委員會已履行之工作概述如下：

- (i) 審閱及批准外聘核數師建議之本集團本年度年終審核（「二零一七年年終審核」）之核數範圍及費用；
- (ii) 審閱外聘核數師就有關截至二零一六年十二月三十一日止年度之年終審核、截至二零一七年六月三十日止六個月（「二零一七年中期期間」）之中期業績審閱及二零一七年年終審核之獨立審閱報告／審核完成報告及管理層之回應；
- (iii) 審閱及建議董事會批准截至二零一六年十二月三十一日止年度、二零一七年年中期期間及本年度之財務報告及相關之管理層聲明函件及公佈；
- (iv) 審閱分別由內部審計部（「內部審計部」）及外部顧問編製之內部審計檢討報告／摘要（「內部審計報告」），並指示管理層處理及監督報告所提出之事項；
- (v) 審閱及建議董事會批准風險報告；
- (vi) 審閱及建議董事會批准就本集團會計及財務匯報職能方面之資源分配、員工資歷及經驗以及有關員工所接受之培訓課程及預算之最新報告；及
- (vii) 審閱及建議董事會就關連交易政策、關聯方交易政策及程序、舉報者政策、內幕消息披露政策以及操守準則及合規手冊作年度檢討。

During the Year and up to the date of this report, the Audit Committee had performed the work as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditor in respect of the final audit for the Year (the “2017 Final Audit”) of the Group;
- (ii) reviewed the independent review report/audit completion report from the external auditor and the management’s response in relation to the final audit for the year ended 31 December 2016, the interim results review for the six months ended 30 June 2017 (the “2017 Interim Period”) and 2017 Final Audit;
- (iii) reviewed and recommended for the Board’s approval of the financial reports for the year ended 31 December 2016, for the 2017 Interim Period and for the Year together with the relevant management representation letters and announcements;
- (iv) reviewed the internal audit review report/summary (the “IA Reports”) prepared by the Internal Audit Department (the “IAD”) and an external consultant respectively, and instructed that the issues raised would be addressed and managed by the management;
- (v) reviewed and recommended for the Board’s approval of the risk reports;
- (vi) reviewed and recommended for the Board’s approval of the updated report on substantiation of the resources, qualifications and experience of staff of the Group’s accounting and financial reporting function, and their training programmes and budget; and
- (vii) reviewed and recommended for the Board’s annual review of the connected transaction policies, the related party transaction policies and procedures, the whistle blower policy, the policy on the disclosure of inside information and the code of conduct and compliance manual.

企業管治報告 Corporate Governance Report

執行委員會

執行委員會目前由三名執行董事組成，即黃俞先生（執行委員會主席）、蔣朝文先生（首席執行官）及黃清海先生。

執行委員會獲董事會授予關於本集團業務之所有一般管理及控制權，惟根據執行委員會之書面職權範圍須留待董事會決定及批准之事宜除外。

執行委員會將於有需要時召開會議，以討論本集團之營運事宜，亦可透過傳閱文件方式處理事宜。執行委員會主要負責處理及監察日常管理事宜，並獲授權：

- (i) 制定及執行有關本集團商業活動、內部監控及行政之政策；及
- (ii) 在董事會確定之本集團整體策略範圍內，規劃及決定就本集團商業活動採納之策略。

董事及相關僱員進行證券交易之守則

本公司已採納上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」），作為其董事進行證券交易之行為守則。經本公司作出特定查詢後，全體董事已確認彼等於本年度內一直遵守標準守則所載之規定標準。本公司已要求因於本公司之職務而有可能取得內幕消息之相關僱員遵守標準守則之條文。

Executive Committee

The Executive Committee currently consists of three Executive Directors, namely Mr. Huang Yu (Chairman of the Executive Committee), Mr. Jiang Chaowen (the Chief Executive Officer) and Mr. Ng Qing Hai.

The Executive Committee is vested by the Board with all the general powers of management and control of the activities of the Group, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive Committee.

The Executive Committee will meet as and when necessary to discuss the operating affairs of the Group and may also deal with matters by way of circulation. The Executive Committee is mainly responsible for undertaking and supervising the day-to-day management and is empowered to:

- (i) formulate and implement policies for the business activities, internal control and administration of the Group; and
- (ii) plan and decide on strategies to be adopted for the business activities of the Group within the overall strategy of the Group as determined by the Board.

CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry made by the Company, that they had complied with the required standard as set out in the Model Code during the Year. Relevant employees who, because of their office in the Company, are likely to be in possession of inside information have been requested to comply with the provisions of the Model Code.

問責及核數

財務報告

董事確認彼等於本公司財務部之協助下編製本集團綜合財務報表之責任。於編製本年度之綜合財務報表時，本公司已採納香港公認會計原則，並遵守香港會計師公會頒佈之香港財務報告準則（當中亦包括香港會計準則及詮釋）之規定以及條例之披露規定。董事認為所選擇之會計政策適當且已貫徹應用，而所作判斷及估計審慎合理，亦確保按持續經營基準編製綜合財務報表。本公司外聘核數師德勤•關黃陳方會計師行之匯報責任載於本年報第72頁至第78頁之獨立核數師報告內。

風險管理及內部監控

於本年度內，本集團已委聘外部顧問檢討本集團之風險管理框架（「風險管理框架」）（包括就本年度內新收購之健身業務之風險識別及評估）、本集團為本年度進行之風險評估及本集團風險管理政策（「風險管理政策」）。下文概述本集團結構性風險管理方法的主要特徵：

I. 風險管理架構

風險管理框架由以下所示之「三道防線」模式指引：



ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from the finance department of the Company, the consolidated financial statements of the Group. In preparing the consolidated financial statements for the Year, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Ordinance have been complied with. The Directors believe that they have selected suitable accounting policies and applied them consistently, and made judgements and estimates that are prudent and reasonable and ensure the consolidated financial statements are prepared on a going concern basis. The reporting responsibilities of the Company's external auditor, Deloitte Touche Tohmatsu, are set out in the Independent Auditor's Report on pages 72 to 78 of this annual report.

Risk Management and Internal Control

During the Year, the Group has engaged an external consultant to review the risk management framework of the Group (the "Risk Management Framework"), including risk identification and risk assessment for the newly acquired fitness business during the Year; the risk assessment performed by the Group for the Year; and the risk management policy of the Group (the "Risk Management Policy"). We highlighted the key features of the Group's structured risk management approach as follows:

I. Risk governance structure

The Risk Management Framework is guided by the "Three Lines of Defense" model as shown below:

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董事會

董事會全面負責評估及釐定其為達致本集團之策略業務目標而願意承擔之風險性質及程度，並確保本集團建立及維持適當及有效之風險管理及內部監控系統。

本集團風險管理及內部監控系統旨在合理地（而非絕對地）保證無重大失實陳述或損失，同時管理（但並非完全消除）系統失誤之風險，並協助本集團達致議定宗旨及目標。其在對達致業務目標至為重要之風險管理擔當關鍵角色。除了保障本集團之資產外，風險管理及內部監控亦為備存妥善之會計記錄提供準則，有助遵守有關法律及規例。

董事會透過審核委員會並在內部審計部及外部顧問之協助下，已檢討本年度本集團業務營運之風險管理及內部監控，並認為其於本年度內屬有效及充分。

風險管理委員會

風險管理委員會負責監督整體風險管理框架，並就本集團之風險相關事宜向董事會提供意見。該委員會目前由五名成員組成，即獨立非執行董事張俊喜先生（風險管理委員會主席）、陳思聰先生及張瑞彬先生，以及執行董事黃俞先生及黃清海先生。

風險管理團隊

風險管理團隊負責維持風險管理框架之有效性及協調本集團風險管理活動。風險管理團隊提供有關風險管理框架發展之資料及反饋，協助推進該框架及其流程，以及於提交予風險管理委員會前監察自下而上報告及主要風險記錄。

第一道防線

在第一道防線，本集團經營之附屬公司（作為風險負責人）負責識別、評估及監察與每項業務營運相關之風險。

Board of Directors

The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic business objectives, and ensuring the Group establishes and maintains appropriate and effective risk management and internal control systems.

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's agreed objectives and goals. It is a key role in the management of risks that are significant to the fulfilment of business objectives. In addition to safeguarding the Group's assets, it should provide a basis for the maintenance of proper accounting records and assist in the compliance with relevant laws and regulations.

The Board, through the Audit Committee and with the assistance of the IAD and the external consultant, conducted risk management and internal control reviews of the business operations of the Group for the Year and considered it to be effective and adequate during the Year.

Risks Management Committee

The Risks Management Committee is responsible for overseeing the overall Risk Management Framework and to advise the Board on the Group's risk-related matters. It currently consists of five members, namely Mr. Zhang Junxi Jack (Chairman of the Risks Management Committee), Mr. Chan Sze Chung and Mr. Zhang Ruibin, who are the INEDs, and Mr. Huang Yu and Mr. Ng Qing Hai, who are the Executive Directors.

Risk Management Team

The Risk Management Team is responsible for maintenance of the effectiveness of the Risk Management Framework and co-ordination of risk management activities of the Group. The Risk Management Team provides input and feedback on the development of the Risk Management Framework, assists in promoting the framework and its processes, and has oversight on the bottom-up reports and top risk records prior to the submission to the Risks Management Committee.

First line of defense

At the first line of defense, operating subsidiaries of the Group, as the risk owners, are responsible for identifying, assessing and monitoring risks associated with each business operations.

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第二道防線

各業務單位之董事及高級管理人員（作為第二道防線）負責評估相關風險、採取必要監控活動、執行適當監督以確保有效及高效監控各部門內部及不同部門之間之活動以及評估及提呈向風險管理團隊作出之定期報告。

第三道防線

在第三道防線，內部審計部及外部顧問每年進行內部審計工作，並確保第一及第二道防線有效。兩者就本集團內部監控之充足性及有效性向審核委員會及董事會提供獨立保證。

II. 風險管理流程

於本年度內，本集團使用自上而下及自下而上之混合方法識別風險，加以識別風險來源、影響範圍、事件及其潛在影響。本集團已建立風險全域圖，以確保涵蓋所有風險。已被識別之風險分為財務、營運、聲譽及人力資源風險四大類。

本集團使用5-5風險矩陣（「熱力圖」）評估風險。風險按其影響及發生之可能性劃分等級。風險等級以其剩餘風險水平為基準。剩餘風險水平指計及所有現有監控措施後所存在風險的分值。風險分析結果之評估旨在釐定所識別的風險是否處於預定之風險偏好及承受水平之內。

基於風險評估，風險得以透過擬定之風險緩解措施轉移、消除或有效控制。各項擬定風險緩解措施指定一名風險負責人，並設有預計完成日期，以確保風險緩解之問責性，有關資料載於本集團的主要風險記錄內。

Second line of defense

The directors and senior management teams of the respective business units, as the second line of defense, are responsible for assessing relevant risks and carrying out necessary control activities, exercising appropriate supervision to ensure the effectiveness and efficiency of control over activities within and between different departments, and assessing and presenting regular reports to the Risk Management Team.

Third line of defense

As the third line of defense, the IAD and the external consultant perform internal audit work on annual basis and ensures that the first and second lines of defence are effective. They provide independent assurance to the Audit Committee and the Board on the adequacy and effectiveness of internal controls for the Group.

II. Risk management process

During the Year, the Group uses a blended top-down and bottom-up approach for identifying risks. Sources of risk, areas of impact, events and their potential consequences are identified. A risk universe has been created to ensure the entire spectrum risks are captured. The identified risks are categorised into 4 main areas which involve financial, operational, reputation and human resources.

The Group uses a 5-by-5 risk matrix (“heat map”) to assess risks. The risk rating is scored in terms of the consequence and likelihood of occurrence. Risks are rated according to their residual risk levels. Residual risk levels refer to the scoring of risks which exist, taking into account all existing controls. The result from the risk analysis is evaluated to determine whether or not identified risks are within predefined risk appetite and tolerance levels.

Based on the risk evaluation, risks are transferred, eliminated or effectively controlled through proposed risk mitigation measures. Each proposed risk mitigation measure has a designated risk owner and an expected completion date assigned to ensure accountability for risk mitigation, which is documented in the top risk records of the Group.

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III. 風險監控及報告

下文概述本集團主要風險報告工作之自下而上報告渠道及頻次：

自營運附屬公司至風險管理團隊：

- 編製及更新營運附屬公司之風險登記冊（每年）
- 主要風險記錄所載之擬定風險緩解措施之整治狀態（每半年）
- 營運附屬公司之任何所識別重大風險（每半年）
- 超出本集團風險偏好之任何風險（實時）

自風險管理團隊至風險管理委員會及董事會：

- 主要風險之整治狀態（每年）
- 風險全域圖之任何更新（每年）
- 風險管理政策（包括風險評估準則）之更新（每年）
- 主要風險識別（包括主要風險儀表板、風險全域圖及主要風險記錄）（每年）
- 超出本集團風險偏好之任何風險（實時）

IV. 年度確認

本集團風險管理及內部監控系統旨在合理地（而非絕對地）保證無重大失實陳述或損失，同時管理（但並非完全消除）無法實現業務目標之風險。其在對達致業務目標至為重要之風險管理擔當關鍵角色。董事會已透過審核委員會並在內部審計部及外部顧問之協助下，檢討本年度業務營運之風險管理及內部監控，並認為其於本年度內屬有效及充分。管理層已就該等系統於本年度之有效性向風險管理委員會（及董事會）提供確認。

III. Risk monitoring and reporting

We highlighted below the bottom-up reporting channel and frequency of our key risk reporting activities:

From operating subsidiaries to the Risk Management Team:

- Prepares and updates the risk register of the operating subsidiaries (annually)
- The remediation status of the proposed risk mitigation measure documented in the top risk records (semi-annually)
- Any significant risks identified from operating subsidiaries (semi-annually)
- Any risks that exceed the risk appetite of the Group (real time)

From the Risk Management Team to the Risks Management Committee and the Board:

- The remediation status of top risks (annually)
- Any updates to the risk universe (annually)
- Update of risk management policy, including risk assessment criteria (annually)
- Top risk identification including top risk dashboard, risk universe and top risk records (annually)
- Any risks that exceed the risk appetite of the Group (real time)

IV. Annual confirmation

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute assurance against material misstatement or loss; to manage rather than completely eliminate the risk of failure to achieve business objectives. It has a key role in the management of risks that are significant to the fulfilment of business objectives. The Board, through the Audit Committee and with the assistance of the IAD and the external consultant, conducted risk management and internal control reviews of the business operations for the Year and considered it to be effective and adequate for the Year. The management has provided a confirmation to the Risk Management Committee (and the Board) on the effectiveness of these systems for the Year.

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內部審計

內部審計部向審核委員會匯報。內部審計部將在向董事會保證管理層維持及營運良好之內部監控系統方面擔當重要角色。於本年度內，本集團已委聘外部顧問提供內部審計服務，其工作範圍及檢討結果已經過審核委員會與外部監控顧問討論。

審核委員會及董事會獲提供內部審計報告，以審閱內部審計職能之充足性及有效性。有關本集團面對各主要類別風險之管理政策及程序之論述，收錄於本年報第50至51頁董事會報告內「主要風險及不明朗因素」一節。管理層將盡快處理並管理內部審計報告所提出之事項，而審核委員會及董事會信納本公司擁有充足之風險管理及內部監控系統。

處理及發佈內幕消息

本公司已根據證券及期貨條例第XIVA部及上市規則之規定，制訂有關於處理及發佈本公司內幕消息之原則及程序的政策。該政策規範內幕消息之處理及發佈，當中包括：

- 擁有潛在內幕消息之有關職員按指定報告渠道將該消息告知由董事會指定之人士（「指定人士」）；
- 指定人士評估潛在內幕消息及提供建議，並在適當情況下上報董事會知悉，從而議決進一步行動，以符合適用法律及規例；及
- 只限有需要知情之僱員查閱內幕消息。

外聘核數師酬金

就於本年度內之核數服務及非核數服務已付／應付予本集團外聘核數師之酬金載列如下：

Internal Audit

The IAD reports to the Audit Committee. The IAD plays an important role in providing assurance to the Board that a sound internal control system is maintained and operated by the management. During the Year, the Group has engaged an external consultant to perform internal audit services, in which the scope of work and findings of the review have been discussed between the Audit committee and the external control consultant.

The IA Reports were issued to the Audit Committee and the Board for review of the adequacy and effectiveness of the internal audit function. A discussion of the policies and procedures on the management of each of the major types of risk which the Group is facing is included in the section headed “Principal Risks and Uncertainties” in the Directors’ Report on pages 50 to 51 of this annual report. The issues raised in the IA Reports would be addressed and managed promptly by the management, and the Audit Committee and the Board are satisfied that there are adequate risk management and internal control systems in the Company.

Handling and dissemination of inside information

The Company has a policy with regard to the principles and procedures for handling and disseminating the inside information of the Company in compliance with the requirements under Part XIVA of the SFO and the Listing Rules. The policy regulates the handling and dissemination of inside information, which includes:

- Designated reporting channel for relevant officers in possession of potential inside information to notify the persons designated by the Board (the “Designated Persons”);
- Designated Persons to assess the potential inside information and provide advice, and where appropriate, to escalate such information for the attention of the Board to resolve on further actions so as to comply with applicable laws and regulations; and
- Restrictive access to inside information to a limited number of employees on a need-to-know basis.

External Auditor’s Remuneration

The remuneration paid/payable to the Group’s external auditor in respect of audit services and non-audit services for the Year is set out as follows:

		千港元 HK\$'000
為本集團提供之服務	Services rendered for the Group	
核數服務	Audit services	2,350
非核數服務 (包括審閱中期業績及其他)	Non-audit services (including review of interim results and others)	250
總計	Total	<u>2,600</u>

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公司秘書

司徒敏慧女士為本公司之公司秘書兼首席財務長。上市規則第3.29條規定，在每個財政年度，發行人之公司秘書須接受不少於15小時之相關專業培訓。司徒女士於本年度已完成不少於15小時之相關專業培訓。

與股東之溝通

董事會深明與股東保持良好溝通之重要性。有關本集團之資料適時透過多種正式途徑向股東發佈，包括中期報告及年報、公告及通函。該等發佈文件連同最近期之公司資料及消息亦已於本公司網站內登載。

除發佈資料外，本公司之股東大會亦提供重要機會讓董事會與股東之間進行建設性交流。

二零一七年股東週年大會於二零一七年六月二十日舉行。董事會主席親自主持二零一七年股東週年大會，確保股東與董事會交流意見。審核委員會、薪酬委員會及提名委員會各自之主席亦已出席有關大會回答問題，從而確保與股東有效溝通。董事於股東週年大會之出席情況載於本報告「董事會」一節內。

任何按需要或根據上市規則成立之獨立董事委員會之主席（或倘並無委任該主席，則至少一名獨立董事委員會成員）亦應出席任何就批准關連交易或須獲獨立股東批准之任何其他交易而召開之股東大會，以回答股東提問。

每項重大事項（包括但不限於重選董事及續聘德勤•關黃陳方會計師行為本公司獨立核數師）均於股東大會上提呈獨立決議案。

就股東週年大會而言，通告於大會舉行時間至少足二十個營業日前發送予股東，而就所有其他股東大會而言，通告於大會舉行時間至少足十個營業日前發送予股東。以按股數投票方式進行表決之詳細程序乃於大會開始時向股東解釋。主席會解答股東有關以按股數投票方式表決之任何問題。投票表決結果將根據上市規則規定之方式發佈。

COMPANY SECRETARY

Ms. Si Tou Man Wai is the Company Secretary and the Chief Financial Officer of the Company. Rule 3.29 of the Listing Rules stipulates that an issuer's company secretary is required to take no less than 15 hours of relevant professional training in each financial year. Ms. Si Tou has taken no less than 15 hours of relevant professional training during the Year.

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communication with Shareholders. Information in relation to the Group is disseminated to the Shareholders in a timely manner through a number of formal channels which include interim and annual reports, announcements and circulars. Such published documents together with the latest corporate information and news are also made available on the website of the Company.

In addition to publication of information, the general meetings of the Company provide important opportunities for constructive communication between the Board and the Shareholders.

The 2017 AGM was held on 20 June 2017. The Chairman of the Board took the chair of the 2017 AGM to ensure Shareholders' views are communicated to the Board. The chairman of each of the Audit Committee, the Remuneration Committee and the Nomination Committee were also present thereat to answer any question to ensure effective communication with the Shareholders. The attendance record of the Directors at the AGM is set out in the section headed "The Board" of this report.

The chairman of any independent Board committee formed as necessary or pursuant to the Listing Rules (or if no such chairman is appointed, at least a member of the independent Board committee) should also be available to answer questions of the Shareholders at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

Separate resolutions are proposed at the general meeting for each substantial issue, including but not limited to the re-election of Directors and the re-appointment of Deloitte Touche Tohmatsu as the independent auditor of the Company.

The notice to Shareholders is sent at least 20 clear business days before the meeting in the case of AGM and at least 10 clear business days in case of all other general meetings. An explanation of the detailed procedures of conducting a poll is provided to the Shareholders at the commencement of the meeting. The Chairman answers questions from the Shareholders regarding voting by way of a poll. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

企業管治報告 Corporate Governance Report

持有本公司已繳足股本不少於十分之一之股東可根據章程細則第64條以書面請求形式要求召開股東特別大會，內容須註明擬提呈處理之事務，並須有效地送達本公司於香港註冊之總辦事處及主要營業地點（「總辦事處」）或本公司之股份過戶登記分處卓佳秘書商務有限公司（「登記處」）。此外，股東可於股東大會上提出議案，方法為以書面形式向董事會提交擬提呈之決議案，並送達總辦事處或登記處，內容須清楚及簡要地列明將予討論之提案且符合本公司之業務範疇。

董事會已制定股東通訊政策。股東可將其向董事會提交之查詢以書面形式送達總辦事處，內容須註明查詢之性質及提出查詢之理由。此外，股東亦可向登記處查詢任何有關其股權之問題。

有關提名任何人士參選董事之程序可於本公司網站<http://www.tfkf.com.hk>查閱。

董事及高級職員保險

本公司已就針對其董事及高級職員之潛在法律訴訟安排適當保險。

憲章文件

根據上市規則第13.90條，本公司已將章程細則登載於聯交所及本公司各自之網站。於本年度內，概無對本公司之憲章文件作出修訂。

代表董事會

主席
黃俞

二零一八年三月二十八日

Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company can request the convening of an extraordinary general meeting according to Article 64 of the Articles of Association by written requisition, with stated business proposed to be transacted, which must be validly served at the head office and principal place of business of the Company registered in Hong Kong (the "Head Office") or at Tricor Secretaries Limited, the branch share registrar of the Company (the "Registration Office"). Besides, Shareholders may make a proposal at a Shareholders' meeting by submitting it in written form to the Board at the Head Office or at the Registration Office in the form of a proposed resolution, which shall clearly and concisely set out the proposal for discussion and be relevant to the Company's business scope.

The Board has established a shareholders' communication policy. A Shareholder may serve an enquiry to the Board to the Head Office for the attention of the Board in written form, which shall state the nature of the enquiry and the reason for making the enquiry. In addition, Shareholders can contact the Registration Office for any questions about their shareholdings.

As regards a proposed election of a person as a Director, the procedures are available on the website of the Company at <http://www.tfkf.com.hk>.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate insurance cover in respect of potential legal actions against its directors and officers.

CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 13.90 of the Listing Rules, the Company has posted its Articles of Association on the respective websites of the Stock Exchange and the Company. During the Year, no amendments were made to the constitutional documents of the Company.

On behalf of the Board

Huang Yu
Chairman

28 March 2018

董事會報告 Directors' Report

同方康泰產業集團有限公司(「本公司」)董事會(「董事會」)謹此提呈本公司及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度(「本年度」)之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其附屬公司於二零一七年十二月三十一日之主要業務及詳情載於本年報綜合財務報表附註52。

本集團於本年度之收入主要來自中華人民共和國(「中國」)及新加坡之業務。本集團本年度收入之分析載於本年報綜合財務報表附註5。

公開發售之所得款項用途

於二零一四年十二月二十二日，根據本公司、中國健康管理投資有限公司及第一上海證券有限公司就有關公開發售(「公開發售」)之包銷及其他安排所訂立日期為二零一四年十一月七日之包銷協議之條款，本公司完成透過按於記錄日期(二零一四年十一月二十八日)每持有兩股本公司普通股獲發一股發售股份之基準，以認購價每股發售股份1.5港元公開發售330,000,000股本公司新普通股(「發售股份」)之方式籌集約495.0百萬港元(扣除成本及開支前)之公開發售。公開發售之詳情及公開發售之完成載於本公司日期為二零一四年十一月七日及二零一四年十二月二十二日之公告以及日期為二零一四年十二月一日之上市文件。完成後籌得之所得款項淨額(扣除相關成本及開支後)約為487.3百萬港元。本集團擬將全部所得款項淨額用於為發展及/或投資於醫藥及健康業務提供資金。

The board of directors (the “Board”) of Tongfang Kontafarma Holdings Limited (the “Company”) presents their annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2017 (the “Year”).

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities and details of its subsidiaries as at 31 December 2017 are set out in note 52 to the consolidated financial statements of this annual report.

The Group’s revenue for the Year was derived mainly from activities carried out in the People’s Republic of China (the “PRC”) and Singapore. An analysis of the Group’s revenue for the Year set out in note 5 to the consolidated financial statements of this annual report.

USE OF PROCEEDS FROM OPEN OFFER

On 22 December 2014, the Company completed an open offer (the “Open Offer”) to raise approximately HK\$495.0 million (before costs and expenses) by way of the Open Offer of 330,000,000 new ordinary shares of the Company (the “Offer Shares”) at a subscription price of HK\$1.5 per Offer Share on the basis of one Offer Share for every two ordinary shares of the Company held on the record date, 28 November 2014, on the terms pursuant to the underwriting agreement dated 7 November 2014 entered into among the Company, China Health Management Investment Limited and First Shanghai Securities Limited in respect of the underwriting and other arrangement in respect of the Open Offer. Details of the Open Offer and the completion of the Open Offer were set out in the Company announcements dated 7 November 2014 and 22 December 2014 and the Company’s listing document dated 1 December 2014. The net proceeds raised upon completion after deduction of relevant costs and expenses were approximately HK\$487.3 million. It was intended that the entire amount of the net proceeds would be applied by the Group in funding the development of and/or investment in pharmaceutical and health business.

董事會報告 Directors' Report

於二零一七年十二月三十一日，公開發售之所得款項淨額已全部用作以下用途：

- (i) 約338.9百萬港元用於結清收購同方藥業集團有限公司（「同方藥業」）60%股本權益（已於二零一六年七月完成）之代價；
- (ii) 約36.8百萬港元用於二零一六年八月作重點為免疫學及小分子之醫療研究投資；及
- (iii) 約111.6百萬港元用於結清收購TFKT True Holdings及True Yoga Holdings Limited分別51%及29%已發行股本（已於二零一七年五月完成）之部份代價。

業績及分配

本集團之業績及本公司之分配載於本年報第79至80頁之綜合損益及其他全面收益表及隨附之綜合財務報表附註內。

董事會已議決不建議就本年度派付任何末期股息（二零一六年：無）。

可分派儲備

本公司本年度之儲備詳情載於本年報綜合財務報表附註51。

物業、廠房及設備

於本年度內，本集團購入合共約82.8百萬港元之物業、廠房及設備。

上述事項及本集團物業、廠房及設備於本年度之其他變動詳情載於本年報綜合財務報表附註15。

As at 31 December 2017, all the net proceeds from the Open Offer had been utilised in the following manner:

- (i) as to approximately HK\$338.9 million in the settlement of the consideration for the acquisition of 60% equity interest in Tongfang Pharmaceutical Group Co., Ltd* 同方藥業集團有限公司（“Tongfang Pharmaceutical”） completed in July 2016;
- (ii) as to approximately HK\$36.8 million in the investment in medical research with a focus in immunology and small molecule in August 2016; and
- (iii) as to approximately HK\$111.6 million in the settlement of part of the consideration for the acquisition of 51% and 29% of the issued share capital in TFKT True Holdings and True Yoga Holdings Limited, respectively completed in May 2017.

RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company are set out in the consolidated statement of profit or loss and other comprehensive income on pages 79 to 80 of this annual report and in the accompanying notes to the consolidated financial statements.

The Board has resolved not to recommend any final dividend for the Year (2016: Nil).

DISTRIBUTABLE RESERVES

Details of the Company's reserves during the Year are set out in note 51 to the consolidated financial statements of this annual report.

PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group acquired property, plant and equipment totalling approximately HK\$82.8 million.

Details of these and other movements in property, plant and equipment of the Group during the Year are set out in note 15 to the consolidated financial statements of this annual report.

董事會報告 Directors' Report

業務回顧

本集團本年度之業務回顧載於本年報第5至7頁之「主席報告」、第8至17頁之「管理層討論及分析」及第18頁至28頁之「環境、社會及管治報告」以及以下段落。「主席報告」、「管理層討論及分析」及「環境、社會及管治報告」內之討論及分析構成本董事會報告之一部分。

主要風險及不明朗因素

醫療、醫藥及健康業務

本集團的醫療、醫藥及健康業務的主要風險來源於醫藥行業政策法規層面的影響，中國醫療體制改革力度逐年加大，使行業的競爭格局每年都面對著新變化，帶來很多不確定性。從微觀層面來看，藥品的研發及申報、生產品質管制、環境及安全、招投標及銷售、會計準則及稅收法規，每年都有很多新的法律法規發佈。面對新環境、新規則，本集團面對這些改革帶來的政策影響要有切實有效的應對措施。

健身業務

近期新加坡多家大型健身中心營運商進行合併，與此同時，較小型之健身中心營運商數目有所增加，令行業面對激烈競爭。行業門檻偏低，加上客戶喜好時有轉變，亦令行業面對更大挑戰。廉價健身中心及網上流動應用程式使競爭加劇，逼使市場上較具規模之業者以價格戰及科技應對，務求挽留現有會員。勞動及租金成本上漲亦是行業現時面對之問題。本地市場之已受訓私人教練及銷售員工短缺，更令人力資源問題惡化。本集團將採取有效措施，紓緩該等轉變帶來之影響並控制各種風險。

BUSINESS REVIEW

The business review of the Group for the Year is set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Environmental, Social and Governance Report" from pages 5 to 7, pages 8 to 17 and pages 18 to 28 of this annual report and the paragraphs below. The discussion and analysis in the "Chairman's Statement", "Management Discussion and Analysis" and "Environmental, Social and Governance Report" form part of this Directors' Report.

Principal Risks and Uncertainties

Medical, Pharmaceutical and Health Business

The medical, pharmaceutical and health business of the Group is principally exposed to the impact of the policies and regulations regarding the pharmaceutical industry. The increasing efforts to reform the Chinese medical system in recent years have changed the competitive landscape of the sector and created a lot of uncertainties. From a micro perspective, various new laws and regulations have been introduced every year in terms of research and development and reporting of drugs, control on product quality, environmental and safety issues, tendering and sale, accounting standards and tax laws. The Group has to put in place concrete and effective measures in response to the impact brought by the changes in operating environment and rules.

Fitness Business

With the recent mergers of larger gym operators and the increase in number of smaller gym operators in Singapore, the industry is now faced with keen competition. Low entry barrier coupled with a constant change in customers' preferences have made the industry even more challenging. The increased competition from budgeted gym room and online mobile apps had forced the more sizeable players in the market to react accordingly with price war and deployment of technology to secure the existing members. The industry is currently faced with the increase in both labour and rental costs. Shortage of trained personal trainers and sales staff in the local markets have also aggravated the manpower issues. The Group will take effective measures to reduce the impact of these changes and control the various risks.

水泥業務

本集團之水泥業務主要於中國進行，中國之經濟情況對本集團水泥業務之經營業績及財務狀況有重大影響，本集團水泥產品之平均售價亦隨着中國水泥市場供需狀況而波動。此外，中國水泥行業之競爭十分激烈，本集團水泥業務與競爭對手在客戶、原材料、能源資源、分銷網絡及熟練勞工方面激烈競爭。儘管無法控制市況，惟本集團相信已設立有效措施以應對轉變。本集團將繼續着力於產品定價、服務、產品種類、資源來源、銷售及營銷、網絡、生產效率及品牌形象，以降低及控制各種風險。

金融風險

本集團面對各種金融風險，有關本集團所面對各主要類別金融風險之管理政策及程序之論述，收錄於本年報綜合財務報表附註46。

遵守相關法律及規例

有關遵守相關法律及規例之詳情載於本年報第18至28頁之「環境、社會及管治報告」。

與僱員、客戶及供應商之關係

有關與僱員、客戶及供應商之關係之詳情載於本年報第18至28頁之「環境、社會及管治報告」。

股本

本公司股本於本年度之變動詳情載於本年報綜合財務報表附註35。

Cement Business

The cement business of the Group are mainly conducted in the PRC, the economic conditions in the PRC have a significant impact on the operating results and financial conditions for the cement business of the Group. The Group's average selling price of cement products fluctuates along with demand and supply of the PRC cement market. Moreover, the cement industry is highly competitive in the PRC. The cement business of the Group competes with its competitors for customers, raw materials, energy resources, distribution network and skilled labour force. Although market conditions cannot be controlled, the Group believes it has effective measures in place to respond to changes. The Group will continue to focus on the basis of pricing of our products, our service, variety of product offerings, access to resources, sales and marketing, network, production efficiency and brand image to mitigate and control the various risks.

Financial Risk

The Group is exposed to a variety of financial risks, a discussion of the policies and procedures on the management of each of the major types of financial risks which the Group is facing is included in note 46 to the consolidated financial statements of this annual report.

Compliance with Relevant Laws and Regulations

Details of compliance with relevant laws and regulations are set out in "Environmental, Social and Governance Report" on pages 18 to 28 of this annual report.

Relationships with Employees, Customers and Suppliers

Details of relationships with employees, customers and suppliers are set out in "Environmental, Social and Governance Report" on pages 18 to 28 of this annual report.

SHARE CAPITAL

Details of movement in the share capital of the Company during the Year are set out in note 35 to the consolidated financial statements of this annual report.

董事會報告 Directors' Report

購股權計劃

本公司購股權計劃之詳情載於本年報綜合財務報表附註36。

股份獎勵計劃

本公司股份獎勵計劃之詳情載於本年報綜合財務報表附註37。

優先購買權

本公司之經修訂及重列組織章程細則(「章程細則」)或開曼群島法律並無有關優先購買權之規定，以致本公司須按比例向現有本公司股東(「股東」)提呈發售新股。

借貸及已撥充資本之利息

本集團須於一年內償還之銀行及其他借貸分類為流動負債。有關本集團銀行及其他借貸之還款分析載於本年報綜合財務報表附註33。本集團於本年度並無資本化任何利息。

財務概要

本集團過往五個財政年度之業績以及資產及負債概要載於本年報第220頁。

稅務減免

本公司並不知悉股東因持有本公司股份(「股份」)而可享有之任何稅務減免。

SHARE OPTION SCHEME

Particulars of the share option scheme of the Company are set out in note 36 to the consolidated financial statements of this annual report.

SHARE AWARD SCHEME

Particulars of the share award scheme of the Company are set out in note 37 to the consolidated financial statements of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the amended and restated articles of association of the Company (the "Articles of Association") or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company (the "Shareholders").

BORROWINGS AND INTEREST CAPITALISED

Bank and other borrowings of the Group which are repayable within one year are classified as current liabilities. Repayment analysis of bank and other borrowings of the Group is set out in note 33 to the consolidated financial statements of this annual report. The Group had not capitalised any interest during the Year.

FINANCIAL SUMMARY

A summary of the results as well as the assets and liabilities of the Group for the last five financial years is set out on page 220 of this annual report.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Company's Shares (the "Shares").

董事

於本年度內及截至本報告日期止之本公司董事（「董事」）如下：

執行董事

黃俞先生（主席）
 蔣朝文先生（本公司首席執行官
 （「首席執行官」））（獲委任日期：
 二零一八年一月二十三日）
 黃清海先生

非執行董事

張軼先生
 （由執行董事調任日期：
 二零一七年十二月十一日）
 （辭任日期：二零一八年一月二十三日）

獨立非執行董事

陳思聰先生
 張瑞彬先生
 張俊喜先生

根據章程細則第108條，張瑞彬先生及張俊喜先生應於二零一八年六月六日舉行之應屆股東週年大會（「二零一八年股東週年大會」）上輪值退任，且符合資格並願意膺選連任。

根據章程細則第112條，蔣朝文先生應任職至其獲委任後之首個本公司股東大會，並於該大會上膺選連任。由於蔣朝文先生並無於二零一八年三月十六日舉行之本公司股東特別大會上膺選連任，故應於二零一八年股東週年大會上退任，且符合資格並願意於二零一八年股東週年大會上膺選連任。

DIRECTORS

The directors of the Company (the "Director(s)") during the Year and up to the date of this report were:

Executive Directors

Mr. Huang Yu (*Chairman*)
 Mr. Jiang Chaowen (*chief executive officer of the Company*
 (*the "Chief Executive Officer"*))
 (Date of appointment: 23 January 2018)
 Mr. Ng Qing Hai

Non-Executive Director

Mr. Zhang Yi
 (Date of re-designation from Executive Director:
 11 December 2017)
 (Date of resignation: 23 January 2018)

Independent Non-Executive Directors

Mr. Chan Sze Chung
 Mr. Zhang Ruibin
 Mr. Zhang Junxi Jack

Pursuant to Article 108 of the Articles of Association, Mr. Zhang Ruibin and Mr. Zhang Junxi Jack shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting to be held on 6 June 2018 (the "2018 AGM").

Pursuant to Article 112 of the Articles of Association, Mr. Jiang Chaowen shall hold office until the first general meeting of the Company after his appointment and subject to re-election at such meeting. Since Mr. Jiang Chaowen was not offered for re-election at the extraordinary general meeting of the Company held on 16 March 2018, he shall retire at the 2018 AGM and, being eligible, offer himself for re-election at the 2018 AGM.

董事會報告 Directors' Report

董事及高級管理人員之履歷詳情

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事

Executive Directors

黃俞，現年四十九歲，分別於二零一四年三月十五日及二零一四年七月二十四日獲委任為本公司執行董事（「執行董事」）及董事會主席。黃先生亦獲委任為本公司執行委員會、提名委員會、股份交易委員會及投資委員會各自之主席以及本公司風險管理委員會之成員。彼亦為本公司若干附屬公司之董事。黃先生獲得格林威治大學理學碩士學位。彼為深圳華控賽格股份有限公司（其已發行股份在深圳證券交易所上市，股份代號：68）之董事長、深圳市奧融信投資發展有限公司（「深圳奧融信」）之執行董事、鵬華基金管理有限公司監事會主席及同方股份有限公司（「同方股份」）（其已發行股份在上海證券交易所上市，股份代碼：600100）之副董事長兼總裁。黃先生亦為同方泰德國際科技有限公司（其已發行股份於香港聯合交易所有限公司（「聯交所」）上市，股份代號：1206）及同方友友控股有限公司（其已發行股份於聯交所上市，股份代號：1868）之董事長。

Huang Yu, aged 49, was appointed as an executive director of the Company (the “Executive Director”) and Chairman of the Board on 15 March 2014 and 24 July 2014, respectively. Mr. Huang was also appointed as a chairman of each of the executive committee, nomination committee, share dealing committee and investment committee of the Company and a member of the risks management committee of the Company. He is also a director of certain subsidiaries of the Company. Mr. Huang obtained a master’s degree in science from the University of Greenwich. He is the chairman of the board of directors of Shenzhen Huakong Seg Co., Ltd.* (stock code: 68), the issued shares of which are listed on the Shenzhen Stock Exchange, an executive director of Shenzhen Aorongxin Investment Development Co., Ltd.* (“Shenzhen Aorongxin”), the chairman of supervisory committee of Penghua Fund Management Co., Ltd.* and the vice chairman and president of Tsinghua Tongfang Co., Ltd.* (“Tsinghua Tongfang”) (stock code: 600100), the issued shares of which are listed on the Shanghai Stock Exchange. Mr. Huang is also the chairman of Technovator International Limited (stock code: 1206), the issued shares of which are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Neo-Neon Holdings Limited (stock code: 1868), the issued shares of which are listed on the Stock Exchange.

蔣朝文，現年五十二歲，分別於二零一七年十二月十一日及二零一八年一月二十三日獲委任為首席執行官及執行董事。彼亦獲委任為本公司執行委員會及股份交易委員會各自之成員。彼於二零一六年七月加入本集團，現為同方藥業之總裁，及斯貝福（北京）生物技術有限公司、重慶康樂製藥有限公司、陝西紫光辰濟藥業有限公司、西藏林芝市醫藥有限公司（該等公司均為本公司之附屬公司）董事長。蔣先生畢業於重慶大學工商管理學院，研究生學歷。工作期間曾在中共重慶市委黨校、清華大學、西南師範大學、重慶大學等單位進修學習。加入本集團前，先後在西南製藥一廠（重慶青陽藥業有限公司）、重慶佳辰生物工程有限公司、重慶健能醫藥開發有限公司、四川健能製藥有限公司等擔任總經理及董事長職務，有近三十年豐富的醫藥行業管理經驗。

Jiang Chaowen, aged 52, was appointed as the Chief Executive Officer and Executive Director on 11 December 2017 and 23 January 2018 respectively. He was also appointed as a member of each of the executive committee and share dealing committee of the Company. He joined the Group in July 2016, is currently the president of Tongfang Pharmaceutical and the chairman of 斯貝福（北京）生物技術有限公司 (SPF (Beijing) Biotechnology Co., Ltd.*), 重慶康樂製藥有限公司 (Chongqing Kangle Pharmaceutical Co., Ltd.*), 陝西紫光辰濟藥業有限公司 (Shaanxi Unisplendour Life Care Pharmaceutical and 西藏林芝市醫藥有限公司 (Tibet Linzhi Medical Pharmaceutical Co., Ltd.*), all of which are the subsidiaries of the Company. Mr. Jiang obtained his master degree from the School of Business Administration of Chongqing University. He did further study at the Party School of Chinese Communist Party of Chongqing City, Tsinghua University, Southwest China Normal University, and Chongqing University etc. during working time. Prior to joining the Group, he held positions of general manager and chairman in various companies, including 西南製藥一廠 (The First South-west Pharmaceutical Factory*) (重慶青陽藥業有限公司 (Chongqing Qingyang Pharmaceutical Co., Ltd.*)), 重慶佳辰生物工程有限公司 (Chongqing Jiachen Biological Engineering Co., Ltd.*), Chongqing Jewelland Pharmaceutical Development Co., Ltd.* and Si Chuan Jewelland Pharmaceutical Co., Ltd.* He has nearly 30 years of extensive management experience in the pharmaceutical industry.

董事會報告 Directors' Report

黃清海，現年六十一歲，於二零一一年三月獲委任為董事，並於二零一一年十二月調任為執行董事。於二零一七年十二月十一日起不再擔任本公司之董事總經理後，黃先生繼續為執行董事。黃先生亦仍獲委任為本公司執行委員會、提名委員會、風險管理委員會及股份交易委員會各自之成員。黃先生為本公司若干附屬公司之董事。黃先生於一九八三年於上海建築材料工業專科學校企業管理系完成三年建材工業財務會計專業課程。彼為中國註冊會計師協會的非執業會員。黃先生為中國上海市水泥行業協會之第六任副主席，於二零零五年十一月至二零零六年十一月，彼亦為亞洲知識管理協會院士。彼分於二零一三年一月及二零一八年一月獲委任為中國人民政治協商會議第十一屆和第十二屆山東省委員會委員。黃先生曾任文化中國傳播集團有限公司（現稱為阿里巴巴影業集團有限公司）（其已發行股份於聯交所上市，股份代號：1060）之行政總裁（自二零零一年五月十五日起至二零一零年四月二十日止）、總裁（自二零零一年五月十五日至二零一四年六月二十四日）及執行董事（自二零零一年五月十五日起至二零一四年一月二十四日止）。黃先生自二零一二年一月十八日至二零一三年一月十八日擔任天安中國投資有限公司（其已發行股份於聯交所上市，股份代號：28）之非執行董事。黃先生於二零一五年十二月一日至二零一六年二月二日期間曾任中國山水水泥集團有限公司（其已發行股份於聯交所上市，股份代號：0691）之非執行董事。黃先生於二零一四年六月二十七日獲委任為大洋百貨集團控股股份有限公司（其已發行股份於臺灣證券交易所上市，股份代號：5907）之董事並於二零一五年十二月二十一日獲委任為總經理及於二零一五年十二月二十一日獲委任為其附屬公司大洋百貨集團有限公司之總裁，二零一六年十月十八日獲委任為大洋百貨集團有限公司董事暨董事長。彼於二零一六年七月十一日獲委任益航股份有限公司（其已發行股份於臺灣證券交易所上市，股份代號：2601）之董事。黃先生為本集團高級管理層成員黃五湖先生之胞弟。

Ng Qing Hai, aged 61, was appointed as a Director in March 2011 and was re-designated as an Executive Director in December 2011. Upon ceasing to act as Managing Director of the Company on 11 December 2017, Mr. Ng continues to be the Executive Director. Mr. Ng was also appointed as a member of each of the executive committee, nomination committee, risks management committee and share dealing committee of the Company. Mr. Ng is a director of certain subsidiaries of the Company. Mr. Ng completed a three-year course in finance and accounting in building materials industry in the faculty of enterprises management at Shanghai Institute of Building Materials Industry in 1983. He is a non-practising member of The Chinese Institute of Certified Public Accountants. Mr. Ng was the 6th vice chairman of Shanghai Cement Industrial Association of the PRC, and was a fellow member of the Asian Knowledge Management Association from November 2005 to November 2006. He was appointed as a member of 11th and 12th Shandong Provincial Committee of the Chinese People's Political Consultative Conference in January 2013 and January 2018, respectively. Mr. Ng was the chief executive officer (from 15 May 2001 to 20 April 2010), the president (from 15 May 2001 to 24 June 2014) and an executive director (from 15 May 2001 to 24 June 2014) of ChinaVision Media Group Limited (now known as Alibaba Pictures Group Limited) (stock code: 1060), the issued shares of which are listed on the Stock Exchange. Mr. Ng was a non-executive director of Tian An China Investments Company Limited (stock code: 28), the issued shares of which are listed on the Stock Exchange, from 18 January 2012 to 18 January 2013. Mr. Ng was a non-executive director of China Shanshui Cement Group Limited (stock code: 0691), the issued shares of which are listed on the Stock Exchange, from 1 December 2015 to 2 February 2016. Mr. Ng was appointed as a director (on 27 June 2014) and the general manager (on 21 December 2015) of Grand Ocean Retail Group Limited (security code: 5907), the issued shares of which are listed on the Taiwan Stock Exchange, and the president (on 21 December 2015) and the director as well as the chairman (on 18 October 2016) of its subsidiary, Grand Ocean Department Stores Group Ltd. He is a director of First Steamship Co., Ltd. (stock code: 2601), the issued shares of which are listed on the Taiwan Stock Exchange, with effect from 11 July 2016. Mr. Ng is a younger brother of Mr. Huang Wuhu, a member of the senior management of the Group.

董事會報告 Directors' Report

獨立非執行董事

陳思聰，現年四十八歲，於二零一一年十二月二十日獲委任為本公司獨立非執行董事（「獨立非執行董事」）。彼於先前任期屆滿後於二零一七年十二月十一日與本公司訂立新委任函，任期由二零一八年一月十八日起至二零二零年一月十七日止。彼為本公司審核委員會主席及薪酬委員會、提名委員會、風險管理委員會以及投資委員會各自之成員。彼於一九九一年七月畢業於威爾斯大學，取得會計及金融文學學士學位，並於一九九二年十二月獲得蘭開斯特大學的會計及金融文學碩士學位。陳先生為香港會計師公會的會計師及美國註冊會計師公會會員。此外，彼亦獲認可為美國特許財務分析員協會的特許財務分析員。於加入本公司之前，他曾出任快意節能有限公司（現稱為非凡中國控股有限公司）（其已發行股份於聯交所上市，股份代號：8032）之財務總監（自二零零九年十二月起至二零一零年八月止），Nam Tai Electronic & Electrical Products Limited（其已發行股份曾於聯交所上市）之財務總監（署理）（自二零零八年九月起至二零零九年三月止），以及Nam Tai Electronics, Inc.（現稱為Nam Tai Property Inc.）（其已發行股份於紐約證券交易所上市，NYSE：NTP）之副財務總監（自二零零九年三月起至二零零九年十一月止）。自一九九三年一月至一九九七年八月期間，陳先生曾受僱於德勤·關黃陳方會計師行，於離職時所擔任職務為高級會計師。

Independent Non-Executive Directors

Chan Sze Chung, aged 48, was appointed as an Independent Non-Executive Director of the Company (the "INED") on 20 December 2011. He entered into a new appointment letter with the Company on 11 December 2017 upon the expiry of previous terms with a term from 18 January 2018 until 17 January 2020. He is the chairman of the audit committee and a member of each of the remuneration committee, nomination committee, risks management committee and investment committee of the Company. He graduated from the University of Wales with a bachelor of arts degree in accounting and finance in July 1991 and obtained a master of arts degree in accounting and finance at the University of Lancaster in December 1992. Mr. Chan is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Besides, he is also recognised as a chartered financial analyst by the CFA Institute of the United States of America. Prior to joining the Company, he acted as the chief financial officer (from December 2009 to August 2010) of Coolpoint Energy Limited (now known as Viva China Holdings Limited) (stock code: 8032), the issued shares of which are listed on the Stock Exchange, as the acting chief financial officer (from September 2008 to March 2009) of Nam Tai Electronic & Electrical Products Limited, the issued shares of which were previously listed on the Stock Exchange, and as the vice chief financial officer (from March 2009 to November 2009) of Nam Tai Electronics, Inc. (now known as Nam Tai Property Inc.) (NYSE: NTP), the issued shares of which are listed on the New York Stock Exchange. During the period from January 1993 to August 1997, Mr. Chan was employed by Deloitte Touche Tohmatsu and served as a senior accountant at the time of his resignation.

董事會報告 Directors' Report

張瑞彬，現年四十五歲，於二零一四年七月二十四日獲委任為獨立非執行董事。張先生亦獲委任為本公司之薪酬委員會主席及審核委員會、提名委員會、風險管理委員會以及投資委員會各自之成員。張先生持有廈門大學統計學博士學位。彼為中國人民大學及中國人民銀行金融研究所博士後研究人員。彼擁有中國註冊會計師非執業會員資格。彼獲廣東省人事廳授予合資格高級經濟師、The Association for Financial Professionals之合資格國際財資管理師。彼榮獲中國證券業協會科研課題二等獎及中國人民銀行重點科研課題三等獎。張先生為中國貴州茅台酒廠集團有限責任公司外部董事。張先生(i)曾任貴州盤江精煤股份有限公司(其已發行股份於上海證券交易所上市，股份代碼：600395)之獨立董事(自二零一三年五月十八日起至二零一七年三月二十三日止)；(ii)自二零一四年七月二十五日起任中國振華(集團)科技股份有限公司(其已發行股份於深圳證券交易所上市，股份代號：000733)之獨立董事；(iii)自二零一四年九月十二日起任貴州黔源電力股份有限公司(其已發行股份於深圳證券交易所上市，股份代碼：002039)之獨立董事；(iv)自二零一六年三月十日起獲委任為貴州久聯民爆器材發展股份有限公司(其已發行股份於深圳證券交易所上市，股份代碼：002037)之獨立董事；及(v)自二零一六年七月二十二日起任北京五道口教育科技有限公司之執行董事。

Zhang Ruibin, aged 45, was appointed as an INED on 24 July 2014. Mr. Zhang was also appointed as the chairman of the remuneration committee and a member of each of the audit committee, nomination committee, risks management committee and investment committee of the Company. Mr. Zhang holds a doctoral degree in statistics from the Xiamen University. He was a postdoctoral research fellow at the Renmin University of China and 中國人民銀行金融研究所. He obtained a qualification of non-practicing certified public accountant in China. He was qualified as a senior economist by 廣東省人事廳. He was qualified as a certified treasury professional of The Association for Financial Professionals. He has been awarded the research project second prize by The Securities Association of China and the key research project third prize by the People's Bank of China. Mr. Zhang is an external director of Moutai Group Company Limited*. Mr. Zhang has been (i) an independent director of Guizhou Panjiang Refined Coal Co., Ltd. (stock code: 600395), the issued shares of which are listed on the Shanghai Stock Exchange, from 18 May 2013 to 23 March 2017; (ii) an independent director of China Zhenhua (Group) Science & Technology Co. Ltd.* (stock code: 000733), the issued shares of which are listed on the Shenzhen Stock Exchange, since 25 July 2014; (iii) an independent director of Guizhou Qianyuan Power Co., Ltd.* (stock code: 002039), the issued shares of which are listed on the Shenzhen Stock Exchange, since 12 September 2014; (iv) an independent director of Guizhou Jiulian Industrial Explosive Material Development Co., Ltd.* (stock code: 002037), the issued shares of which are listed on the Shenzhen Stock Exchange, since 10 March 2016; and (v) an executive director of Beijing Wudaokou Education & Technology Co., Ltd.* since 22 July 2016.

董事會報告 Directors' Report

張俊喜，現年五十四歲，於二零一五年八月二十一日獲委任為獨立非執行董事。張先生亦獲委任為本公司之風險管理委員會主席及審核委員會、薪酬委員會以及提名委員會各自之成員。張先生於一九八三年七月畢業於南開大學，取得物理學學士學位。彼於一九八六年七月取得由中華人民共和國教育部（前稱中華人民共和國國家教育委員會）、南開大學和加拿大國際開發署合辦的經濟管理碩士學位。張先生於一九九二年八月獲得美國匹茲堡大學經濟系博士學位。張先生於經濟、金融以及商業管理範疇擁有逾二十年經驗，並主要從事有關貨幣經濟學及金融財務學方面的教學及研究工作。張先生自二零一三年二月起出任渤海銀行股份有限公司之獨立董事、自二零一一年十二月起出任天津財經大學之副校長及自二零零零年九月起出任北京大學中國經濟研究中心的兼職教授。自二零零七年四月起至二零一零年三月止，彼為濱海投資有限公司（其已發行股份於聯交所上市，股份代號：2886）之投資策略及發展分析師。自一九九二年八月起至一九九五年八月止，張先生於香港中文大學經濟系任教，並自一九九五年八月起至一九九七年七月止於英國的鄧迪大學從事教學及研究工作。張先生自一九九七年七月起至一九九八年八月止於新加坡國立大學任教，自一九九八年九月起至二零一二年八月止，彼任香港大學經濟金融學院博士生導師。張先生為國際知名的經濟金融學家，自二零零六年九月起至二零零九年八月止為中央財經大學中國金融發展研究院之院長，並自二零零九年九月起至二零一二年四月止為南開大學金融發展研究院之院長。

高級管理人員

司徒敏慧，現年四十歲，於二零一四年十一月七日獲委任為本公司之首席財務長及公司秘書。彼亦為本公司若干附屬公司之董事。司徒女士持有新南威爾士大學商學碩士學位（資金管理）及商學學士學位（會計及金融）。彼為香港會計師公會之會員及澳洲特許會計師公會之會員。司徒女士曾於專業事務所及上市公司任職，在審計、會計、融資及財務諮詢服務方面（包括併購、估值及企業重組）擁有超過十七年經驗。於加入本公司前，彼曾任職於香港之德勤•關黃陳方會計師行。彼於二零一五年六月二十九日至二零一六年九月二十六日期間曾擔任柏榮集團（控股）有限公司（其已發行股份於聯交所上市，股份代號：8316）之獨立非執行董事。

Zhang Junxi Jack, aged 54, was appointed as an INED on 21 August 2015. Mr. Zhang was also appointed as the chairman of the risks management committee and a member of each of the audit committee, remuneration committee and nomination committee of the Company. Mr. Zhang graduated from the Nankai University with a bachelor degree in Physics in July 1983. He obtained a master of business administration degree established jointly by the Ministry of Education of the People's Republic of China (formerly known as the State Education Commission of the People's Republic of China), Nankai University and Canadian International Development Agency in July 1986. Mr. Zhang also obtained a doctoral degree in the Department of Economics at the University of Pittsburgh in the United States in August 1992. Mr. Zhang has over 20 years of experience in the field of economics, financial and business management, and mainly engaged in teaching and research work in the aspect of Monetary Economics and Finance. Mr. Zhang has been an independent director of China Bohai Bank Co., Ltd. since February 2013, the vice principal of the Tianjin University of Finance and Economics since December 2011 and a part-time professor of China Center for Economic Research in Peking University since September 2000. From April 2007 to March 2010, he was an investment strategy and development analyst of Binhai Investment Company Limited (stock code: 2886), the issued shares of which are listed on the Stock Exchange. From August 1992 to August 1995, Mr. Zhang taught in the Department of Economics of The Chinese University of Hong Kong, and he was engaged in teaching and researching at the University of Dundee in the United Kingdom from August 1995 to July 1997. Mr. Zhang taught in the National University of Singapore from July 1997 to August 1998. From September 1998 to August 2012, he has been a doctoral tutor in the School of Economics and Finance at The University of Hong Kong. Mr. Zhang is an internationally well-known financial economist, he has been the dean of the China Academy of Finance and Development at the Central University of Finance and Economics from September 2006 to August 2009 and the dean of the Institute of Finance and Development at the Nankai University from September 2009 to April 2012.

Senior Management

Si Tou Man Wai, aged 40, was appointed as the chief financial officer and the company secretary of the Company on 7 November 2014. She is also a director of certain subsidiaries of the Company. Ms. Si Tou holds a master of commerce degree in funds management and a bachelor of commerce degree in accounting and finance from the University of New South Wales. She is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in Australia. Ms. Si Tou has more than 17 years of experience in auditing, accounting, financing, and financial advisory services including mergers and acquisitions, valuation and corporate restructuring, gained from both professional firm and listed company. Prior to joining the Company, she worked at Deloitte Touche Tohmatsu in Hong Kong. From 29 June 2015 to 26 September 2016, she was an independent non-executive director of Pak Wing Group (Holdings) Limited (stock code: 8316), the issued shares of which are listed on the Stock Exchange.

董事會報告 Directors' Report

梁嘉輝，現年三十六歲，於二零一六年七月加入本公司。彼為本公司之財務總監，亦為本公司若干附屬公司之董事。梁先生畢業於多倫多大學，獲會計工商管理學士學位。彼為香港會計師公會及澳洲註冊管理會計師公會之會員。於加入本公司前，彼曾於香港德勤•關黃陳方會計師行任職審計經理。梁先生於會計、審計及財務管理方面擁有豐富經驗。

曹捷，現年四十九歲，於二零一六年七月加入本集團。彼為本公司之附屬公司華控創新（北京）藥物研究院有限公司之總經理。曹先生於一九九二年獲頒天津中醫藥大學中醫本科學位。彼在醫藥行業累積近二十六年經驗，曾任職於（其中包括）生物技術公司及藥物科技公司，出任該等公司之研發總監約十五年。

李想，現年三十八歲，於二零一五年七月加入本集團擔任首席投資長。李先生持有美國匹茨堡州立大學資訊科技本科學位、美國南加州大學馬歇爾商學院工商管理碩士學位。於加入本集團前，李先生曾於OppenheimerFunds（紐約）、摩根士丹利投資銀行部（香港）及中國銀行投資銀行及資產管理部（北京）任職，任內積極參與多個首次公開發售、融資及併購項目，大部分涉及健康產業。李先生於金融及投資相關方面擁有超過十年經驗。

黃五湖，現年六十五歲，於二零零一年六月加入本集團，為山東上聯水泥發展有限公司（「山東上聯」）之董事及總經理，及山東聯合王鼎水泥有限公司（「聯合王鼎」）之董事長，兩間公司均為本公司之附屬公司。於加入本集團之前，黃先生於中國福建省南安市多家農村信用社（現稱福建南安農村合作銀行）工作二十餘年。彼曾為中國註冊策劃師及獲授予合資格金融經濟師，並獲中國經理人協會授予國際高級職業經理人。黃先生曾為中國人民政治協商會議棗莊市第七屆至第九屆委員會委員。彼為執行董事黃清海先生之胞兄。

Leung Ka Yip Danny, aged 36, joined the Company in July 2016. He is the financial controller of the Company and also a director of certain subsidiaries of the Company. Mr. Leung was graduated from the University of Toronto with a Bachelor Degree in Business Administration in Accounting. He is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Certified Management Accountants. Prior to joining the Company, he worked at Deloitte Touche Tohmatsu in Hong Kong as an audit manager. Mr. Leung has extensive experiences in the field of accounting, auditing and financial management.

Cao Jie, aged 49, joined the Group in July 2016. He is the general manager of Huakong Innovation (Beijing) Institute of Pharmaceutical Research Co., Ltd.*, a subsidiary of the Company. Mr. Cao obtained his undergraduate degree in Chinese Medicine from the Tianjin University of Traditional Chinese Medicine in the year of 1992. He has accumulated nearly 26 years of experience in the medical and pharmaceutical industry working for, amongst others, biotechnology companies and pharmaceutical science and technology companies where he has acted as a research and development director for approximately 15 years.

Li Shawn Xiang, aged 38, joined the Group as the Chief Investment Officer in July 2015. Mr. Li obtained his undergraduate degree in Information Science from the University of Pittsburgh, and obtained his MBA degree from the Marshall School of Business of the University of Southern California. Prior to joining the Group, Mr. Li worked at OppenheimerFunds (New York), Investment Banking Division of Morgan Stanley (Hong Kong), and Investment Banking & Asset Management Division of Bank of China (Beijing), during which he was actively involved in numerous initial public offering, financing, and mergers and acquisitions projects, many of which are in the healthcare industry. Mr. Li has accumulated over 10 years of extensive experience in finance and investment related fields.

Huang Wuhu, aged 65, joined the Group in June 2001, is a director and the general manager of Shandong Shanghai Allied Cement Co., Ltd. ("Shandong SAC") and the chairman of Shandong Allied Wangchao Cement Limited ("Allied Wangchao"), both of which are subsidiaries of the Company. Prior to joining the Group, Mr. Huang worked for various unions in Nan'an City of Fujian province, the PRC, now known as Fujian Nan'an Rural Cooperative Bank, for more than twenty years. He was a registered planner in the PRC and was qualified as a finance economist and was also qualified as an international senior occupation manager by the China Manager Society. Mr. Huang was appointed as a member of the 7th to 9th Zaozhuang Committee of the China People's Political Consultative Conference. He is an elder brother of Mr. Ng Qing Hai, an Executive Director.

董事會報告 Directors' Report

李超，現年五十五歲，於二零零二年二月加入本集團。彼目前擔任上海聯合水泥有限公司（「上海上聯」）之財務總監及董事及聯合王晁之董事，兩間公司均為本公司之附屬公司。李先生於一九八三年修畢上海建築材料工業專科學校為期三年的企業管理系建材工業財務會計課程。彼於二零零一年修畢中共湖北省委黨校為期三年的經濟管理在職研究生課程。於一九九六年，李先生獲湖北省會計專業高級職務評審委員會授予合資格高級會計師。

余忠，現年五十五歲，曾於二零一一年三月獲委任為董事，並自二零一一年十二月起至二零一四年三月十五日止調任為執行董事。彼於一九九三年十二月加入上海上聯，現任上海上聯董事及副總經理，並自二零零三年十二月起擔任聯合王晁之董事。彼於二零零一年六月至二零零四年七月期間曾擔任山東上聯之副總經理一職。於一九八二年，余先生於上海市建築材料學校完成為期兩年半的水泥工藝課程，及於一九八八年，彼畢業於上海市輕工業局職工大學，主修工業企業管理。於一九九三年，余先生獲上海市建材局授予經濟師資格。

董事之服務合約

擬於應屆股東週年大會上膺選連任之董事概無與本集團訂立本集團不可於一年內毋須賠償（法定賠償除外）而終止之未到期服務合約。

獨立非執行董事之任期

陳思聰先生乃按兩年之特定年期獲委任，有關任期將持續至二零二零年一月十七日為止，惟受章程則相關條文或任何其他適用法例所規限，董事應離任或退任。

就張瑞彬先生及張俊喜先生而言，彼等之任期分別為自二零一七年七月二十四日及二零一五年八月二十一日起計三年，惟受章程細則相關條文或任何其他適用法例所規限，董事應離任或退任。

Li Chao, aged 55, joined the Group in February 2002. He is currently the financial controller and a director of Shanghai Allied Cement Co., Ltd. ("Shanghai SAC") and also a director of Allied Wangchao, both of which are subsidiaries of the Company. Mr. Li completed a three-year course in finance and accounting in building materials industry in the faculty of enterprises management at the Shanghai Institute of Building Materials Industry in 1983. In 2001, he completed a three-year part-time post-graduate course in economic management at Party School of Chinese Communist Party of Hubei province, the PRC. Mr. Li was qualified as a senior accountant by the Professional Title Reform Office of Hubei province in 1996.

Yu Zhong, aged 55, was appointed a Director in March 2011 and redesignated as an Executive Director from December 2011 to 15 March 2014. He joined Shanghai SAC in December 1993 and is currently a director and the vice general manager of Shanghai SAC, and has been a director of Allied Wangchao since December 2003. He served as the deputy general manager of Shandong SAC, for the period from June 2001 to July 2004. Mr. Yu completed a two-and-a-half-year course in cement craftsmanship at the Shanghai School of Building Materials in 1982 and in 1988, he graduated from the Shanghai Light Industry Authority Workers College in industrial enterprise management. In 1993, Shanghai Building Material Authority certified that Mr. Yu was qualified as an economist.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM has an unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

TERMS OF OFFICE FOR THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Sze Chung was appointed for a specific term of two years, which shall continue until 17 January 2020 but subject to the relevant provisions of the Articles of Association or any other applicable laws whereby the Directors shall vacate or retire from their office.

For Mr. Zhang Ruibin and Mr. Zhang Junxi Jack, their terms of appointment shall be three years, which commenced on 24 July 2017 and 21 August 2015 respectively and are subject to the relevant provisions of the Articles of Association or any other applicable laws whereby the Directors shall vacate or retire from their office.

董事及最高行政人員於股份、 相關股份及債券之權益及淡倉

於二零一七年十二月三十一日，本公司董事及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、相關股份或債券中擁有已記錄於根據證券及期貨條例第352條須備存之登記冊內，或根據聯交所證券上市規則（「上市規則」）附錄十所載《上市發行人董事進行證券交易的標準守則》（「標準守則」）已知會本公司及聯交所之權益及淡倉如下：

(a) 於本公司之權益

下表載列董事及最高行政人員於二零一七年十二月三十一日於股份及相關股份之好倉總數。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

As at 31 December 2017, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or 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")) as recorded in the register required 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Interests in the Company

The table below sets out the aggregate long positions in the Shares and underlying shares of the Directors and chief executive as at 31 December 2017.

董事及最高行政人員姓名 Name of Directors and chief executive	股份數目 Number of Shares		購股權數目 (附註3) Number of share options (Note 3)	總計 Total	概約持股百分比 Approximate percentage of shareholdings
	個人權益 Personal Interests	公司權益 Corporate Interests			
黃俞 Huang Yu	-	3,165,974,000 (附註1及2) (Notes 1 and 2)	-	3,165,974,000	63.96%
黃清海 Ng Qing Hai	-	-	5,000,000	5,000,000	0.10%
張軼 Zhang Yi	-	-	20,000,000	20,000,000	0.40%
陳思聰 Chan Sze Chung	-	-	1,000,000	1,000,000	0.02%
張瑞彬 Zhang Ruibin	-	-	1,000,000	1,000,000	0.02%
張俊喜 Zhang Junxi Jack	-	-	1,000,000	1,000,000	0.02%
蔣朝文 Jiang Chaowen	-	-	12,000,000	12,000,000	0.24%

董事會報告 Directors' Report

附註：

- (1) 於二零一七年十二月三十一日，黃俞先生擁有深圳奧融信註冊資本99%之權益，而深圳奧融信擁有深圳華融泰資產管理有限公司（「深圳華融泰」）註冊資本52%之權益。深圳華融泰透過其附屬公司華融泰資產管理（香港）有限公司（「華融泰香港」）擁有中國健康管理投資有限公司（「中國健康」）已發行股本100%之權益。由於中國健康為3,165,974,000股股份之實益擁有人，故黃俞先生被視為於中國健康所持有之股份中擁有權益。
- (2) 於本報告日期，中國健康直接持有3,165,974,000股股份，佔已發行股份約59.18%。
- (3) 有關進一步詳情，請參閱本公司日期為二零一六年七月二十二日之公告及本年報綜合財務報表附註36。

Notes:

- (1) As at 31 December 2017, Mr. Huang Yu owned 99% interests in the registered capital of Shenzhen Aorongxin and Shenzhen Aorongxin owned 52% interests in the registered capital of Shenzhen Warranty Asset Management Co., Ltd.* ("Shenzhen Warranty"). Shenzhen Warranty, through its subsidiary, namely Warranty Assets Management (HK) Limited ("Warranty Hong Kong"), owned 100% interests in the issued share capital of China Health Management Investment Limited ("China Health"). Since China Health is the beneficial owner of 3,165,974,000 Shares, Mr. Huang Yu was deemed interested in the Shares held by China Health.
- (2) As at the date of this report, China Health directly held 3,165,974,000 Shares representing approximately 59.18% of the issued Shares.
- (3) Please refer to the Company's announcement dated 22 July 2016 and note 36 to the consolidated financial statements of this annual report for further details.

(b) 於相聯法團之權益

(b) Interest in associated corporation

董事姓名 Name of Director	相聯法團名稱 Name of associated corporation	身份 Capacity	佔相聯法團 權益概約百分比 Approximate percentage of interest in the associated corporation
黃俞 Huang Yu	深圳奧融信 Shenzhen Aorongxin	實益擁有人 Beneficial owner	99%

附註：

Notes:

- (1) 於二零一七年十二月三十一日，黃俞先生擁有深圳奧融信註冊資本99%之權益，而深圳奧融信擁有深圳華融泰註冊資本52%之權益。深圳華融泰透過其附屬公司華融泰香港擁有中國健康已發行股本100%之權益。中國健康直接持有3,165,974,000股股份。
- (2) 於本報告日期，中國健康直接持有3,165,974,000股股份，佔已發行股份約59.18%。

- (1) As at 31 December 2017, Mr. Huang Yu owned 99% interests in the registered capital of Shenzhen Aorongxin and Shenzhen Aorongxin owned 52% interests in the registered capital of Shenzhen Warranty. Shenzhen Warranty, through its subsidiary, Warranty Hong Kong, owned 100% interests in the issued share capital of China Health. China Health directly held 3,165,974,000 Shares.
- (2) As at the date of this report, China Health directly held 3,615,974,000 Shares representing approximately 59.18% of the issued Shares.

除上文所披露者外，於二零一七年十二月三十一日，本公司董事或最高行政人員及彼等各自之聯繫人概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有任何已記錄於本公司根據證券及期貨條例第352條備存之登記冊內，或根據標準守則已知會本公司及聯交所之權益或淡倉。

Save as disclosed above, as at 31 December 2017, none of the Directors nor the chief executive of the Company and their respective associates had any interests or short positions in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事於競爭業務之權益

於本年度內及截至本報告日期止，按上市規則所界定，概無董事（獨立非執行董事除外）被視為於與本集團業務競爭或有可能競爭之業務中擁有權益。

董事於交易、安排或合約中之重大權益

於直至本年度終結時或於本年度內任何時間，並無存在由本公司、其附屬公司、其同系附屬公司或其控股公司訂立、董事或任何與董事有關連之實體直接或間接擁有重大權益而與本集團業務相關之重要交易、安排或合約。

獲准許之彌償條文

根據章程細則，全體董事（及每位董事）可就執行彼等之職責或推定職責或其他有關職責時因作出、發生或遺漏作出之任何行動而將會或可能招致或蒙受之所有訴訟、費用、收費、損失、損害及開支，從本公司資產中獲得彌償，惟本彌償保證不延伸至與任何董事欺詐或不誠實行為有關之任何事宜。

本公司於本年度全年已購買及維持董事責任保險，就針對董事之法律訴訟提供適當保障。

購買股份或債券之安排

除根據購股權計劃授予可認購股份之購股權外，本公司或其任何附屬公司於本年度內概無參與任何安排，使董事能藉此獲得本公司或任何其他法人團體之股份或債券而獲得利益。

管理合約

於本年度內概無訂立或簽立有關本公司全部或任何重大部份業務之管理及行政之合約。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Year and up to the date of this report, none of the Directors (not being the INEDs) are considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group as defined in the Listing Rules.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the Group's businesses to which the Company, its subsidiaries, its fellow subsidiaries or its holding companies was a party or were parties and in which a Director or any entities connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Directors and every one of them is entitled to be indemnified out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which the Directors or any of them, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty in their offices or otherwise in relation thereto provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

The Company has taken out and maintained Directors' liability insurance throughout the Year which provides appropriate cover for legal actions brought against the Directors.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate with the exception of granting of share options to subscribe for Shares under the share option scheme.

MANAGEMENT CONTRACTS

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

董事會報告 Directors' Report

主要股東及其他人士於股份之權益及淡倉

於二零一七年十二月三十一日，就本公司任何董事或最高行政人員所知或獲另行知會，以下股東（本公司董事或最高行政人員除外）於股份或相關股份中擁有已記錄於根據證券及期貨條例第336條備存之登記冊之5%或以上權益：

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES

At 31 December 2017, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the following Shareholders (other than a Director or the chief executive of the Company) had 5% or more interests in the Shares or underlying shares as recorded in the register required to be kept under section 336 of the SFO:

股東名稱 Name of Shareholders	身份 Capacity	好倉 Long Positions	
		股份數目 Number of Shares	概約股權百分比 Approximate percentage of interest in shareholding
中國健康 China Health	實益擁有人 Beneficial owner	3,165,974,000 (附註1) (Note 1)	63.96%
華融泰香港 Waranty Hong Kong	受控制法團權益 Interest of a controlled corporation	3,165,974,000 (附註2) (Note 2)	63.96%
深圳華融泰 Shenzhen Waranty	受控制法團權益 Interest of a controlled corporation	3,165,974,000 (附註3) (Note 3)	63.96%
同方金融控股（深圳）有限公司 （「同方金控」） Tongfang Financial Holdings Co., Ltd* （“Tongfang Financial”）	受控制法團權益 Interest of a controlled corporation	3,165,974,000 (附註4) (Note 4)	63.96%
同方股份 Tsinghua Tongfang	受控制法團權益 Interest of a controlled corporation	3,279,968,000 (附註5) (Note 5)	66.26%
深圳奧融信 Shenzhen Aorongxin	受控制法團權益 Interest of a controlled corporation	3,165,974,000 (附註6) (Note 6)	63.96%

附註：

Notes:

- 此數字指中國健康於3,165,974,000股股份之法律上及實益權益。其中1,375,000,000股股份已抵押予Haitong International Financial Products (Singapore) Pte. Ltd.（「Haitong International Financial」）。根據證券及期貨條例，Haitong International Financial之控股公司亦被視為擁有該1,375,000,000股股份之權益。
- 華融泰香港擁有中國健康已發行股本100%之權益，因此被視作於中國健康擁有權益之股份中擁有權益。根據證券及期貨條例，此數字指中國健康之相同股份權益。
- The figure refers to the legal and beneficial interest of China Health in 3,165,974,000 Shares. 1,375,000,000 Shares of which are pledged to Haitong International Financial Products (Singapore) Pte. Ltd. (“Haitong International Financial”). Under the SFO, the holding companies of Haitong International Financial are also deemed to be interested in these 1,375,000,000 Shares.
- Waranty Hong Kong owned 100% interest in the issued share capital of China Health and was therefore deemed to have an interest in the Shares in which China Health was interested. The figure refers to the same interests of China Health in the Shares under the SFO.

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3. 深圳華融泰透過其附屬公司華融泰香港擁有中國健康已發行股本100%之權益，因此被視為於中國健康擁有權益之股份中擁有權益。根據證券及期貨條例，此數字指中國健康之相同股份權益。
4. 同方金控擁有深圳華融泰註冊資本48%之權益，因此被視為於深圳華融泰擁有權益之股份中擁有權益。根據證券及期貨條例，此數字指中國健康之相同股份權益。
5. 同方股份擁有同方金控註冊資本100%之權益，因此被視為於同方金控擁有權益之股份中擁有權益。

此外，清華同方節能控股有限公司（「清華同方節能」，同方股份之間接全資附屬公司）為113,994,000股股份之實益擁有人，因此根據證券及期貨條例，同方股份亦被視為於清華同方節能擁有權益之股份中擁有權益。因此，同方股份擁有3,279,968,000股股份之權益，佔已發行股份約66.26%。

6. 深圳奧融信擁有深圳華融泰註冊資本52%之權益，因此被視為於深圳華融泰擁有權益之股份中擁有權益。根據證券及期貨條例，此數字指中國健康之相同股份權益。
7. 於本報告日期，中國健康擁有3,165,974,000股股份（佔已發行股份約59.18%）之權益。因此，華融泰香港、深圳華融泰、深圳奧融信、同方金控及同方股份各自擁有該等股份之間接權益。清華同方節能（Resuccess Investments Limited（「Resuccess」）之直接全資附屬公司）為513,994,000股股份（相當於已發行股份約9.61%）之實益擁有人。因此根據證券及期貨條例，Resuccess被視為於清華同方節能擁有權益之股份中擁有權益。同方股份持有同方金控及Resuccess全部股本權益，因此根據證券及期貨條例，被視為於同方金控及Resuccess擁有權益之股份中擁有權益。因此，同方股份擁有3,679,968,000股股份之權益，佔已發行股份約68.78%。

除上文所披露者外，於二零一七年十二月三十一日，本公司並無接獲任何人士（本公司董事或最高行政人員或彼等各自之聯繫人除外）通知，彼於股份及相關股份中擁有任何記錄於根據證券及期貨條例第336條備存之登記冊之權益及淡倉。

3. Shenzhen Warranty, through its subsidiary, namely Warranty Hong Kong, owned 100% interests in the issued share capital of China Health and was therefore deemed to have an interest in the Shares in which China Health was interested. The figure refers to the same interests of China Health in the Shares under the SFO.
4. Tongfang Financial owned 48% interests in the registered capital of Shenzhen Warranty and was therefore deemed to have an interest in the Shares in which Shenzhen Warranty was interested. The figure refers to the same interests of China Health in the Shares under the SFO.
5. Tsinghua Tongfang owned 100% interests in the registered capital of Tongfang Financial and was therefore deemed to have an interest in the Shares in which Tongfang Financial was interested.

In addition, THTF Energy-Saving Holdings Limited ("THTF Energy-Saving"), an indirect wholly-owned subsidiary of Tsinghua Tongfang, was the beneficial owner of 113,994,000 Shares, and Tsinghua Tongfang was therefore also deemed to have an interest in the Shares in which THTF Energy-Saving was interested under the SFO. Tsinghua Tongfang was therefore interested in 3,279,968,000 Shares representing approximately 66.26% of the issued Shares.

6. Shenzhen Aorongxin owned 52% interests in the registered capital of Shenzhen Warranty and was therefore deemed to have an interest in the Shares in which Shenzhen Warranty was interested. The figure refers to the same interests of China Health in the Shares under the SFO.
7. As at the date of this report, China Health was interested in 3,165,974,000 Shares representing approximately 59.18% of the issued Shares. Therefore, each of Warranty Hong Kong, Shenzhen Warranty, Shenzhen Aorongxin, Tongfang Financial and Tsinghua Tongfang was indirectly interested in such Shares. THTF Energy-Saving, a directly wholly-owned subsidiary of Resuccess Investments Limited ("Resuccess"), was the beneficial owner of 513,994,000 Shares representing approximately 9.61% of the issued Shares. Resuccess was therefore deemed to have an interest in the Shares in which THTF Energy-Saving was interested under the SFO. The entire equity interest of Tongfang Financial and Resuccess were held by Tsinghua Tongfang and Tsinghua Tongfang was therefore deemed to have an interest in the Shares in which Tongfang Financial and Resuccess were interested under the SFO. Tsinghua Tongfang was therefore interested in 3,679,968,000 Shares representing approximately 68.78% of the issued Shares.

Save as disclosed above, as at 31 December 2017, the Company had not been notified by any person (other than a Director or chief executive of the Company or their respective associate(s)) of any interest and short position in the Shares and underlying shares which were required to be recorded in the register required to be kept under section 336 of the SFO.

董事會報告 Directors' Report

主要客戶及供應商

於本年度內，本集團五大客戶應佔之銷售總額及五大供應商應佔之採購總額分別佔本集團銷售額及採購額約37.5%及52.5%。

於本年度內，本集團最大客戶應佔之銷售總額及最大供應商應佔之採購總額分別佔本集團銷售額及採購額約27.9%及32.2%。

董事、彼等之緊密聯繫人或據董事所知擁有本公司已發行股份5%以上之任何股東概無於本集團五大供應商及客戶擁有實益權益。

購回、出售或贖回本公司上市證券

於本年度內，除本公司於二零一六年九月二十日採納之股份獎勵計劃（「股份獎勵計劃」）之受託人根據股份獎勵計劃之信託契據，在聯交所購回金額達3,483,240港元、合共6,756,000股股份外，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

董事資料變動

下文為自本公司二零一七年年報日期起至本報告日期止期間董事資料之變動，須根據上市規則第13.51(B)(1)條披露：

- (1) 獨立非執行董事張瑞彬先生終止出任貴州盤江精煤股份有限公司（其已發行股份於上海證券交易所上市，股份代碼：600395）之獨立董事，自二零一七年三月二十四日起生效。
- (2) 黃清海先生於二零一八年一月獲委任為中國人民政治協商會議第十二屆山東省委員會委員。
- (3) 張軼先生由執行董事調任為非執行董事，終止出任董事會轄下執行委員會（「執行委員會」）之成員，自二零一七年十二月十一日起生效，而其薪金已調整為每年300,000港元。彼辭任非執行董事及董事會轄下股份交易委員會（「股份交易委員會」）之成員，自二零一八年一月二十三日起生效。

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the aggregate sales attributable to the Group's five largest customers and the aggregate purchases attributable to the Group's five largest suppliers were approximately 37.5% and 52.5% of the Group's sales and purchases respectively.

During the Year, the aggregate sales attributable to the Group's largest customer and the aggregate purchases attributable to the Group's largest supplier were approximately 27.9% and 32.2% of the Group's sales and purchases respectively.

None of the Directors, their close associates or any shareholders, which to the knowledge of the Directors owned more than 5% of the Company's issued shares, had a beneficial interest in any of the Group's five largest suppliers and customers.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year, except that the trustee of the share award scheme of the Company as adopted on 20 September 2016 (the "Share Award Scheme"), pursuant to the trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 6,756,000 Shares amounting to HK\$3,483,240.

CHANGES IN DIRECTORS' INFORMATION

The following is the change in the information of Directors since the date of the 2017 Interim Report of the Company and up to the date of this report, which is required to be disclosed pursuant to Rule 13.51(B)(1) of the Listing Rules:

- (1) Mr. Zhang Ruibin, the INED, ceased to be an independent director of Guizhou Panjiang Refined Coal Co., Ltd.* (stock code: 600395), the issued shares of which are listed on the Shanghai Stock Exchange, with effect from 24 March 2017.
- (2) Mr. Ng Qing Hai was appointed as a member of 12th Shandong Provincial Committee of the Chinese People's Political Consultative Conference in January 2018.
- (3) With effect from 11 December 2017, Mr. Zhang Yi was re-designated from Executive Director to Non-Executive Director, ceased to be a member of the executive committee of the Board (the "Executive Committee") and his salary was revised to HK\$300,000 per annum. He was resigned as a non-Executive Director and a member of the share dealing committee of the Board (the "Share Dealing Committee") with effect from 23 January 2018.

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- (4) 於二零一七年十二月十一日獲委任為首席執行官後，蔣朝文先生獲委任為執行董事以及執行委員會及股份交易委員會各自之成員，自二零一八年一月二十三日起生效。彼享有董事袍金每年10,000港元，而作為執行董事及首席執行官之年薪為1.5百萬港元。
- (4) Mr. Jiang Chaowen was, subsequent to his appointment as Chief Executive Officer on 11 December 2017, appointed as an Executive Director and a member of each of the Executive Committee and the Share Dealing Committee with effect from 23 January 2018. He is entitled to a director's fee of HK\$10,000 per annum, and an annual remuneration of HK\$1.5 million as an Executive Director and the Chief Executive Officer.
- (5) 黃俞先生之董事薪金更改為每年681,343港元，自二零一八年一月一日起生效。
- (5) Director's salary of Mr. Huang Yu was changed to HK\$681,343 per annum with effect from 1 January 2018.

關連交易

於本年度內，本集團訂立以下構成根據上市規則第十四A章所界定之關連交易或持續關連交易之交易：

持續關連交易

誠如本公司日期為二零一七年五月六日之公告及日期為二零一七年七月二十八日之通函所披露，True Fitness Holdings (Singapore) Pte. Ltd. (「True Fitness」，本公司之間接非全資附屬公司) (作為特許權授予人) 與全真概念健康事業股份有限公司 (「全真概念」，True Yoga Holdings Limited (由黃友誠先生 (「黃先生」) 最終控制並由本公司擁有29%權益) 之直接全資附屬公司) (作為特許權承授人) 於二零一七年五月二十九日訂立一份特許協議 (「特許協議」)，初步為期30年，據此，True Fitness將向True Yoga Holdings Limited及其附屬公司授出及提供不可轉讓權利及許可權，以經營參考系統並使用專利標誌於中國台灣經營及管理中國台灣境內各分銷渠道，以出售貨品及提供服務之業務 (「特許業務」)，代價為支付相等於緊接上一個月特許業務總營業額15%之專利權費。

黃先生憑藉控制TFKT True Holdings (本公司之附屬公司) 股東大會上10%以上表決權而為TFKT True Holdings之主要股東。因此，黃先生為本公司於附屬公司層面之關連人士，而根據上市規則第十四A章，根據特許協議擬進行之交易構成本公司之持續關連交易。

CONNECTED TRANSACTIONS

During the Year, the Group has entered into the following transactions which constitute connected transactions or continuing connected transactions as defined under Chapter 14A of the Listing Rules:

Continuing Connected Transactions

As disclosed in the announcement and circular of the Company dated 6 May 2017 and 28 July 2017, respectively, True Fitness Holdings (Singapore) Pte. Ltd. (「True Fitness」), an indirectly non-wholly owned subsidiary of the Company, as the franchisor and 全真概念健康事業股份有限公司 True Concept Ltd.* (「True Concept」), a direct wholly owned subsidiary of True Yoga Holdings Limited which is ultimately controlled by Mr. Patrick John Wee Ewe Seng (「Mr. PJW」) and owned as to 29% by the Company, as franchisee have entered into a franchise agreement (the 「Franchise Agreement」) on 29 May 2017 for a initial term of 30 years, pursuant to which True Fitness shall grant and provide True Yoga Holdings Limited and its subsidiary with non-transferable right and license to operate the business of operating and managing each channel of distribution located within Taiwan offering merchandise and services for sale by reference to the system and using the proprietary marks in Taiwan (the 「Franchise Business」) in consideration for the payment of royalty fee equivalent to 15% of the gross turnover of the immediately preceding month derived from the Franchise Business.

Mr. PJW is a substantial shareholder of TFKT True Holdings which is a subsidiary of the Company by virtue of controlling over 10% of the voting power at the general meetings of TFKT True Holdings. Accordingly, Mr. PJW shall become a connected person of the Company at the subsidiary level and the transactions contemplated under Franchise Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

董事會報告 Directors' Report

誠如本公司日期為二零一八年三月五日之公告所披露，True Fitness與全真概念訂立一份特許協議之增補契約（「增補契約」）及附載於增補契約之服務協議（「服務協議」）（特許協議、增補契約及服務協議統稱為「經修訂特許協議」），以修訂費用之計算、支付及分類方式。True Fitness將根據經修訂特許協議實際收取之費用金額將維持不變，經批准年度上限亦因而維持不變。僅對特許業務項下應付之費用之計算及支付方式作出修訂，使其現將分類及細分為(i)經增補契約修訂之特許協議項下之特許權費；及(ii)服務協議項下之服務費。

於本年度內，特許協議下交易之實際金額為33.32百萬元，屬35.82百萬元之年度上限範圍內。

上述持續關連交易已由董事會（包括獨立非執行董事）審核，而獨立非執行董事已確認該等持續關連交易乃於本集團之日常業務中訂立，按照一般商務條款或更佳條款進行，並根據有關交易之協議進行，而其條款屬公平合理，並且符合股東之整體利益。

本公司核數師已受聘根據香港會計師公會頒佈之香港鑒證業務準則第3000號（經修改）「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，對上述持續關連交易作出報告。本公司核數師已致函董事會，確認並無注意到任何事項，令其相信該等持續關連交易：

- (1) 並未獲董事會批准；
- (2) 在各重大方面並無按照本集團之定價政策進行；
- (3) 在各重大方面並無根據有關交易之協議進行；及
- (4) 超逾上限。

As disclosed in the announcement of the Company dated 5 March 2018, True Fitness and True Concept entered into a supplemental agreement to the Franchise Agreement (the "Supplemental Agreement") and a service agreement (the "Service Agreement") appended to the Supplemental Agreement (the Franchise Agreement, the Supplemental Agreement and the Service Agreement collectively referred to as the "Revised Franchise Agreement") to amend the way fees are calculated, paid and classified. The amount of fees to be actually received by True Fitness under the Revised Franchise Agreement remains unchanged and so thus the approved annual caps. Amendments are made merely to the way of calculation and payment of the fee payable under the Franchise Business such that they will now be classified and sub-divided as (i) royalty fee under the Franchise Agreement as amended by the Supplemental Agreement; and (ii) service fee under the Service Agreement.

During the Year, the actual amount of transactions under the Franchise Agreement was 33.32 million and was within the annual cap of HK\$35.82 million.

The continuing connected transactions mentioned above have been reviewed by the Board, including the INEDs and have confirmed that the continuing connected transactions have been entered into by the Group in the ordinary and usual course of business of the Group, on normal commercial terms or better and according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company was engaged to report on the above 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. They have provided a letter to the Board confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (1) have not been approved by the Board;
- (2) were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (4) have exceeded the cap.

關連交易

於二零一七年五月二十六日，上海建材（集團）有限公司（「上海建材」）與上海上聯訂立一份延長框架合同（「第三份延長框架合同」），據此，下列委託貸款各自之期限在日期為二零一六年五月二十七日之延長框架合同（「第二份延長框架合同」）延長之期限上再延長一年：

- (i) 於二零一四年五月二十三日，上海上聯、上海建材及一間銀行訂立一份委託貸款協議，據此，上海上聯委託銀行向上海建材提供一份委託貸款，本金額為人民幣54.0百萬元，為期一年（「第一份委託貸款」）。第一份委託貸款之到期日為二零一五年五月二十六日；及
- (ii) 於二零一四年七月二日，上海上聯、上海建材及一間銀行訂立一份委託貸款協議，據此，上海上聯委託銀行向上海建材提供一份委託貸款，本金額為人民幣78.0百萬元，為期一年（「第二份委託貸款」）。第二份委託貸款之到期日為二零一五年七月三日。

根據第三份延長框架合同，第一份委託貸款及第二份委託貸款分別延長至二零一八年五月二十九日及二零一八年六月二十八日。

由於上海建材持有上海上聯40%股本權益，而上海上聯為本公司之附屬公司，因此，上海建材因身為上海上聯之主要股東而為本公司在附屬公司層面之關連人士。因此，根據上市規則第十四A章，第三份延長框架合同構成本公司在附屬公司層面之關連交易並須遵守申報及公告之規定，惟獲豁免遵守獨立股東批准之規定。

有關進一步詳情，請參閱(i)本公司日期為二零一四年五月二十三日有關提供第一份委託貸款之公告；(ii)本公司日期為二零一四年七月二日有關提供第二份委託貸款之公告；(iii)本公司日期為二零一五年五月二十二日有關第一份延長框架合同之公告；(iv)本公司日期為二零一六年五月二十七日有關第二份延長框架合同之公告；及(v)本公司日期為二零一七年五月二十六日有關第三份延長框架合同之公告。

Connected Transactions

On 26 May 2017, 上海建材（集團）有限公司 (Shanghai Building Material (Group) Company Limited*) (“Shanghai Building Material”) and Shanghai SAC entered into an extension framework agreement (the “Third Extension Framework Agreement”), pursuant to which the term of each of the following entrusted loans was further extended by one year beyond the term extended by the extension framework agreement dated 27 May 2016 (the “Second Extension Framework Agreement”):

- (i) On 23 May 2014, Shanghai SAC, Shanghai Building Material and a bank entered into an entrusted loan agreement, pursuant to which Shanghai SAC entrusted the bank to provide an entrusted loan in the principal amount of RMB54.0 million to Shanghai Building Material for a term of one year (the “First Entrusted Loan”). The maturity date of the First Entrusted Loan was 26 May 2015; and
- (ii) On 2 July 2014, Shanghai SAC, Shanghai Building Material and a bank entered into an entrusted loan agreement, pursuant to which Shanghai SAC entrusted the bank to provide an entrusted loan to Shanghai Building Material in the principal amount of RMB78.0 million for a term of one year (the “Second Entrusted Loan”). The maturity date of the Second Entrusted Loan was 3 July 2015.

Pursuant to the Third Extension Framework Agreement, the First Entrusted Loan and the Second Entrusted Loan are extended to 29 May 2018 and 28 June 2018, respectively.

Since Shanghai Building Material holds 40% equity interest in Shanghai SAC which is a subsidiary of the Company, Shanghai Building Material, as a substantial shareholder of Shanghai SAC, is therefore a connected person at the subsidiary level of the Company. Accordingly, the Third Extension Framework Agreement constituted a connected transaction at the subsidiary level of the Company and is subject to the reporting and announcement, but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Please refer to (i) the announcement of the Company dated 23 May 2014 in relation to the provision of First Entrusted Loan; (ii) the announcement of the Company dated 2 July 2014 in relation to the provision of the Second Entrusted Loan; (iii) the announcement of the Company dated 22 May 2015 in relation to the First Extension Framework Agreement; (iv) the announcement of the Company dated 27 May 2016 in relation to the Second Extension Framework Agreement; and (v) the announcement of the Company dated 26 May 2017 in relation to the Third Extension Framework Agreement for further details.

董事會報告 Directors' Report

載於本年報綜合財務報表附註49之關聯方交易及結餘包括構成上市規則界定為關連交易及持續關連交易之交易。本公司已就本集團於本年度訂立之關連交易遵守上市規則第十四A章所指明之規定。

暫停辦理股份過戶登記

二零一八年股東週年大會謹訂於二零一八年六月六日(星期三)舉行。為釐定出席二零一八年股東週年大會並於會上投票之權利,本公司將於二零一八年五月三十一日(星期四)至二零一八年六月六日(星期三)(包括首尾兩天)暫停辦理股份過戶登記,此期間將不會登記股份之轉讓。

股東為符合資格出席二零一八年股東週年大會並於會上投票,所有過戶表格連同相關股票須於二零一八年五月三十日(星期三)下午四時三十分或之前送交本公司之股份登記分處卓佳秘書商務有限公司(地址為香港皇后大道東183號合和中心22樓),以辦理登記手續。

捐款

本集團於本年度內作出慈善捐款0.4百萬港元。

企業管治

本公司致力維持高水準之企業管治常規。有關本公司所採納企業管治常規的資料載於本年報第29頁至47頁之企業管治報告。

The related party transactions and balances set out in note 49 to the consolidated financial statements of this annual report included transactions that constituted connected transactions and continuing connected transactions within the meaning of the Listing Rules. The Company has complied with the requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions entered into by the Group during the Year.

CLOSURE OF REGISTER OF MEMBERS

The 2018 AGM is scheduled to be held on Wednesday, 6 June 2018. For determining the entitlement to attend and vote at the 2018 AGM, the register of members of the Company will be closed from Thursday, 31 May 2018 to Wednesday, 6 June 2018 (both days inclusive), during which period no transfer of Shares will be registered.

In order for the Shareholder to be eligible to attend and vote at the 2018 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 30 May 2018.

DONATIONS

The Group made charitable donations of HK\$0.4 million during the Year.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 29 to 47 of this annual report.

公眾持股量

基於本公司公開可得之資料及就董事所知，本公司於本年度及直至本報告日期已按上市規則所規定維持指定之公眾持股量。

獨立核數師

本集團本年度之財務報表已由德勤•關黃陳方會計師行審核，德勤•關黃陳方會計師行將退任且符合資格並願意獲續聘。二零一八年股東週年大會上將提呈有關續聘德勤•關黃陳方會計師行及授權董事釐定其酬金之決議案。

代表董事會

主席
黃俞

二零一八年三月二十八日

* 僅供識別

PUBLIC FLOAT

Based on the information which is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the Year and up to the date of this report as required under the Listing Rules.

INDEPENDENT AUDITOR

The Group's financial statements for the Year have been audited by Messrs. Deloitte Touche Tohmatsu who will retire and, being eligible, offer itself for re-appointment. A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu and to authorise the Directors to fix its remuneration will be proposed at the 2018 AGM.

On behalf of the Board

Huang Yu
Chairman

28 March 2018

* For identification purpose only

獨立核數師報告 Independent Auditor's Report

Deloitte. 德勤

致同方康泰產業集團有限公司
(於開曼群島註冊成立之有限公司)
各股東

意見

我們已審核列載於第79頁至第219頁同方康泰產業集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,包括於二零一七年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表和綜合現金流動表以及綜合財務報表附註,包括重要會計政策概要。

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

意見之基礎

我們已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。我們就該等準則須承擔之責任在本報告之核數師就審核綜合財務報表須承擔之責任一節中進一步闡述。根據香港會計師公會之專業會計師道德守則(以下簡稱「守則」),我們獨立於 貴集團,並已履行守則中之其他道德責任。我們相信,我們所獲得之審核憑證乃充足和適當地為我們之意見提供基礎。

TO THE MEMBERS OF TONGFANG KONTAFARMA HOLDINGS LIMITED

同方康泰產業集團有限公司
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Tongfang Kontafarma Holdings Limited 同方康泰產業集團有限公司 (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 79 to 219, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

關鍵審核事項

關鍵審核事項是根據我們之專業判斷，對本期間綜合財務報表之審核最為重要之事項。該等事項是在我們審核整體綜合財務報表及出具意見時進行處理的。我們不會就該等事項提供單獨意見。

KEY AUDIT MATTERS

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

關鍵審核事項

Key audit matter

我們之審核如何處理關鍵審核事項

How our audit addressed the key audit matter

呆壞賬撥備

Allowance for bad and doubtful debts

由於管理層於評估應收貿易款項之可收回程度時會使用判斷及估計，故我們將呆壞賬撥備認定為關鍵審核事項。

We identified the allowance for bad and doubtful debts as a key audit matter due to the use of judgment and estimates by the management in assessing the recoverability of trade receivables.

誠如綜合財務報表附註4所載，管理層於估計呆壞賬撥備時會考慮應收貿易款項之客戶信貸歷史（包括拖欠或延遲結清應收貿易款項、後續結清應收貿易款項之情況及應收貿易款項賬齡分析）及與客戶之業務關係。

As set out in note 4 to the consolidated financial statements, in estimating the allowance for bad and doubtful debts, the management considers the credit history of the customers including default or delay in settlement, subsequent settlements and aging analysis of the trade receivables and the business relationship with the customers.

於二零一七年十二月三十一日，應收貿易款項之賬面金額為400,758,000港元（已扣除呆壞賬撥備20,368,000港元）。

As at 31 December 2017, the carrying amount of trade receivables is HK\$400,758,000, net of the allowance for bad and doubtful debts of HK\$20,368,000.

我們有關評價管理層所進行呆壞賬撥備評估是否適當之程序包括：

Our procedures in relation to evaluating the appropriateness of the management's assessment of the allowance for bad and doubtful debts included:

- 了解 貴集團管理層如何估計呆壞賬撥備；
- Understanding how the allowance for bad and doubtful debts is estimated by the Group's management;
- 參考應收貿易款項之客戶信貸歷史（包括拖欠或延遲結清應收貿易款項、後續結清應收貿易款項之情況及應收貿易款項賬齡分析）及與客戶之業務關係，評估管理層所評估呆壞賬撥備是否合理；
- Assessing the reasonableness of allowance for bad and doubtful debts assessed by the management with reference to the credit history of the customers, including default or delay in payments, subsequent settlements, aging analysis of the trade receivables and the business relationship with the customer;
- 根據相關文件抽樣測試應收貿易款項賬齡分析及後續結清應收貿易款項之情況是否準確；及
- Testing the accuracy of the aging analysis and subsequent settlements of the trade receivables, on a sample basis, to the relevant documents; and
- 比較過往所作撥備與實際付款和實際產生損失，從而評價管理層過往估計之撥備是否準確。
- Evaluating the historical accuracy of the allowance estimated by the management by comparing historical allowance made to the actual settlements and actual loss incurred.



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關鍵審核事項 Key audit matter

我們之審核如何處理關鍵審核事項 How our audit addressed the key audit matter

釐定收購TFKT True Holdings及其附屬公司(「TFKT True集團」)51%股本權益以及True Yoga Holdings Limited及其附屬公司(「True Yoga集團」)29%股本權益(統稱「True收購事項」)產生之所收購可識別資產及所承擔負債之公平價值

Determination of fair values of identifiable assets acquired and liabilities assumed arising from acquisition of 51% equity interest in TFKT True Holdings and its subsidiaries (the “TFKT True Group”) and 29% equity interest in True Yoga Holdings Limited and its subsidiary (the “True Yoga Group”) (collectively the “True Acquisition”)

由於 貴集團管理層於釐定True收購事項產生之所收購可識別資產及所承擔負債之公平價值時會作出估計及判斷，故我們將此項決定認定為關鍵審核事項。

We identified the determination of fair values of identifiable assets acquired and liabilities assumed arising from the True Acquisition as a key audit matter due to the estimation and judgment exercised by the Group's management in such determination.

誠如綜合財務報表附註41(A)所披露，於截至二零一七年十二月三十一日止年度， 貴集團完成收購TFKT True集團(從事經營健身中心及提供健身和健康諮詢服務)51%股本權益，總代價為36,720,000美元(相當於約284,580,000港元)。

As disclosed in note 41(A) to the consolidated financial statements, the Group completed the acquisition of 51% of the equity interest in the TFKT True Group (engaged in the operation of fitness centres and provision of consultation services for fitness and health activities) during the year ended 31 December 2017 for a total consideration of US\$36,720,000 (equivalent to approximately HK\$284,580,000).

True收購事項已使用購買法入賬。於所收購可識別資產及所承擔負債中，管理層參考與無形資產(主要關於確認特許協議、商標及客戶關係)及遞延收入相關之貼現現金流量評估該等無形資產及遞延收入之公平價值時，會運用重大估計及判斷。於收購日期所收購無形資產及所承擔遞延收入之公平價值分別為307,585,000港元及170,399,000港元，乃以獨立合資格專業估值師(「估值師」)進行之估值為基礎。

The True Acquisition has been accounted for using the purchase method. Amongst the identifiable assets acquired and liabilities assumed, the management applied significant estimation and judgments in assessing the fair values of intangible assets (mainly related to recognition of franchise agreement, trademark and customer relationship) and deferred income by reference to the discounted cash flows associated with these intangible assets and deferred income. The fair values of intangible assets acquired and deferred income assumed on acquisition date of HK\$307,585,000 and HK\$170,399,000, respectively, are based on valuation performed by an independent qualified professional valuer (the “Valuer”).

我們有關評估True收購事項產生之所收購可識別資產及所承擔負債之公平價值之程序包括：

Our procedures in relation to assessing the fair values of identifiable assets acquired and liabilities assumed arising from the True Acquisition included:

- 了解管理層如何識別True收購事項產生之所收購資產及所承擔負債；
- Obtaining an understanding of how the management identify the assets acquired and liabilities assumed arising from the True Acquisition;
- 與管理層討論管理層於評估所收購可識別資產及所承擔負債於收購日期之公平價值時採納之主要估計，包括透過參考 貴集團之未來業務計劃及行業趨勢評估預測未來現金流量是否合理後所作出支持貼現現金流量模型之假設(包括增長率、預算銷售額及毛利率)以及估值師之參與情況；及
- Discussing with the management the key estimates adopted by the management in assessing the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed, including the assumptions underpinning the discounted cash flow models, including growth rates, budgeted sales and gross margin through assessing the reasonableness of forecasted future cash flows by reference to the future business plan of the Group as well as industrial trend and the involvement of the Valuer; and
- 評價估值師之資質、能力及客觀性。
- Evaluating the Valuer's competence, capabilities and objectivity.

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其他資料

貴公司董事須就其他資料承擔責任。其他資料包括年報所載資料，但不包括綜合財務報表及我們就此編製之核數師報告。

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

就綜合財務報表之審核而言，我們之責任是閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解之情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行之工作，如果我們認為其他資料有重大錯誤陳述，我們需要如實出具報告。就此我們沒有任何須報告事項。

董事及治理層就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及按照香港公司條例之披露規定編製及真實而公平地列報綜合財務報表，並負責董事認為就編製綜合財務報表而言屬必要之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際之替代方案。

治理層須負責監督貴集團之財務匯報過程。

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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核數師就審核綜合財務報表須承擔之責任

我們之目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並根據我們協定之委聘條款僅向閣下整體出具包含我們意見之核數師報告，除此之外，本報告別無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。合理保證乃高水平之保證，但不能保證按香港審計準則進行之審核總能發現存在之某一重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘個別或整體在合理預期情況下可能影響使用者根據該等綜合財務報表作出之經濟決定，則有關錯誤陳述可被視作重大。

在根據香港審計準則進行審核之過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計及執行審核程序以應對該等風險，以及取得充足和適當之審核憑證，作為我們意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險較未能發現因錯誤而導致之重大錯誤陳述之風險為高。
- 了解與審核相關之內部控制，以設計適當之審核程序，但目的並非對貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策之恰當性以及所作出會計估計及相關披露資料之合理性。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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

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

獨立核數師報告 Independent Auditor's Report

- 對董事採用持續經營會計基礎之恰當性作出結論。根據所得之審核憑證，決定是否存在與事件或情況有關之重大不確定性，而可能對 貴集團持續經營之能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者對綜合財務報表內相關披露資料之關注。假若有關之披露資料不足，則我們須出具非無保留意見之核數師報告。我們之結論是基於截至核數師報告日期止所取得之審核憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。
- 評價綜合財務報表之整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允反映相關交易和事項。
- 就 貴集團內實體或業務活動之財務資料獲取充分、適當之審核證據，以對綜合財務報表發表意見。我們負責指導、監督和執行集團審核。我們對審核意見承擔全部責任。
- 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.

我們與治理層溝通了計劃之審計範圍、時間安排、重大審核發現等事項，包括我們在審核期間識別出內部控制之任何重大缺陷。

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

我們還向治理層提交聲明，說明我們已符合有關獨立性之相關專業道德要求，並與他們溝通所有合理地被認為會影響我們獨立性之關係和其他事項，以及在適用之情況下，相關之防範措施。

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

從與治理層溝通之事項中，我們決定哪些事項對本期綜合財務報表之審核最為重要，因而構成關鍵審核事項。我們會在核數師報告中描述該等事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見之情況下，若有合理預期在我們報告中溝通某事項而造成之負面後果將會超過其產生之公眾利益，我們將不會在此等情況下在報告中溝通該事項。

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



獨立核數師報告 Independent Auditor's Report

本獨立核數師報告之審核項目合夥人是胡家明。

The engagement partner on the audit resulting in the independent auditor's report is Wu Ka Ming.

德勤•關黃陳方會計師行
執業會計師

香港
二零一八年三月二十八日

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
28 March 2018

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

			二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
		附註 Notes		
收入	Revenue	5	1,344,336	633,279
銷售成本	Cost of sales		(1,007,461)	(539,160)
毛利	Gross profit		336,875	94,119
其他收入	Other income	7	40,096	43,705
其他收益及虧損	Other gains and losses	8	5,788	534
其他保本型存款利息收入	Interest income on other principal protected deposits		-	2,020
分銷及銷售費用	Distribution and selling expenses		(133,027)	(34,900)
行政費用	Administrative expenses		(138,808)	(96,021)
其他費用	Other expenses		(32,641)	(7,456)
融資成本	Finance costs	9	(21,882)	(18,018)
應佔聯營公司業績	Share of results of associates		(8,765)	(15)
應佔一間合營公司業績	Share of results of a joint venture		(11,666)	(4,096)
除稅前溢利(虧損)	Profit (loss) before taxation		35,970	(20,128)
稅項	Taxation	11	(119)	(7,425)
本年度溢利(虧損)	Profit (loss) for the year	12	35,851	(27,553)
其他全面收益(支出):	Other comprehensive income (expense):			
隨後不會重新分類至 損益賬之項目: 兌換為呈列貨幣產生之 匯兌差額	Item that will not be reclassified subsequently to profit or loss: Exchange difference arising on translation to presentation currency		101,338	(87,677)
隨後可能重新分類至 損益賬之項目: 兌換海外業務產生之 匯兌差額	Item that may be reclassified subsequently to profit or loss: Exchange difference arising on translation of foreign operations		(7,319)	-
本年度其他全面收益 (支出)	Other comprehensive income (expense) for the year		94,019	(87,677)
本年度全面收益 (支出)總額	Total comprehensive income (expense) for the year		129,870	(115,230)



綜合損益及其他全面收益表 Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

	附註 Notes	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
本年度溢利(虧損)應佔方：	Profit (loss) for the year attributable to:		
本公司股東	Owners of the Company	(1,806)	(37,076)
非控股權益	Non-controlling interests	37,657	9,523
		35,851	(27,553)
本年度全面收益(支出) 總額應佔方：	Total comprehensive income (expense) for the year attributable to:		
本公司股東	Owners of the Company	60,782	(94,726)
非控股權益	Non-controlling interests	69,088	(20,504)
		129,870	(115,230)
		港仙 HK cents	港仙 HK cents
每股虧損	Loss per share		
基本	Basic	(0.04)	(0.75)
攤薄	Diluted	(0.04)	(0.75)

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綜合財務狀況表

Consolidated Statement of Financial Position

於二零一七年十二月三十一日 At 31 December 2017

	附註 Notes	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
非流動資產			
物業、廠房及設備	15	690,533	552,204
設備及機器之按金	16	81,927	76,279
土地使用權之預付租賃款項	17	107,140	104,378
投資物業	18	5,276	5,066
商譽	19	439,160	217,555
無形資產	20	324,302	15,675
於聯營公司之權益	22	13,007	2,601
於一間合營公司之權益	23	21,093	32,759
遞延稅項資產	39	4,360	199
租金按金		5,127	-
已抵押銀行存款	30	2,247	-
		1,694,172	1,006,716
流動資產			
持作銷售物業	24	2,321	2,161
生物資產		4,761	2,743
存貨	25	97,401	78,488
應收貿易款項及應收票據	26	532,671	347,989
其他應收款項、按金及預付款項	27	149,432	141,028
應收貸款	28	178,878	167,264
透過損益賬按公平價值處理之金融資產	29	114,720	120,504
土地使用權之預付租賃款項	17	3,289	1,499
一間中介控股公司欠款	48	-	89,385
一間合營公司欠款	48	7,972	131
一間聯營公司欠款	48	34,667	-
其他關聯方欠款	49(c)	208,961	168,865
受限制銀行存款		-	2,518
已抵押銀行存款	30	33,515	421,416
原到期日為四至十二個月之定期存款	30	-	22,347
現金及現金等價物	30	381,450	581,137
		1,750,038	2,147,475



綜合財務狀況表 Consolidated Statement of Financial Position

於二零一七年十二月三十一日 At 31 December 2017

	附註 Notes	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
流動負債	Current liabilities		
應付貿易款項及應付票據	31	207,512	175,428
其他應付款項及已收按金	32	123,782	86,346
欠一間中介控股公司款項			
holding company	48	17,011	24,230
欠其他關聯方款項	49(c)	57,974	9,528
稅項負債		87,292	91,385
一年內到期之銀行及 其他借貸	33	629,518	916,313
融資租賃責任		1,504	–
遞延收入	34	114,721	–
		1,239,314	1,303,230
流動資產淨值	Net current assets	510,724	844,245
總資產減流動負債	Total assets less current liabilities	2,204,896	1,850,961
股本及儲備	Capital and reserves		
股本	35	9,900	9,900
股份溢價及儲備	38	1,214,123	1,115,934
本公司股東應佔權益			
of the Company		1,224,023	1,125,834
非控股權益		624,689	517,229
權益總額	Total equity	1,848,712	1,643,063
非流動負債	Non-current liabilities		
一年後到期之銀行及 其他借貸	33	175,484	163,128
遞延稅項	39	113,537	44,770
融資租賃責任		1,910	–
復原成本撥備	40	18,943	–
遞延收入	34	46,310	–
		356,184	207,898
		2,204,896	1,850,961

第79頁至第219頁之綜合財務報表於二零一八年三月二十八日獲董事會批准及授權刊發，並由下列董事代表簽署：

The consolidated financial statements on pages 79 to 219 were approved and authorised for issue by the Board of Directors on 28 March 2018 and are signed on its behalf by:

黃俞
Huang Yu
董事
DIRECTOR

黃清海
Ng Qing Hai
董事
DIRECTOR

綜合權益變動表

Consolidated Statement of Changes in Equity

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

本公司股東應佔

Attributable to owners of the Company

		股本	股份溢價	為股份 獎勵計劃 持有之股份	以股份 為基礎之 僱員補償儲備	匯兌儲備	特別儲備	資本儲備	其他儲備	保留溢利	非控股權益	權益總額
		Share capital	Share premium	held for share award scheme	share-based compensation reserve	Translation reserve	Special reserve	Capital reserve	Other reserves	Retained profits	Total	Non- controlling interests
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000 (附註38) (note 38)	千港元 HK\$'000 (附註38) (note 38)	千港元 HK\$'000 (附註38) (note 38)	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零一六年一月一日	At 1 January 2016	9,900	1,215,024	-	-	4,076	(392,735)	824	32,814	337,756	400,946	1,608,605
本年度虧損	Loss for the year	-	-	-	-	-	-	-	-	(37,076)	9,523	(27,553)
兌換為呈列貨幣產生之匯兌差額	Exchange difference arising on translation to presentation currency	-	-	-	-	(57,650)	-	-	-	-	(57,650)	(87,677)
本年度全面支出總額	Total comprehensive expense for the year	-	-	-	-	(57,650)	-	-	-	(37,076)	(48,127)	(115,230)
收購附屬公司	Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	140,855	140,855
確認權益結算以股份為基礎之付款	Recognition of equity-settled share-based payments	-	-	-	13,761	-	-	-	-	-	13,761	13,761
已失效之購股權	Share options lapsed	-	-	-	(22)	-	-	-	-	22	-	-
為股份獎勵計劃購買股份	Purchase of shares for share award scheme	-	-	(860)	-	-	-	-	-	-	(860)	(860)
分配予非控股權益之股息	Dividend distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	(4,068)	(4,068)
於二零一六年十二月三十一日	At 31 December 2016	9,900	1,215,024	(860)	13,739	(53,574)	(392,735)	824	32,814	300,702	517,229	1,643,063
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	(1,806)	(1,806)	37,657
兌換為呈列貨幣產生之匯兌差額	Exchange difference arising on translation to presentation currency	-	-	-	-	66,507	-	-	-	-	66,507	101,338
兌換海外業務產生之匯兌差額	Exchange difference arising on translation of foreign operations	-	-	-	-	(3,919)	-	-	-	-	(3,919)	(7,319)
本年度全面收益(支出)總額	Total comprehensive income (expense) for the year	-	-	-	-	62,588	-	-	-	(1,806)	69,088	129,870
授予非控股股東一項認沽期權產生之承擔	Obligation arising from a put option to non-controlling shareholder	-	-	-	-	-	-	-	-	-	(81,900)	(81,900)
終止確認授予非控股股東一項認沽期權產生之承擔(附註9)	Derecognition of obligation arising from a put option to non-controlling shareholder (note 9)	-	-	-	-	-	-	-	-	-	83,335	83,335
收購附屬公司(附註41)	Acquisition of subsidiaries (note 41)	-	-	-	-	-	-	-	-	-	43,558	43,558
確認權益結算以股份為基礎之付款	Recognition of equity-settled share-based payments	-	-	-	10,397	-	-	-	-	-	10,397	10,397
已失效之購股權	Share options lapsed	-	-	-	(2,426)	-	-	-	-	2,426	-	-
為股份獎勵計劃購買股份	Purchase of shares for share award scheme	-	-	(3,484)	-	-	-	-	-	-	(3,484)	(3,484)
視作一名股東之出資(附註38)	Deemed contribution from a shareholder (note 38)	-	-	-	-	-	-	27,237	-	-	27,237	27,237
視作收購一間附屬公司之額外權益(附註38(3))	Deemed acquisition of additional interest in a subsidiary (note 38(3))	-	-	-	-	562	-	-	2,104	-	2,666	(2,666)
向非控股股東出售部分權益	Partial disposal of interest to non-controlling shareholder	-	-	-	-	-	-	-	-	591	591	2,709
分配予非控股權益之股息	Dividend distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	(6,664)	(6,664)
於二零一七年十二月三十一日	At 31 December 2017	9,900	1,215,024	(4,344)	21,710	9,576	(392,735)	28,061	34,918	301,913	624,689	1,848,712

綜合現金流動表

Consolidated Statement of Cash Flows

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

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
營運業務		
除稅前溢利(虧損)	35,970	(20,128)
就下列項目作出之調整：		
攤銷及折舊	56,745	28,780
釋出土地使用權之 預付租賃款項	3,151	1,440
應收貿易款項之 呆壞賬撥備	2,696	4,001
其他應收款項之 呆壞賬撥備	15,154	–
融資成本	21,882	18,018
出售一間合營公司之虧損	180	–
應收貸款利息收入		
其他保本型存款利息收入	(6,499)	(11,555)
來自銀行之利息收入	–	(2,020)
來自本集團附屬公司 一名非控股股東之 利息收入	(4,344)	(8,321)
來自一間中介控股公司之 利息收入	(6,387)	(6,918)
來自其他應收款項之 利息收入	(995)	(2,214)
出售及撇銷物業、廠房及 設備之虧損(收益)淨額	(828)	(846)
透過損益賬按公平價值 處理之金融資產之 公平價值(收益)虧損	11,176	(6,060)
物業、廠房及設備之 減值虧損	(3,798)	1,545
權益結算以股份為基礎之 付款	–	12
應佔聯營公司業績	10,397	13,761
應佔一間合營公司業績	8,765	15
存貨減值之虧損	11,666	4,096
財務擔保撥備	1,469	576
溢利承諾不足之數之收益	1,488	–
	(27,125)	–
營運資金變動前之 營運現金流入	130,763	14,182
Operating cash inflow before movements in working capital		

綜合現金流動表 Consolidated Statement of Cash Flows

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

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
存貨(增加)減少	(Increase) decrease in inventories	(13,583)	11,346
生物資產(增加)減少	(Increase) decrease in biological assets	(1,739)	505
應收貿易款項及 應收票據增加	Increase in trade and bills receivables	(157,647)	(16,215)
其他應收款項、按金及 預付款項減少(增加)	Decrease (increase) in other receivables, deposits and prepayments	4,958	(40,171)
應付貿易款項及 應付票據增加	Increase in trade and bills payables	15,205	40,060
其他應付款項及 已收按金(減少)增加	(Decrease) increase in other payables and deposits received	(12,280)	29,733
遞延收入減少	Decrease in deferred income	(15,626)	–
持作買賣投資減少(增加)	Decrease (increase) in held for trading investments	47,277	(21,694)
復原成本撥備增加	Increase in provision of reinstatement cost	1,898	–
一間聯營公司欠款增加	Increase in amount due from an associate	(34,983)	–
營運(所用)產生之現金	Cash (used in) generated from operations	(35,757)	17,746
已付所得稅	Income tax paid	(11,505)	(6,160)
營運業務(所用)所得 現金淨額	NET CASH (USED IN) FROM OPERATING ACTIVITIES	(47,262)	11,586



綜合現金流動表 Consolidated Statement of Cash Flows

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

	附註 Notes	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
投資業務			
收購附屬公司 (經扣除已購入之 現金及現金等價物)			
出售物業、廠房及設備之 所得款項			
購買物業、廠房及設備			
添置無形資產			
於一間合營公司之權益增加			
於一間聯營公司之投資增加			
向一間合營公司提供之墊款			
向關聯方提供之墊款			
應收貸款墊款			
其他應收款項墊款			
購買指定為透過損益賬按 公平價值處理之金融資產			
新造其他保本型存款			
贖回應收貸款之所得款項			
贖回指定為透過損益賬按 公平價值處理之金融資產 之所得款項			
其他保本型存款到期後之 所得款項			
一間中介控股公司還款 (向一間中介控股公司 提供之墊款)			
新造已抵押銀行存款			
提取已抵押銀行存款			
新造定期存款			
提取定期存款			
提取受限制銀行存款			
新造受限制銀行存款			
應收貸款之已收利息			
其他保本型存款之已收利息			
透過損益賬按公平價值處理 之金融資產之已收利息			
其他已收利息			
投資業務所得(所用) 現金淨額			
INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash and cash equivalents acquired	41	(249,675)	(115,524)
Proceeds from disposal of property, plant and equipment		4,433	13,367
Purchase of property, plant and equipment		(84,592)	(48,890)
Addition of intangible assets		(6,791)	(1,128)
Addition of interests in a joint venture		-	(36,855)
Addition of investment in an associate		-	(2,615)
Advance to a joint venture		(7,841)	(131)
Advance to related parties		(449)	-
Advance of loans receivables		(3,080,883)	(954,972)
Advance of other receivables		(2,054)	-
Purchase of financial assets designated at fair value through profit or loss		(122,600)	(150,838)
Placement of other principal protected deposits		-	(122,905)
Proceeds from redemption of loans receivables		3,081,843	789,944
Proceeds from redemption of financial assets designated at fair value through profit or loss		85,473	129,606
Proceeds from other principal protected deposits upon maturity		-	312,849
Repayment from (advance to) an intermediate holding company		91,996	(609)
Placement of pledged bank deposits		(33,284)	(427,266)
Withdrawal of pledged bank deposits		423,001	429,630
Placement of time deposits		-	(22,347)
Withdrawal of time deposits		24,001	-
Withdrawal of restricted bank deposit		2,518	-
Placement of restricted bank deposit		-	(2,518)
Interest received from loans receivables		6,388	8,837
Interest received from other principal protected deposits		-	4,008
Interest received from financial assets at fair value through profit or loss		1,263	2,808
Other interest received		14,592	17,598
NET CASH FROM (USED IN) INVESTING ACTIVITIES		147,339	(177,951)

綜合現金流動表 Consolidated Statement of Cash Flows

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

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
融資業務	FINANCING ACTIVITIES		
已付利息	Interest paid	(20,316)	(14,300)
已付其他融資成本	Other financial cost paid	(135)	(828)
新借銀行及其他借貸	New bank and other borrowings raised	222,153	780,000
償還銀行及其他借貸	Repayments of bank and other borrowings	(528,706)	(888,993)
償還融資租賃	Repayment of finance leases	(1,993)	-
已付非控股權益之股息	Dividends paid to non-controlling interests	(2,500)	(3,568)
(向一間中介控股公司還款) 來自一間中介控股公司之墊款	(Repayment to) advance from an intermediate holding company	(8,637)	11,682
來自其他關聯方之墊款 (向其他關聯方還款)	Advance from (repayment to) other related parties	5,692	(4,006)
來自非控股權益之墊款	Advance from non-controlling interests	48	89
向非控股權益還款	Repayment to non-controlling interests	(89)	(137)
向非控股股東出售一間附屬公司部分權益之所得款項	Proceeds from partial disposal of interest in a subsidiary to non-controlling shareholder	3,300	-
為股份獎勵計劃購買股份	Purchase of shares for share award scheme	(3,484)	(860)
融資業務所用現金淨額	NET CASH USED IN FINANCING ACTIVITIES	(334,667)	(120,921)
現金及現金等價物減少淨額	NET DECREASE IN CASH AND CASH EQUIVALENTS	(234,590)	(287,286)
年初之現金及現金等價物	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	581,137	897,933
匯率變動之影響	Effect of foreign exchange rate changes	34,903	(29,510)
年末之現金及現金等價物	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	381,450	581,137
即	Represented by		
銀行結餘及現金	bank balances and cash	381,450	579,771
原到期日為三個月內之定期存款	time deposits with original maturity within 3 months	-	1,366
		381,450	581,137

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

1. 一般事項

本公司根據開曼群島法律第22章公司法（一九六一年法例第3條，經綜合及修訂）於二零一一年三月二十一日在開曼群島註冊成立為一間獲豁免有限公司。本公司之股份自二零一二年一月十八日起於香港聯合交易所有限公司（「聯交所」）上市。其母公司為中國健康管理投資有限公司（「中國健康」，一間於英屬處女群島註冊成立之私人有限公司）。其最終控股公司為深圳市奧融信投資發展有限公司（一間根據中華人民共和國（「中國」）法律成立之有限責任公司）。其最終控股方為黃俞先生。

本公司註冊辦事處之地址為Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands，而本公司之總辦事處及主要營業地點位於香港灣仔告士打道138號聯合鹿島大廈15樓。

本公司為一間投資控股公司。其附屬公司之主要業務載於附註52。

綜合財務報表以港元（「港元」）呈列，有別於本公司之功能貨幣人民幣（「人民幣」），原因是本公司董事（「董事」）認為本公司之上市地為香港，故港元為最合適之呈列貨幣。

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 March 2011 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 January 2012. Its parent is China Health Management Investment Limited ("China Health"), a private limited company which is incorporated in the British Virgin Islands. Its ultimate holding company is 深圳市奧融信投資發展有限公司 (Shenzhen Aorongxin Investment Development Co., Ltd.*), a company established under the laws of the People's Republic of China (the "PRC") with limited liability. The ultimate controlling party is Mr. Huang Yu.

The address of the registered office of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and the head office and principal place of business of the Company is 15th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 52.

The consolidated financial statements are presented in Hong Kong dollar ("HK\$") which is different from the functional currency of the Company, Renminbi ("RMB"), as the directors of the Company (the "Directors") consider that HK\$ is the most appropriate presentation currency in view of its place of listing is in Hong Kong.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）**於本年度強制生效之香港財務報告準則修訂本**

於本年度，本集團已首次應用下列由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則修訂本。

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

除下述者外，於本年度應用香港財務報告準則修訂本並無對本集團當前及過往年度之財務狀況及表現及／或本綜合財務報表內所載之披露事項產生重大影響。

**香港會計準則第7號修訂本
「披露計劃」**

本集團於本年度首次應用該等修訂本。該等修訂本規定實體作出披露，使財務報表使用者可評估融資活動所產生負債之變動，包括現金及非現金變動。此外，該等修訂本亦規定，倘來自金融資產之現金流量或未來現金流量已經或將會計入融資活動之現金流量，則須披露該等金融資產之變動。

具體而言，該等修訂本規定披露下列事項：(i) 融資現金流量之變動；(ii) 獲得或喪失附屬公司或其他業務控制權所產生之變動；(iii) 匯率變動之影響；(iv) 公平價值之變動；及(v) 其他變動。

該等項目年初與年末結餘之對賬載於附註50。為與該等修訂本之過渡條文貫徹一致，本集團並無披露上一年度之比較資料。除附註50之額外披露外，應用該等修訂本並無對本集團之綜合財務報表產生影響。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**Amendments to HKFRSs that are mandatorily effective for the current year**

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

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

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

Amendments to HKAS 7 Disclosure Initiative

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

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

A reconciliation between the opening and closing balances of these items is provided in note 50. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 50, the application of these amendments has had no impact on the Group’s consolidated financial statements.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約之收入及相關修訂本 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及事前代價 ¹
香港（國際財務報告詮釋委員會）— 詮釋第23號	有關所得稅處理方法之不確定性 ²
香港財務報告準則第2號修訂本	以股份支付交易之分類及計量 ¹
香港財務報告準則第4號修訂本	於香港財務報告準則第4號「保險合約」下應用香港財務報告準則第9號「金融工具」 ¹
香港財務報告準則第9號修訂本	具有負補償之提前還款特性 ²
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司或合營公司之間的資產出售或注資 ³
香港會計準則第28號修訂本	於聯營公司及合營公司之長期權益 ²
香港會計準則第40號修訂本	轉移投資物業 ¹
香港會計準則第28號修訂本	作為二零一四年至二零一六年週期之香港財務報告準則年度改進之一部份 ¹
香港財務報告準則修訂本	二零一五年至二零一七年週期之香港財務報告準則年度改進 ²

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

New and revised HKFRSs in issue but not yet effective

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

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）**已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）**

- 1 於二零一八年一月一日或以後開始之年度期間生效。
- 2 於二零一九年一月一日或以後開始之年度期間生效。
- 3 於某特定日期或以後開始之年度期間生效。
- 4 於二零二一年一月一日或以後開始之年度期間生效。

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入有關金融資產及金融負債分類及計量之新規定以及金融資產之一般對沖會計法及減值規定。

與本集團相關之香港財務報告準則第9號之主要規定描述如下：

- 所有屬香港財務報告準則第9號範圍內之已確認金融資產隨後須按攤銷成本或公平價值計量。具體而言，於以收取合約現金流量為目標之業務模型內持有及合約現金流量僅為本金及未償還本金利息付款之債務投資於隨後會計期末一般按攤銷成本計量。於同時透過收取合約現金流量及出售金融資產達致目標之業務模型內持有之債務工具，以及合約條款令於特定日期產生之現金流量純粹為支付本金及未償還本金利息之債務工具，一般按透過其他全面收益按公平價值處理（「透過其他全面收益按公平價值處理」）之方式計量。所有其他金融資產於隨後會計期間按公平價值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤銷之選擇，將股權投資（並非持作買賣者）之隨後公平價值變動於其他全面收益內呈列，僅股息收入一般於損益賬內確認。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)**New and revised HKFRSs in issue but not yet effective (CONTINUED)**

- 1 Effective for annual periods beginning on or after 1 January 2018.
- 2 Effective for annual periods beginning on or after 1 January 2019.
- 3 Effective for annual periods beginning on or after a date to be determined.
- 4 Effective for annual periods beginning on or after 1 January 2021.

HKFRS 9 Financial Instruments

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

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

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.



綜合財務報表附註 Notes to the Consolidated Financial Statements

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號「金融工具」（續）

- 就金融資產之減值而言，與香港會計準則第39號「金融工具：確認及計量」下按已產生信貸虧損模型計算相反，香港財務報告準則第9號規定按預期信貸虧損模型計算。預期信貸虧損模型規定實體於各報告日將預期信貸虧損及其變動入賬，以反映信貸風險自初步確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

基於本集團於二零一七年十二月三十一日之金融工具及風險管理政策，本公司董事預計首次應用香港財務報告準則第9號時將有下列潛在影響：

分類及計量：

- 附註28所披露分類為按攤銷成本列賬之應收貸款之債務工具：該等項目乃於以收取合約現金流量為目標之業務模型內持有及合約現金流量僅為本金及未償還本金利息付款。因此，於應用香港財務報告準則第9號後，該等金融資產將繼續於隨後按攤銷成本計量；
- 於應用香港財務報告準則第9號後將會撤回將於中國上市之可換股債券及匯率掛鈎結構性存款指定為透過損益賬按公平價值處理。然而，由於該等工具之合約條款產生並非純粹為支付本金及未償還本金利息之現金流量，故本集團將會繼續以透過損益賬按公平價值處理之方式計量該等工具；及
- 所有其他金融資產及金融負債將繼續按與目前香港會計準則第39號下之計量基準相同之基準計量。

減值

一般而言，本公司董事預計應用香港財務報告準則第9號之預期信貸虧損模型將導致提早對本集團按攤銷成本計量之金融資產尚未產生之信貸虧損計提撥備。

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

HKFRS 9 Financial Instruments (CONTINUED)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 “Financial Instruments: Recognition and Measurement”. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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

Classification and measurement:

- Debt instruments classified as loans receivables carried at amortised cost as disclosed in notes 28: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9;
- The designation of convertible bonds listed in the PRC and exchange rate linked structured deposits at FVTPL will be revoked upon application of HKFRS 9. However, the Group will continue to measure these instruments at fair value through profit or loss as the contractual terms of these instruments give rise to cash flows that are not solely payments of principal and interest on the principal amount outstanding; and
- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

Impairment

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）**香港財務報告準則第9號「金融工具」（續）****減值（續）**

基於本公司董事之評估，倘本集團應用預期信貸虧損模型，則相對根據香港會計準則第39號所確認之累計金額，本集團將於二零一八年一月一日確認之減值虧損累計金額將會增加。根據預期信貸虧損模型確認之進一步減值將令於二零一八年一月一日之年初保留溢利減少及遞延稅項資產增加。

香港財務報告準則第15號「來自客戶合約之收入」

頒佈香港財務報告準則第15號旨在制定單一全面模型，供實體將自客戶合約產生之收入入賬時使用。香港財務報告準則第15號生效後，將取代現時載於香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋之收入確認指引。

香港財務報告準則第15號之核心原則為實體應以可反映該實體預期就交換已承諾貨品或服務有權獲得之代價，確認向客戶轉讓該等貨品或服務之收入。具體而言，該準則引入確認收入之五個步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於實體完成履約責任時（或就此）確認收入

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)**HKFRS 9 Financial Instruments (CONTINUED)****Impairment (CONTINUED)**

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by the Group as at 1 January 2018 would be increased as compared to the accumulated amount recognised under HKAS 39. Such further impairment recognised under expected credit loss model would reduce the opening retained profits and increase the deferred tax assets at 1 January 2018.

HKFRS 15 Revenue from Contracts with Customers

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

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

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



綜合財務報表附註 Notes to the Consolidated Financial Statements

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2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號「來自客戶合約之收入」（續）

根據香港財務報告準則第15號，實體於完成履約責任時（或就此）（即與特定履約責任相關之貨品或服務之「控制權」轉移至客戶時）確認收入。香港財務報告準則第15號已就特定情況之處理方法加入更明確之指引。再者，香港財務報告準則第15號要求作出更廣泛披露。

於二零一六年，香港會計師公會頒佈對香港財務報告準則第15號之澄清，內容有關識別履約責任、主體對代理代價及發牌之應用指引。

董事已評估應用香港財務報告準則第15號之影響，預計不會對來自(1)製造及銷售水泥及熟料、買賣水泥以及提供技術服務；及(2)製造及銷售處方藥及實驗室相關產品之收入產生重大影響。然而，應用香港財務報告準則第15號或會對下列範疇產生影響：

目前，根據香港會計準則第18號，來自登記費之收入於與客戶訂立服務套票合約時確認；而已預付之會員費於根據與各客戶所訂立服務套票合約之餘下年期內遞延及確認。

然而，根據香港財務報告準則第15號，所得登記費未必導致於與客戶訂立服務套票合約時向客戶轉移已承諾服務。管理層已評定，已收取之登記費及會員費應在合約期內於按照服務套餐合約提供未來服務時確認為收入。

於評估服務套票合約是否包含重大融資部分時，本集團亦已考慮所有相關事實及情況。本集團已應用香港財務報告準則第15號之可行權宜方法，而未有考慮預期於由客戶付款當日起計一年內完成之合約之融資部分。

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

HKFRS 15 Revenue from Contracts with Customers (CONTINUED)

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

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

The Directors have assessed the impact on application of HKFRS 15 and did not anticipate a material impact on revenue from (1) manufacturing and sales of cement and clinker, trading of cement and provision of technical services and (2) manufacturing and sales of prescription drugs and laboratory related products. However, application of HKFRS 15 may have impact on the following areas:

Currently under HKAS 18, revenue derived from registration fee is recognised when service package contract is entered with customer; whilst membership fee paid upfront are deferred and recognised over the period based on the remaining tenure of the service package contract entered with each customer.

However, under HKFRS 15, registration fees derived may not result in the transfer of a promised service to the customer when service package contract is entered with customer. Management has assessed that registration fee and membership fee received should be recognised as revenue over the contract period when those future services are provided in accordance with the service package contract.

The Group has also considered all the relevant facts and circumstances in assessing whether the service package contracts contain significant financing component. The Group has applied the practical expedient in HKFRS 15 and has not considered the financing component of contracts which are expected to be completed within one year from the date of payment made by customers.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）**香港財務報告準則第15號「來自客戶合約之收入」（續）**

倘隨時間根據香港財務報告準則第15號將登記費確認為收入，則本集團於二零一八年一月一日之遞延收入預期將增加約18,887,000港元，相關遞延稅項資產將為零，而年初保留溢利將減少約18,887,000港元，原因為履約責任之收入確認金額及／或時間預期與現時做法不同。

此外，董事預計日後應用香港財務報告準則第15號可能導致作出更多披露。

香港財務報告準則第16號「租賃」

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

香港財務報告準則第16號以所識別資產是否由客戶控制為基準區分租賃及服務合約。除短期租賃及低值資產租賃外，經營租賃與融資租賃之區分自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債之模型替代。

使用權資產初步按成本計量，隨後以成本（惟若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債初步按非當日支付之租賃款項之現值計量。隨後，租賃負債會就（其中包括）利息及租賃款項以及租賃修訂之影響作出調整。就現金流量分類而言，本集團目前將就自用租賃土地之先期預付租賃款項呈列為投資現金流量，而其他經營租賃款項則呈列為經營現金流量。於應用香港財務報告準則第16號後，有關租賃負債之租賃款項將會分為本金及利息部分，而本集團會將本金及利息部分呈列為融資現金流量。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)**HKFRS 15 Revenue from Contracts with Customers (CONTINUED)**

If registration fee is recognised as revenue under HKFRS 15 overtime, deferred revenue of the Group as at 1 January 2018 would be expected to increase approximately by HK\$18,887,000, the related deferred tax assets would be Nil and beginning retained profits would decrease approximately by HK\$18,887,000 because the amount and/or timing of revenue recognition of the performance obligation is expected to be different from current practice.

In addition, the Directors anticipate that the application of HKFRS 15 in the future may result in more disclosures.

HKFRS 16 Leases

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

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

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



綜合財務報表附註 Notes to the Consolidated Financial Statements

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2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號「租賃」（續）

根據香港會計準則第17號，本集團已就本集團為承租人之融資租賃安排及土地使用權之預付租賃款項，確認資產及相關融資租賃負債。應用香港財務報告準則第16號可能導致該等資產之分類出現潛在變動，惟須視乎本集團分開呈列使用權資產，抑或於呈列相應有關資產（倘為擁有相關資產）之同一項目內呈列使用權資產而定。

與承租人會計法相反，香港財務報告準則第16號大致沿用香港會計準則第17號內出租人之會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

再者，香港財務報告準則第16號要求作出更廣泛披露。

誠如附註43所披露，本集團於二零一七年十二月三十一日有不可撤銷經營租賃承擔222,404,000港元。初步評估顯示該等安排將符合租賃之定義。於應用香港財務報告準則第16號後，除非租賃符合資格作為低值或短期租賃，否則本集團將就所有該等租賃確認使用權資產及相應負債。

此外，本集團目前將可退還之已付租金按金8,429,000港元視為應用香港會計準則第17號之租賃下之權利及義務。基於香港財務報告準則第16號下租賃款項之定義，該等按金並非與相關資產使用權有關之款項，因此，該等按金之賬面金額或會調整至攤銷成本，而有關調整被視為額外租賃款項。對可退還之已付租金按金之調整將計入使用權資產之賬面金額。

再者，應用新規定可能導致上文列示之計量、呈列及披露出現變動。

除上述者外，董事預計應用其他新訂及經修訂香港財務報告準則不會對本集團之綜合財務報表產生重大影響。

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

HKFRS 16 Leases (CONTINUED)

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments on land use rights where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

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

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK\$222,404,000 as disclosed in note 43. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$8,429,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

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

Other than the above, the Directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the Group's consolidated financial statements.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

3. 重要會計政策

除若干金融工具及生物資產於各報告期末按公平價值及公平價值減銷售成本（如適用）計量外，綜合財務報表已按歷史成本基準，並按照香港會計師公會頒佈之香港財務報告準則編製。

此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例規定之適用披露。

歷史成本一般基於為換取貨品及服務而付出代價之公平價值計量。

公平價值為就市場參與者之間於計量日在有序交易中出售資產而收到或轉讓負債而支付之價格，不論該價格是直接可觀察或使用其他估值技術估計。若市場參與者於計量日為資產或負債定價時會計及該等資產或負債之特性，則本集團於估計該資產或負債之公平價值時會計及該等特性。於本綜合財務報表內計量及／或披露之公平價值按此基準釐定，惟香港財務報告準則第2號「以股份為基礎之付款」範圍內之以股份為基礎之付款交易、香港會計準則第17號「租賃」範圍內之租賃交易，以及與公平價值類似但並非公平價值之計量（例如香港會計準則第2號「存貨」內之可變現淨值或香港會計準則第36號「資產減值」內之使用價值）除外。

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

就按公平價值交易之金融工具及投資物業而言，凡於往後期間採用以不可觀察輸入值計量公平價值之估值技術，則該估值技術會作校正，以令估值技術之結果相等於交易價格。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and biological assets that are measured at fair values and fair value less costs to sell, as appropriate, at the end of each reporting period, and in accordance with HKFRSs issued by the HKICPA.

In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

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

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

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

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

3. 重要會計政策 (續)

此外，就財務申報而言，公平價值計量會基於公平價值計量所用輸入值之可觀察程度及公平價值計量所用輸入值對其整體之重要程度，分為第一級、第二級與第三級，說明如下：

- 第一級輸入值為實體於計量日就相同資產或負債於活躍市場可取得之報價（未經調整）；
- 第二級輸入值為除包括於第一級內之報價外，可直接或間接就資產或負債觀察之輸入值；及
- 第三級輸入值為資產或負債之不可觀察輸入值。

下文載列主要會計政策。

綜合賬目基準

綜合財務報表包含本公司及由本公司及其附屬公司控制之實體之財務報表。當出現下列情況，即表示本公司擁有控制權：

- 對被投資公司擁有權力；
- 從參與被投資公司享有或有權獲得可變回報；及
- 有能力行使其權力以影響其回報。

倘事實及情況顯示上述三項控制權要素中一項或以上出現變動，則本集團會重新評估其是否控制被投資公司。

將附屬公司綜合入賬於本集團取得有關附屬公司之控制權時開始，並於本集團失去對該附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及支出自本集團取得控制權之日起計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司之日為止。

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

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

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

The significant accounting policies are set out below.

Basis of consolidation

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

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

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

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

3. 重要會計政策 (續)**綜合賬目基準 (續)**

損益及其他全面收益之每個項目歸屬於本公司股東及非控股權益。附屬公司之全面收益總額歸屬於本公司股東及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

於有需要時，本集團會調整附屬公司之財務報表，以令該等公司之會計政策與本集團之會計政策一致。

有關本集團成員公司之間交易之所有集團內資產及負債、權益、收入、支出及現金流量於綜合入賬時悉數對銷。

本集團於現有附屬公司之擁有權權益之變動

在不會導致本集團失去對附屬公司控制權之情況下，本集團於現有附屬公司之擁有權權益之變動入賬列為權益交易。本集團相關權益部分及非控股權益之賬面金額會作調整，以反映該等項目於附屬公司相對權益之變動，包括按本集團及非控股權益之權益比例將相關儲備在本集團與非控股權益之間重新歸屬。

非控股權益調整金額與已付或已收取代價之公平價值之間的任何差額直接於權益確認，並歸屬於本公司股東。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Basis of consolidation (CONTINUED)**

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

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

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



綜合財務報表附註 Notes to the Consolidated Financial Statements

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

3. 重要會計政策 (續)

綜合賬目基準 (續)

本集團於現有附屬公司之擁有權權益之變動 (續)

當本集團失去對附屬公司之控制權時，本集團會終止確認該附屬公司之資產及負債以及非控股權益（如有）。收益或虧損於損益賬確認，並按(i)所收代價之公平價值及任何保留權益之公平價值總額與(ii)本公司股東應佔附屬公司資產（包括商譽）及負債之過往賬面值的差額計算。過往於其他全面收益就該附屬公司確認之所有款額，會按猶如本集團已直接出售該附屬公司相關資產或負債入賬（即按適用香港財務報告準則所訂明／允許而重新分類至損益賬或轉撥至另一權益類別）。於失去控制權當日在前附屬公司保留之任何投資之公平價值，會被視為根據香港會計準則第39號作其後入賬時之初步確認公平價值，或（如適用）於一間聯營公司或一間合營公司之投資之初步確認成本。

業務合併

收購涉及受共同控制或向外界購得之實體之業務採用收購法入賬。於業務合併中轉撥之代價按公平價值計量，而公平價值乃按本集團所轉讓資產、本集團向被收購方原擁有人所產生負債及本集團為交換被收購方控制權所發行之股本權益於收購日期之公平價值總和計算。有關收購之成本一般於產生時在損益賬確認。

於收購日期，所收購可識別資產及所承擔負債乃按公平價值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別按照香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Basis of consolidation (CONTINUED)

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

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

Business combinations

Acquisitions of businesses involving entities under common control or acquired from outsiders are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

3. 重要會計政策 (續)

業務合併 (續)

- 與被收購方以股份為基礎之付款安排或本集團為取代被收購方以股份為基礎之付款安排訂立之以股份為基礎之付款安排有關之負債或權益工具，於收購日期按照香港財務報告準則第2號「以股份為基礎之付款」（見下文會計政策）計量；及
- 按照香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產（或出售組合）按照該項準則計量。

商譽按以所轉讓代價、任何非控股權益於被收購方中之金額及收購方以往所持被收購方股本權益之公平價值（如有）之總和超逾於收購日期所收購可識別資產及所承擔負債淨額之差額計量。倘經過重估後，所收購可識別資產與所承擔負債淨額高於所轉讓代價、任何非控股權益於被收購方中之金額及收購方以往所持被收購方權益之公平價值（如有）之總和，則超出數額即時於損益賬確認為議價購買收益。

屬現時擁有權權益且於清盤時賦予持有人權利按比例分佔相關附屬公司淨資產之非控股權益，初步按非控股權益應佔被收購方可識別淨資產之已確認金額比例或公平價值計量。計量基準視乎每項交易而作出選擇。

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Business combinations (CONTINUED)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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3. 重要會計政策 (續)**商譽**

因收購業務而產生之商譽按收購業務當日確立之成本(見上文會計政策)減累計減值虧損(如有)列賬。

就減值測試而言,商譽會分配至預期自合併協同效益獲益之本集團各現金產生單位(「現金產生單位」)(或多組現金產生單位),該等單位代表為內部管理監察商譽之最低水平,且不會大於經營分部。

獲分配商譽之現金產生單位每年(或於有跡象顯示單位可能出現減值時更頻密地)測試減值。就於報告期間因收購而產生之商譽而言,獲分配商譽之現金產生單位於該報告期末前測試減值。倘可收回款額低於賬面金額,則減值虧損會首先分配至調低任何商譽賬面金額,其後基於該單位內各資產之賬面金額按比例分配至其他資產。

於出售相關現金產生單位時,釐定出售之損益金額時會計入商譽之應佔款額。

於聯營公司及合營公司之投資

聯營公司為本集團對其擁有重大影響力之實體。重大影響力指可參與被投資公司財務及營運政策決策之權力,惟對該等政策並無控制權或共同控制權。

合營公司為一項聯合安排,據此,對安排擁有共同控制權之訂約方對該聯合安排之淨資產擁有權利。共同控制權指按照合約協定共享某項安排之控制權,並僅在相關活動決策須經共同享有控制權之各方一致同意時存在。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") (or groups of CGU) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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3. 重要會計政策 (續)**於聯營公司及合營公司之投資
(續)**

聯營公司及合營公司之業績及資產與負債以權益會計法綜合納入本綜合財務報表。聯營公司及合營公司就權益會計處理所用之財務報表按與本集團於類似情況下就同類交易及事件所依循者一致之會計政策編製。根據權益法，於一間聯營公司或合營公司之投資初步按成本於綜合財務狀況表確認，其後會作調整以確認本集團應佔該聯營公司或合營公司之損益及其他全面收益。該聯營公司／合營公司之淨資產（損益及其他全面收益除外）變動不予入賬，除非該等變動導致本集團持有之擁有權益出現變動則作別論。當本集團分佔一間聯營公司或合營公司之虧損超過本集團所佔該聯營公司或合營公司之權益（包括任何實際上構成本集團於該聯營公司或合營公司淨投資一部分之長遠權益）時，本集團會終止確認其分佔之進一步虧損。額外虧損僅於本集團已產生法定或推定責任或代表該聯營公司或合營公司付款時方予確認。

於一間聯營公司或合營公司之投資自被投資公司成為聯營公司或合營公司當日起按權益法入賬。

香港會計準則第39號之規定適用於釐定有否必要就本集團於一間聯營公司或合營公司之投資確認減值虧損。如有必要，本集團會按照香港會計準則第36號「資產減值」，將投資（包括商譽）之全部賬面金額作為單一資產透過比較其可收回金額（使用價值與公平價值減銷售成本之較高者）與賬面金額測試減值。任何已確認之減值虧損屬投資賬面金額之一部分。倘投資之可收回金額其後增加，則按照香港會計準則第36號確認該減值虧損撥回。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Investments in associates and joint ventures
(CONTINUED)**

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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3. 重要會計政策 (續)

於聯營公司及合營公司之投資 (續)

當集團實體與本集團之聯營公司或合營公司進行交易時，僅在該聯營公司或合營公司之權益與本集團並無關聯之情況下，與該聯營公司或合營公司進行交易所產生之溢利及虧損方會於本集團之綜合財務報表確認。

收入確認

收入按已收或應收代價之公平價值計量，並指就正常業務過程中出售之貨品及提供服務應收之款項（經扣除折扣及銷售相關稅項）。

當收入金額能夠可靠地計量；未來經濟利益很可能流入本集團，而本集團各項活動均符合下述指定條件時，即確認收入。

銷售貨品之收入於貨品付運及所有權轉移時確認。

出售持作銷售物業之收入於相關物業交付買家時確認。於符合上述收入確認標準前已收取買家之按金及分期付款計入綜合財務狀況表內之流動負債。

會籍月費於服務使用期內以直線法確認為收入。就預付套票預先收取之分期付款項記錄為遞延收入。

體驗班之收入於體驗班提供時確認。

私人訓練課之收入於私人訓練課提供時確認。

登記及手續費之收入於與客戶訂立服務套票合約時確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Investments in associates and joint ventures (CONTINUED)

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue recognition

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

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

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

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

Monthly fees received for membership are recognised as revenue on straight-line basis over the service usage period. Instalments received in advance for prepaid packages are recorded as deferred income.

Revenue from trial classes is recognised when the trial class is provided.

Revenue from personal training classes is recognised when the personal training class is provided.

Revenue from registration and processing fee is recognised when service package contract is entered with customer.

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3. 重要會計政策 (續)**收入確認 (續)**

投資所得之股息收入於股東收取款項之權利確立時確認。

基於銷售額之特許權安排參照相關安排確認。

服務收入於相關服務提供時確認。

利息收入按時間基準參照未償還本金及按適用實際利率計提，而實際利率為於金融資產之預期年限內將估計未來現金收入準確貼現至該資產於初步確認時之賬面淨額之比率。

物業、廠房及設備

物業、廠房及設備包括持作用於生產或供應貨品或服務或作行政用途之樓宇及建築物（在建工程除外），乃按成本減隨後累計折舊及累計減值虧損（如有）於綜合財務狀況表列賬。

在建工程包括興建中用作生產或作自用之物業、廠房及設備。在建工程按成本減任何已確認之減值虧損列賬。在建工程於完成及可作擬定用途時分類為適當之物業、廠房及設備類別。當該等資產可作擬定用途時，本集團會按與其他物業資產相同之基準計算其折舊。

本集團會確認折舊，旨在於資產（在建工程除外）之估計可使用年期內使用直線法撇銷資產成本（經減去剩餘價值）。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動之影響按未來適用法入賬。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Revenue recognition (CONTINUED)**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Royalty arrangements that are based on sales are recognised by reference to the underlying arrangement.

Services income is recognised when the relevant services are provided.

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

Property, plant and equipment

Property, plant and equipment, including buildings and structures held for use in the production or supply of goods or services, or for administrative purpose other than construction in progress, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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3. 重要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目於出售或預期繼續使用該資產不會產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目時產生之任何收益或虧損按該資產之銷售所得款項與賬面金額之差額釐定，並於損益賬確認。

投資物業

投資物業指為賺取租金及／或作資本增值而持有之物業。

投資物業初步按成本（包括任何直接應佔支出）計量。

於初步確認後，投資物業按成本減隨後累計折舊及任何累計減值虧損列賬。本集團會確認折舊，旨在於投資物業之估計可使用年期內（經考慮其估計剩餘價值後）使用直線法撇銷投資物業成本。

投資物業於出售或永久地不再使用及出售該資產預期不會產生任何未來經濟利益時終止確認。終止確認物業所產生之任何收益或虧損（按該資產之出售所得款項淨額與賬面金額之差額計算）於該物業終止確認之期間計入損益賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Property, plant and equipment (CONTINUED)

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

Investment properties

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

Investment properties are initially measured at cost, including any directly attributable expenditure.

Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

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

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3. 重要會計政策 (續)**無形資產****個別收購之無形資產**

個別收購具有有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有有限可使用年期之無形資產攤銷於資產估計可使用年內以直線法確認。估計可使用年期及攤銷方法於各報告期末檢討，而任何估計變動之影響按未來適用法入賬（見下文有關有形及無形資產減值虧損之會計政策）。

內部產生之無形資產 – 研究及開發開支

研究活動之開支於產生之期間確認為費用。

因開發活動（或內部項目之開發階段）而於內部產生之無形資產，於及僅於顯示下列各項後方予確認：

- 技術水平足以完成無形資產，使其可供使用或出售；
- 有意完成並使用或出售該項無形資產；
- 有能力使用或出售該項無形資產；
- 該項無形資產將如何產生可能之未來經濟利益；
- 具備足夠可用之技術、財務及其他資源，以完成開發及使用或出售該項無形資產；及
- 能夠可靠地計量無形資產於開發期間之應佔開支。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Intangible assets****Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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3. 重要會計政策 (續)**無形資產 (續)****內部產生之無形資產 – 研究及開發開支 (續)**

內部產生之無形資產之初步確認金額為自無形資產首次符合上列確認準則當日起產生之費用總和。倘並無內部產生之無形資產可供確認，則開發開支於產生之期間在損益賬確認。

初步確認後，內部產生之無形資產按與個別收購之無形資產相同之基準，按成本減累計攤銷及任何累計減值虧損（如有）呈報。

於業務合併中收購之無形資產

於業務合併中收購之無形資產會與商譽分開確認，初步按收購日期之公平價值（被視為成本）確認。

初步確認後，於業務合併中收購之具有有限可使用年期無形資產按與獨立收購之無形資產相同之基準，按成本減累計攤銷及任何累計減值虧損呈報。另外，於業務合併中收購之具無限可使用年期無形資產按成本減任何隨後累計減值虧損列賬（見下文有關有形及無形資產減值虧損之會計政策）。

無形資產於出售或使用或出售預期不會產生任何未來經濟利益時終止確認。終止確認無形資產所產生之收益及虧損（按該資產之出售所得款項淨額與賬面金額之差額計量）於該資產終止確認時在損益賬確認。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Intangible assets (CONTINUED)****Internally-generated intangible assets – research and development expenditure (CONTINUED)**

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

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3. 重要會計政策 (續)**無形資產 (續)****有形資產及無形資產 (商譽除外) 之減值**

於報告期末，本集團會檢討其具有有限可使用年期之有形及無形資產之賬面金額，以釐定是否有任何跡象顯示上述資產出現減值虧損。倘存在任何減值虧損之跡象，則會估計相關資產之可收回金額，以釐定減值虧損之程度（如有）。具有無限可使用年期之無形資產至少須每年及每當可能存在減值跡象時測試減值。

當不大可能估計個別資產之可收回金額時，本集團會估計資產所屬現金產生單位之可收回金額。當可識別合理及一致之分配基準時，公司資產亦會分配至個別現金產生單位，否則分配至可識別合理而一致分配基準之最小現金產生單位組別。

可收回金額為公平價值減銷售成本與使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量以稅前貼現率貼現至現值，該貼現率能反映當前市場所評估之貨幣時間值及資產（或現金產生單位）之特定風險（就此而言，估計未來現金流量尚未作出調整）。

倘資產（或現金產生單位）之可收回金額估計將少於賬面金額，則資產（或現金產生單位）之賬面金額會調低至可收回金額。分配減值虧損時，減值虧損首先分配至調低任何商譽之賬面金額（如適用），然後再基於單位內各項資產之賬面金額按比例分配至其他資產。資產之賬面金額不得調低至低於其公平價值減出售成本（如可計量）、其使用價值（如可釐定）與零三者中之最高者。原已分配至資產之減值虧損金額按單位其他資產比例分配。減值虧損即時於損益賬確認。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Intangible assets (CONTINUED)****Impairment of tangible assets and intangible assets other than goodwill**

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually and whenever there is an indication that they may be impaired.

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

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

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.



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3. 重要會計政策 (續)

無形資產 (續)

有形資產及無形資產 (商譽除外) 之減值 (續)

倘減值虧損其後撥回，則會調高資產 (或現金產生單位) 之賬面金額至其經修訂之估計可收回金額，惟調高後之賬面金額不得超過倘於過往年度並無確認該資產 (或現金產生單位) 之減值虧損而應確定之賬面金額。減值虧損之撥回即時於損益賬確認。

租賃

每當租賃條款將擁有權之絕大部分風險及回報轉讓予承租人時，該租賃歸類為融資租賃。所有其他租賃則歸類為經營租賃。

本集團作為出租人

來自經營租賃之租金收入於有關租賃之租期內按直線法於損益賬確認。

本集團作為承租人

根據融資租賃持有的資產會按於租賃訂立時之公平價值或 (如較低) 最低租賃款項之現值確認為本集團的資產。向出租人負有之相應負債作為融資租賃責任計入綜合財務狀況表。

租賃款項會於融資支出及租賃責任扣減之間分配，以就負債餘額之利息達致一個固定比率。融資支出會即時於損益賬確認，惟倘融資費用與合資格資產直接相關，則按照本集團有關借貸成本之政策撥充資本 (見下文會計政策)。

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Intangible assets (CONTINUED)

Impairment of tangible assets and intangible assets other than goodwill (CONTINUED)

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

Leasing

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

The Group as lessor

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below).

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

3. 重要會計政策 (續)**租賃 (續)****本集團作為承租人 (續)**

經營租賃款項於有關租賃之租期內按直線法確認為支出。訂立經營租賃時已收及應收作為獎勵之利益確認為負債，並按直線法於租期釋出為租金開支減少。

租賃土地及樓宇

當本集團就一項同時包含租賃土地及樓宇部分之物業權益付款時，本集團基於對各部分擁有權所附帶絕大部分風險及回報是否已轉讓予本集團之評估，評估各部分應獨立分類為融資或是經營租賃，惟兩部分明顯確定為經營租賃則除外，在此情況下，整項物業入賬列作經營租賃。具體而言，整筆代價（包括任何一次性預付款）按初步確認時於土地部分及樓宇部分之租賃權益之相對公平價值比例，在租賃土地及樓宇部分之間分配。

倘能可靠地分配有關款項，則入賬列作經營租賃之租賃土地權益於綜合財務狀況表呈列為「土地使用權之預付租賃款項」，並按直線法於租期內釋出。

持作銷售物業

持作銷售物業按成本與可變現淨值兩者中之較低者列賬。可變現淨值指估計售價減所有估計完工成本及銷售活動所需之成本。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Leasing (CONTINUED)****The Group as lessee (CONTINUED)**

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a liability and release as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

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

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments on land use rights” in the consolidated statement of financial position and is released over the lease term on a straight-line basis.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated cost of completion and costs necessary to make the sale.



綜合財務報表附註 Notes to the Consolidated Financial Statements

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

3. 重要會計政策 (續)

生物資產

生物資產指於初步確認時計量及於各報告期末按公平價值減銷售成本計量之實驗小鼠。於初步確認按公平價值減銷售成本列賬之生物資產及生物資產之公平價值減銷售成本之變動所產生之收益或虧損於產生之期間計入損益賬。

存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本採用加權平均法計算。可變現淨值指估計售價減所有估計完工成本及銷售活動所需之成本。

稅項

所得稅支出指即期應付稅項與遞延稅項之總和。

即期應付稅項乃基於本年度之應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表內列報之損益不同，乃源於其他年度應課稅或可扣減之收入或支出以及永不須課稅或永不可扣減之項目。本集團之即期稅項負債乃採用於報告期末前已頒佈或實際頒佈之稅率計算。

遞延稅項按綜合財務報表所載資產及負債賬面金額與計算應課稅溢利時所採用相應稅基之臨時差異確認。本集團一般就所有應課稅臨時差異確認遞延稅項負債。倘若可能出現應課稅溢利可用於抵銷所有可扣減臨時差異，則本集團一般就該等可扣減臨時差異確認遞延稅項資產。倘若因初步確認一項交易（業務合併除外）的資產與負債而產生並無影響應課稅溢利或會計溢利之臨時差異，則不會確認該等遞延稅項資產與負債。此外，倘臨時差額因初步確認商譽而產生，則不會確認遞延稅項負債。

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Biological assets

Biological assets represent laboratory mice which is measured on initial recognition and at each end of the reporting period at their fair value less costs to sell. A gain or loss arising on initial recognition of biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is included in profit or loss for the period in which it arises.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated cost of completion and costs necessary to make the sale.

Taxation

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

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

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

3. 重要會計政策 (續)**稅項 (續)**

本集團就與於附屬公司之投資以及於聯營公司及合營公司之權益相關之應課稅臨時差異確認遞延稅項負債，惟倘本集團可控制臨時差異撥回，且在可見將來不大可能撥回有關臨時差異則作別論。與該等投資及權益相關之可扣減臨時差異所產生之遞延稅項資產，僅於可能有足夠應課稅溢利可動用臨時差異之利益且預期臨時差異會於可見將來撥回時確認。

遞延稅項資產之賬面金額會於各報告期末檢討，並在不可能再有足夠應課稅溢利足以收回全部或部分資產時調減。

遞延稅項資產及負債按預期於清償負債或變現資產期間適用之稅率及基於報告期末已頒佈或實際頒佈之稅率（及稅法）計量。

遞延稅項負債及資產之計量方法反映本集團於報告期末預期因收回資產或清償負債賬面金額而可能引致之稅務後果。

即期及遞延稅項會於損益賬確認，惟當該等稅項與於其他全面收益或直接於權益確認之項目有關時，即期及遞延稅項亦分別於其他全面收益或直接於權益確認。就因對業務合併進行首次會計處理而產生之即期稅項或遞延稅項而言，稅項影響乃計入業務合併之會計方法內。

借貸成本

收購、建造或生產合資格資產（即需要用上大量時間方能投入擬定用途或作出售的資產）直接應佔之借貸成本，會加入至該等資產之成本，直至該等資產大致上已準備就緒投入其擬定用途或出售為止。

有待用於合資格資產而暫作投資之特定借貸所賺取之投資收入，自符合撥充資本條件之借貸成本中扣除。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Taxation (CONTINUED)**

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

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

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

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

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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3. 重要會計政策 (續)**借貸成本 (續)**

所有其他借貸成本於產生之期間在損益賬確認。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易按交易當日之通行匯率換算為相關功能貨幣（即該實體經營所在主要經濟環境之貨幣）列賬。於報告期末，以外幣計值之貨幣項目按該日之通行匯率重新換算。以外幣計值按歷史成本計量之非貨幣項目不作重新換算。

因結算及重新換算貨幣項目而產生之匯兌差額於產生之期間在損益賬確認。

為呈列綜合財務報表，本集團實體的資產及負債按於報告期末之通行匯率換算為本集團之呈列貨幣（即港元），而該等實體之收支按本年度平均匯率換算，除非期內匯率大幅波動，於此情況下會使用交易日之通行匯率換算。所產生之匯兌差額（如有）於其他全面收益確認並於權益中之匯兌儲備累計（非控股權益應佔（如適用））。

有關海外業務之匯兌差額於該海外業務出售時在損益賬確認。

政府補助

於能合理確定本集團將符合政府補助之附帶條件且將會收取補助時，方會確認該等補助。

政府補助於本集團將補助用於擬補貼之相關成本確認為費用之期間內有系統地在損益賬確認。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Borrowing costs (CONTINUED)**

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

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. HK\$) at the rate of exchange rate prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Exchange differences in relation to foreign operation are recognised in profit or loss when the foreign operation is disposed of.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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3. 重要會計政策 (續)**政府補助 (續)**

作為已產生支出或損失之補償或向本集團提供即時財政支持而無未來相關成本之政府補助於成為應收之期間在損益賬確認。

退休福利成本

強制性公積金及國家管理之退休福利計劃之付款於僱員提供服務使彼等有權享有供款時確認為支出。若本集團在國家管理之退休福利計劃下之責任相等於界定供款退休福利計劃所產生者，則向有關計劃作出之供款會作為界定供款計劃之供款處理。

短期僱員福利

短期僱員福利按預期於僱員提供服務時及就此支付之未貼現福利金額確認。所有短期僱員福利均確認為費用，除非其他香港財務報告準則規定或允許於資產成本內計入福利則作別論。

本集團就僱員之應計福利（例如工資及薪金、年假及病假）於扣減任何已付金額後確認負債。

財務擔保合約

財務擔保合約為規定發行人作出指定付款以補償持有人因特定債務人未能按照債務工具條款在到期時付款而招致之損失之合約。

本集團發出之財務擔保合約初步按公平價值計量，而倘其並非指定為透過損益賬按公平價值處理，則隨後按下列之較高者計量：

- (i) 合約下之責任金額，乃按照香港會計準則第37號「撥備、或然負債及或然資產」釐定；及
- (ii) 初步確認之金額減去（倘適合）於擔保期內確認之累計攤銷。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Government grants (CONTINUED)**

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to Mandatory Provident Fund and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Short term employee benefits

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

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

Financial guarantee contracts

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

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

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



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3. 重要會計政策 (續)

復原成本撥備

復原成本撥備乃就因收購或使用資產而產生之估計拆卸、移除或復修廠房及設備成本作出，而該等成本乃撥充資本及計入廠房及設備之成本。

向僱員作出之權益結算以股份為基礎之付款

向僱員作出之權益結算以股份為基礎之付款按權益工具於授出日期之公平價值計量。

於權益結算以股份為基礎之付款之授出日期釐定之公平價值（並未考慮所有非市場歸屬條件）於歸屬期間以直線法基於本集團所估計將最終歸屬之權益工具支銷，而權益（以股份為基礎之僱員補償儲備）亦會相應增加。於各報告期末，基於對所有相關非市場歸屬條件之評估，本集團會修訂預期歸屬之權益工具之估計數目。修訂原估計之影響（如有）於損益賬確認，致使累計開支反映經修訂估計，而以股份為基礎之僱員補償儲備亦會作出相應調整。就即時於授出日期歸屬之權益工具而言，已授出之權益工具之公平價值即時於損益賬支銷。

當購股權獲行使時，先前於以股份為基礎之僱員補償儲備確認之款額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日仍未行使，先前於以股份為基礎之僱員補償儲備確認之款額將轉撥至保留溢利。

授予僱員之獎勵股份

當股份獎勵計劃之受託人從公開市場購買本公司之股份時，已付代價（包括任何直接應佔遞增成本）乃作為為股份獎勵計劃持有之股份呈列，並自權益總額扣除。本集團並無就本公司本身股份交易確認收益或虧損。

已獲得服務之公平價值參考已授出股份獎勵於授出日期之公平價值釐定，於歸屬期內按直線法支銷，權益（為股份獎勵儲備持有之股份）亦會相應增加。

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Provision of reinstatement cost

A provision for reinstatement cost is made for the estimated costs of dismantlement, removal restoration of plant and equipment arising from acquisition or use of assets, which are capitalised included in the cost of plant and equipment.

Equity-settled share-based payment to employees

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

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (employee share-based compensation reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share-based compensation reserve. For equity instruments that vest immediately at the date of grant, the fair value of the equity instruments granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in employee share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in employee share-based compensation reserve will be transferred to retained profits.

Awarded shares granted to employees

When trustee of the share award scheme purchases the Company's shares from the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held for share award scheme and deducted from total equity. No gain or loss is recognised on the transactions of the Company's own shares.

The fair value of services received is determined by reference to the fair value of share award granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (shares held for share award reserve).

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3. 重要會計政策 (續)**授予僱員之獎勵股份 (續)**

當受託人於歸屬時將本公司之已授出股份轉移予承授人時，所歸屬之已授出股份之相關成本從為股份獎勵計劃持有之股份撥回。據此，所歸屬之已授出股份之相關費用從為股份獎勵儲備持有之股份撥回。該股份轉移產生之差額於保留溢利扣除／記入保留溢利。於報告期末，本集團修訂對預期最終歸屬股份數目之估計。修訂估計之影響（如有）於損益賬確認，並對為股份獎勵儲備持有之股份作出相應調整。

金融工具

當集團實體成為工具合約條文的訂約方時，本集團會確認金融資產及金融負債。

金融資產及金融負債初步按公平價值計量。因收購或發行金融資產及金融負債（透過損益賬按公平價值處理之金融資產或金融負債除外）而直接應佔之交易成本於初步確認時計入該項金融資產或金融負債之公平價值或從有關公平價值中扣除（如適用）。收購透過損益賬按公平價值處理之金融資產或金融負債而直接應佔之交易成本即時於損益賬確認。

金融資產

本集團之金融資產分類為透過損益賬按公平價值處理（「透過損益賬按公平價值處理」）之金融資產與貸款及應收款項。分類取決於金融資產之性質及目的，並於初步確認之時釐定。所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Awarded shares granted to employees***(CONTINUED)*

When the trustee transfers the Company's granted shares to grantees upon vesting, the related costs of the granted shares vested are reversed from shares held for share award scheme. Accordingly, the related expense of the granted shares vested is reversed from shares held for share award reserve. The difference arising from such transfer is debited/credited to retained profits. At the end of the reporting period, the Group revises its estimates of the number of shares that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss with a corresponding adjustment to the shares held for share award reserve.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

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3. 重要會計政策 (續)**金融工具 (續)****金融資產 (續)****實際利息法**

實際利息法為計算金融資產攤銷成本及於有關期間攤分利息收入之方法。實際利率為於金融資產之預期年限或(如適用)較短期間內將估計未來收取之現金(包括所有構成實際利率組成部分之已付或已收費用、交易成本及其他溢價或折讓)準確貼現至於初步確認時之賬面淨額之利率。

債務工具之利息收入按實際利息基準確認，惟分類為透過損益賬按公平價值處理之金融資產之利息收入會計入收益或虧損淨額。

透過損益賬按公平價值處理之金融資產

當金融資產(i)為持作買賣；或(ii)被指定為透過損益賬按公平價值處理時，金融資產會分類為透過損益賬按公平價值處理。

倘屬下列情況，則金融資產會歸類為持作買賣：

- 購入金融資產之主要目的為於短期內出售；或
- 於初步確認時，其構成本集團合併管理之已識別金融工具組合之一部分，且近期呈現實際短期獲利模式；或
- 金融資產為未被指定為及可有效作為對沖工具之衍生工具。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Financial instruments (CONTINUED)****Financial assets (CONTINUED)****Effective interest method**

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

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3. 重要會計政策 (續)**金融工具 (續)****金融資產 (續)****透過損益賬按公平價值處理之金融資產 (續)**

倘出現下列情況，則金融資產（持作買賣之金融資產除外）可於初步確認時指定為透過損益賬按公平價值處理：

- 有關指定可對銷或大幅減少原應產生之不一致計量或確認；或
- 該項金融資產為一組金融資產或金融負債或兩者之組成部分，而按照本集團之既定風險管理或投資策略，其按公平價值基準管理及評估表現，且有關組別之資料會按該基準向內部提供；或
- 其為包含一項或多項嵌入式衍生工具之合約之組成部分，而香港會計準則第39號允許將整份合併合約（資產或負債）指定為透過損益賬按公平價值處理。

透過損益賬按公平價值處理之金融資產按公平價值計量，因重新計量而產生之公平價值變動於變動產生之期間直接在損益賬確認。於損益賬確認之收益或虧損淨額包括以金融資產賺取之任何股息或利息。

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款而於活躍市場上並無報價之非衍生金融資產。於初步確認後，貸款及應收款項（包括應收貿易款項及應收票據、其他應收款項、按金、應收貸款、一間中介控股公司欠款、一間合營公司欠款、一間聯營公司欠款、其他關聯方欠款、已抵押銀行存款、受限制銀行存款、定期存款以及銀行結餘及現金）乃使用實際利息法按攤銷成本減任何已識別減值虧損列賬。有關金融資產減值虧損之會計政策載於下文。

利息收入使用實際利率確認，惟確認利息影響不大之短期應收款項除外。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Financial instruments (CONTINUED)****Financial assets (CONTINUED)****Financial assets at FVTPL (CONTINUED)**

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

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

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and bills receivables, other receivables, deposits, loans receivables, amount due from an intermediate holding company, amount due from a joint venture, amount due from an associate, amounts due from other related parties, pledged bank deposits, restricted bank deposit, time deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses. The accounting policy on impairment loss of financial assets is set out below.

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

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3. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值

本集團於報告期末評定金融資產(透過損益賬按公平價值處理者除外)是否有減值跡象。倘有客觀證據顯示金融資產之估計未來現金流量因於初步確認金融資產後發生之一項或多項事件而受到影響,則該等金融資產會被視為已減值。

就按攤銷成本計量之金融資產而言,減值之客觀證據可包括:

- 發行人或交易對手存在重大財政困難;或
- 違約,如拖欠或逾期支付利息或本金;或
- 借款人將可能破產或進行財務重組。

一組應收款項之客觀減值證據可包括本集團過往之收款經驗、組合中超過平均信貸期之延期付款宗數增加、與拖欠應收款項相關之國家或本地經濟環境之可觀察轉變。

就按攤銷成本列賬之金融資產而言,所確認減值虧損之金額為資產賬面金額與按金融資產原實際利率貼現之估計未來現金流量之現值之間之差額。

3. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Financial instruments (CONTINUED)

Financial assets (CONTINUED)

Impairment of financial assets

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

For financial assets at amortised cost, objective evidence of impairment could include:

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

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

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

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3. 重要會計政策 (續)**金融工具 (續)****金融資產 (續)****金融資產之減值 (續)**

就所有金融資產而言，本集團直接按減值虧損扣除金融資產之賬面金額，惟應收貿易款項及其他應收款項之賬面金額則透過使用撥備賬扣減。撥備賬賬面金額之變動於損益賬確認。當應收貿易款項被視為不可收回時，便會於撥備賬撤銷。隨後收回過往撤銷之款項會計入損益賬。

就按攤銷成本計量之金融資產而言，倘於隨後期間，減值虧損金額有所減少，且此情況與於確認減值虧損後發生之事件存在客觀關係，則過往確認之減值虧損會透過損益賬撥回，惟於減值日撥回的資產賬面金額不可超過未確認減值之情況下之攤銷成本。

金融負債及權益工具

集團實體發行之金融負債及權益工具乃按照所訂立合約安排之實質內容以及金融負債和權益工具之定義分類為金融負債或權益。

權益工具

權益工具乃證明經扣減其所有負債後於實體資產中擁有剩餘權益之任何合約。本公司發行之權益工具按已收所得款項扣除直接發行費用確認。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Financial instruments (CONTINUED)****Financial assets (CONTINUED)****Impairment of financial assets (CONTINUED)**

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

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

Financial liabilities and equity instruments

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

Equity instruments

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

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3. 重要會計政策 (續)**金融工具 (續)****金融負債及權益工具 (續)****實際利息法**

實際利息法為計算金融負債攤銷成本及於有關期間攤分利息支出之方法。實際利率為於金融負債之預期年限或(如適用)較短期間內將估計未來支付之現金(包括所有構成實際利率組成部分之已付或已收費用及點子、交易成本及其他溢價或折讓)準確貼現至於初步確認時之賬面淨額之利率。

利息支出按實際利息基準確認。

金融負債

金融負債(包括應付貿易款項及應付票據、其他應付款項及已收按金、欠一間中介控股公司款項、欠其他關聯方款項以及銀行及其他借貸)隨後使用實際利息法按攤銷成本計量。

終止確認

僅當從資產獲得現金流量之合約權利屆滿,或將金融資產及該資產擁有權之絕大部分風險及回報轉讓予另一實體時,本集團方會終止確認金融資產。本集團如保留所轉讓金融資產擁有權之絕大部分風險及回報,則會繼續確認該金融資產,亦會確認已收所得款項之有抵押借貸。

於終止確認金融資產時,資產賬面金額與已收及應收代價之差額於損益賬確認。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Financial instruments (CONTINUED)****Financial liabilities and equity instruments (CONTINUED)****Effective interest method**

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

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including trade and bills payables, other payables and deposits received, amount due to an intermediate holding company, amounts due to other related parties and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial assets, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss.

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3. 重要會計政策 (續)**金融工具 (續)****終止確認 (續)**

本集團於及僅於其責任獲解除、註銷或屆滿時終止確認金融負債。終止確認之金融負債之賬面金額與已付及應付代價之差額於損益賬確認。

向非控股股東出售有關一間附屬公司股份之一項認沽期權產生之承擔

向非控股股東出售認沽期權(並非透過以固定數額現金換取固定數目之附屬公司股份結算)視為衍生金融工具處理,並於初步確認時按公平價值確認。公平價值於隨後報告日期出現之任何變動在損益賬確認。

當購買附屬公司股份之合約義務確立時,本集團會確認認沽期權所產生之金融負債總額,即使有關義務乃取決於交易對手行使向本集團出售股份之權利亦然。股份贖回額之負債初步按估計購買價之現值確認及計量,並相應於非控股權益入賬。於隨後期間,已沽出之認沽期權下之估計義務總額之實際利息於損益賬確認。

4. 估計不確定性之主要來源

於應用附註3所述本集團之會計政策時,董事須就無法隨時從其他來源獲得之資產及負債賬面金額作出判斷、估計及假設。估計及相關假設乃基於歷史經驗及被視為相關之其他因素作出。實際結果可能有別於該等估計。

估計及相關假設乃按持續基準檢討。如會計估計之修訂僅對修訂期間產生影響,則會於估計修訂期間確認;如有關修訂對當前及未來期間均產生影響,則將在估計修訂期間及未來期間進行確認。

3. SIGNIFICANT ACCOUNTING POLICIES*(CONTINUED)***Financial instruments (CONTINUED)****Derecognition (CONTINUED)**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Obligation arising from a put option on shares of a subsidiary written to non-controlling shareholders

Put option written to non-controlling shareholders, which will be settled other than by exchange of fixed amount of cash for a fixed number of shares in a subsidiary is treated as a derivative financial instrument and is recognised at fair value upon initial recognition. Any changes of fair value in subsequent reporting dates are recognised in profit or loss.

The gross financial liability arising from the put option is recognised when contractual obligation to purchase the shares in a subsidiary is established even if the obligation is conditional on the counterparty exercising a right to sell the shares to the Group. The liability for the share redemption amount is initially recognised and measured at present value of the estimated purchase price with the corresponding debit to the non-controlling interests. In subsequent periods, effective interest on the estimated gross obligation under the written put option is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



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4. 估計不確定性之主要來源 (續)

估計不確定性之主要來源

於報告期末，有關未來之主要假設及估計不確定性之其他主要來源（具有風險導致於下一個財政年度內之資產及負債賬面金額出現重大調整）如下。

呆壞賬撥備

本集團基於對應收貿易款項之可收回性評估計提呆壞賬撥備。倘出現可能無法收回結餘之任何客觀證據，則就應收貿易款項計提撥備。於估計呆壞賬撥備時，管理層考慮應收貿易款項之客戶信貸歷史，包括拖欠或延遲付款、後續付款、賬齡分析及與客戶之業務關係。倘應收貿易款項可收回性之實際結果有別於原先估計，則有關差額會影響估計出現變動之期間應收貿易款項之賬面值及呆壞賬撥備。於二零一七年十二月三十一日，應收貿易款項之賬面金額為400,758,000港元（經扣除撥備20,368,000港元）（二零一六年：245,476,000港元（經扣除撥備34,562,000港元））。呆壞賬撥備之詳情於附註26披露。

商譽及無形資產之減值

釐定商譽及無形資產有否減值時，須要估計獲分配商譽及無形資產之現金產生單位之使用價值。計算使用價值時，須要本集團使用合適之貼現率估計包含商譽及無形資產在內之現金產生單位所預期產生之未來現金流量之現值。倘相關現金產生單位所產生之預期未來現金流量有別於原先估計，則可能產生減值虧損。有關可收回金額計算之詳情於附註21披露。

釐定收購TFKT True Holdings及其附屬公司（「TFKT True集團」）51%股本權益及True Yoga Holdings Limited及其附屬公司（「True Yoga集團」）29%股本權益（統稱「True收購事項」）產生之所收購可識別資產及所承擔負債之公平價值

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for bad and doubtful debts

The Group makes allowance for bad and doubtful debts based on an assessment of the recoverability of trade receivables. Allowances are made on trade receivables whenever there is any objective evidence that the balances may not be collectible. In estimating the allowance for bad and doubtful debts, the management considers the credit history of customers, including default or delay in settlement, subsequent settlements, aging analysis of the trade receivables and the business relationship with the customers. Where the actual outcome of the recoverability of trade receivables is different from the original estimate, such difference will impact the carrying value of trade receivables and allowance for bad and doubtful debts in the period in which such estimate has changed. As at 31 December 2017, the carrying amount of trade receivables is HK\$400,758,000 (net of allowance of HK\$20,368,000) (2016: HK\$245,476,000 (net of allowance of HK\$34,562,000)). Details of the allowance for bad and doubtful debts are disclosed in note 26.

Impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the CGUs to which goodwill and the intangible assets have been allocated. The value in use calculation requires the Group to estimate the present value of the future cash flows expected to arise from the CGUs containing goodwill and the intangible assets using suitable discount rates. Where the expected future cash flows arising from the relevant CGUs differ from the original estimation, an impairment loss may arise. Details of the recoverable amount calculation are disclosed in note 21.

Determination of fair values of identifiable assets acquired and liabilities assumed arising from acquisition of 51% equity interest in TFKT True Holdings and its subsidiaries (the "TFKT True Group") and 29% equity interest in True Yoga Holdings Limited and its subsidiary (the "True Yoga Group") (collectively the "True Acquisition")

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4. 估計不確定性之主要來源
(續)

估計不確定性之主要來源 (續)

商譽及無形資產之減值 (續)

於二零一七年五月二十九日，本集團完成自一名獨立第三方進行之True收購事項，現金代價為36,720,000美元（相當於284,580,000港元）。該項交易乃採用購買法入賬。

於所收購可識別資產及所承擔負債中，董事經參考與無形資產（主要與確認特許協議、商標及客戶關係有關）及遞延收入相關之貼現現金流量評估該等無形資產及遞延收入之公平價值時，會運用重大判斷。所收購無形資產及所承擔遞延收入於收購日期之公平價值分別為307,585,000港元及170,399,000港元，乃根據獨立合資格專業估值師進行之估值釐定。

4. KEY SOURCES OF ESTIMATION
UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

Impairment of goodwill and intangible assets
(CONTINUED)

On 29 May 2017, the Group completed the True Acquisition from an independent third party for a cash consideration of US\$36,720,000 (equivalent to HK\$284,580,000). The transaction had been accounted for using the purchase method.

Amongst the identifiable assets acquired and liabilities assumed, the Directors applied significant judgments in assessing the fair values of intangible assets (mainly related to recognition of franchise agreement, trademark and customer relationship) and deferred income by reference to the discounted cash flow associated with these intangible assets and deferred income. The fair values of intangible assets acquired and deferred income assumed on acquisition date of HK\$307,585,000 and HK\$170,399,000, respectively, are based on valuation performed by an independent qualified professional valuer.

5. 收入

收入指來自(1)製造及銷售處方藥及實驗室相關產品；(2)經營健身中心及提供健身和健康諮詢服務（如會員月費、體驗班及私人訓練課）；及(3)製造及銷售水泥及熟料以及買賣水泥之銷售金額（已扣除折扣及相關銷售稅項）。

5. REVENUE

Revenue represents the sales amount from (1) manufacturing and sales of prescription drugs and laboratory related products; (2) operation of fitness centres and provision of consultation services (such as monthly membership fees, trial classes and personal training classes) for fitness and health activities; and (3) manufacturing and sales of cement and clinker and trading of cement, net of discount and sales related tax.

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
製造及銷售處方藥及實驗室相關產品	Manufacture and sales of prescription drugs and laboratory related products	353,774	124,461
經營健身中心及提供健身和健康諮詢服務	Operation of fitness centres and provision of consultation services for fitness and health activities	195,763	—
有關台灣健身及健康服務之特許權費收入	Royalty fee income in relation to fitness and health activities in Taiwan	31,252	—
有關台灣健身及健康服務之服務費收入	Service fee income in relation to fitness and health activities in Taiwan	2,074	—
製造及銷售水泥及熟料	Manufacture and sales of cement and clinker	275,683	214,319
買賣水泥	Trading of cement	485,790	294,499
		1,344,336	633,279



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6. 分部資料

於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，本集團分別收購醫療、醫藥及健康業務以及健身業務新業務。董事（即主要經營決策者）已重新評估本集團之營運及財務表現評估之計量方法，並將(1)醫療、醫藥及健康業務；(2)健身業務；及(3)水泥業務視作本集團三個獨立經營及可呈報分部。

各分部內組織及管理之經營業務代表提供不同產品及服務之策略性業務單位，以供分配資源及評估分部表現。本集團有以下可呈報及經營分部：

- 醫療、醫藥及健康業務—製造及銷售處方藥及實驗室相關產品。
- 健身業務—經營健身中心及提供健身和健康諮詢服務及經營特許業務以獲得特許權費及服務費收入。
- 水泥業務—製造及銷售水泥及熟料以及買賣水泥。

於得出本集團之可呈報分部時，概無合併處理任何已識別之經營分部。

(i) 分部收入及業績

本集團分部收入及業績之分析如下：

外界客戶分部收入	Segment revenue from external customers
分部業績	Segment results
未分配企業收入	Unallocated corporate income
未分配企業開支	Unallocated corporate expenses
融資成本	Finance costs
除稅前溢利(虧損)	Profit (loss) before taxation

6. SEGMENT INFORMATION

During the years ended 31 December 2016 and 31 December 2017, the Group acquired new businesses of medical, pharmaceutical and health business and fitness business, respectively. The Directors, being the chief operating decision maker, had reassessed the Group's operations and measurement of financial performance assessment and identified (1) medical, pharmaceutical and health business; (2) fitness business; and (3) cement business as three separate operating and reportable segments of the Group.

The operating business organised and managed in each segment represents a strategic business unit that offers different products and services for the purpose of resource allocation and assessment of segment performance. The Group has following reportable and operating segments:

- Medical, pharmaceutical and health business – manufacture and sales of prescription drugs and laboratory related products.
- Fitness business – operate fitness centres and provide consultation services for fitness and health activities and operate the franchise business for royalty and service fee income.
- Cement business – manufacture and sales of cement and clinker and trading of cement.

No operating segments identified have been aggregated in arriving at the reportable segments of the Group.

(i) Segment revenue and results

Analysis of the Group's segment revenue and results is as follows:

醫療、醫藥及健康業務		健身業務		水泥業務		總額	
Medical, pharmaceutical and health business		Fitness business		Cement business		Total	
二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
2017	2016	2017	2016	2017	2016	2017	2016
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
353,774	124,461	229,089	-	761,473	508,818	1,344,336	633,279
22,151	(11,412)	39,864	-	14,370	33,109	76,385	21,697
						8,856	1,176
						(27,389)	(24,983)
						(21,882)	(18,018)
						35,970	(20,128)

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6. 分部資料 (續)

(i) 分部收入及業績 (續)

截至二零一七年及二零一六年十二月三十一日止年度內並無分部間銷售。可呈報分部之會計政策與本集團之會計政策相同。分部業績指各分部之溢利(虧損)，不包括未分配企業收入及開支以及融資成本。此乃就資源分配及表現評估向本公司主要經營決策者報告之計量基準。

(ii) 分部資產及負債

分部資產 Segment assets

遞延稅項資產 Deferred tax assets

未分配企業資產 Unallocated corporate assets

綜合資產 Consolidated assets

6. SEGMENT INFORMATION (CONTINUED)

(i) Segment revenue and results (CONTINUED)

There was no inter-segment sales during the years ended 31 December 2017 and 2016. The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the profit (loss) from each segment without allocation of unallocated corporate income and expenses, and finance costs. This is the measure reported to the chief operating decision maker of the Company for the purposes of resource allocation and performance assessment.

(ii) Segment assets and liabilities

醫療、醫藥及健康業務		健身業務		水泥業務		總額	
Medical, pharmaceutical and health business		Fitness business		Cement business		Total	
二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
2017	2016	2017	2016	2017	2016	2017	2016
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1,301,606	1,186,716	713,103	-	1,352,080	1,249,360	3,366,789	2,436,076
						4,360	199
						73,061	717,916
						3,444,210	3,154,191

分部負債 Segment liabilities

稅項負債 Tax liabilities

銀行及其他借貸 Bank and other borrowings

遞延稅項 Deferred taxation

未分配企業負債 Unallocated corporate liabilities

綜合負債 Consolidated liabilities

醫療、醫藥及健康業務		健身業務		水泥業務		總額	
Medical, pharmaceutical and health business		Fitness business		Cement business		Total	
二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
2017	2016	2017	2016	2017	2016	2017	2016
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
122,908	119,190	248,806	-	212,603	168,259	584,317	287,449
						87,292	91,385
						805,002	1,079,441
						113,537	44,770
						5,350	8,083
						1,595,498	1,511,128

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6. 分部資料 (續)

(ii) 分部資產及負債 (續)

就監控分部表現及於分部間分配資源而言：

- 所有資產分配至經營分部，惟不包括遞延稅項資產及未分配企業資產；及
- 所有負債分配至經營分部，惟不包括稅項負債、銀行及其他借貸、遞延稅項及未分配企業負債。

(iii) 其他分部資料

計入分部損益或分部資產計量之金額：

6. SEGMENT INFORMATION (CONTINUED)

(ii) Segment assets and liabilities (CONTINUED)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than deferred tax assets and unallocated corporate assets; and
- all liabilities are allocated to operating segments other than tax liabilities, bank and other borrowings, deferred taxation and unallocated corporate liabilities.

(iii) Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

		醫療、醫藥及健康業務 Medical, pharmaceutical and health business		健身業務 Fitness business		水泥業務 Cement business		未分配 Unallocated		總額 Total	
		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
添置非流動資產	Addition to non-current assets	69,583	353,063	604,678	-	18,174	11,567	2,270	46	694,705	364,676
攤銷及折舊	Amortisation and depreciation	17,028	8,031	18,724	-	20,678	20,723	315	26	56,745	28,780
按公平價值處理之金融資產之 公平價值(收益)虧損	Fair value (gains) losses on financial assets at fair value	-	-	-	-	(2,168)	(713)	(6,841)	2,258	(9,009)	1,545
利息收入	Interest income	(998)	(3,243)	(43)	-	(9,683)	(22,232)	(1,813)	(3,339)	(12,537)	(28,814)
呆壞賬撥備	Allowance for bad and doubtful debts	387	174	577	-	1,732	3,827	-	-	2,696	4,001
存貨減值虧損(撥備撥回)及撇銷	Loss on impairment (reversal of allowance) and write-off of inventories	(618)	576	-	-	2,087	-	-	-	1,469	576
應佔一間聯營公司業績	Share of results of an associate	-	-	(8,632)	-	(133)	(15)	-	-	(8,765)	(15)
應佔一間合營公司業績	Share of results of a joint venture	(11,666)	(4,096)	-	-	-	-	-	-	(11,666)	(4,096)
釋出土地使用權之預付租賃款項	Release of prepaid lease payments on land use rights	2,971	1,258	-	-	180	182	-	-	3,151	1,440
出售及撇銷物業、廠房及設備之 (收益)虧損淨額	Net (gain) loss on disposal and write-off of property, plant and equipment	(22)	(16)	-	-	11,198	(6,044)	-	-	11,176	(6,060)
權益結算以股份為基礎之付款	Equity-settled share-based payments	8,868	9,713	-	-	-	-	1,529	4,048	10,397	13,761
於一間聯營公司之權益	Interests in an associate	-	-	13,007	-	-	2,601	-	-	13,007	2,601
於一間合營公司之權益	Interests in a joint venture	21,093	32,759	-	-	-	-	-	-	21,093	32,759

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

6. 分部資料 (續)

(iv) 有關主要產品及服務之資料

主要產品及服務之收入分析如下：

生產和銷售及買賣：	Manufacture and sales and trading of:
處方藥	Prescription drugs
實驗室相關產品	Laboratory related products
水泥	Cement
熟料	Clinker
經營健身中心及 提供健身和 健康諮詢服務	Operating of fitness centres and provision of consultation services for fitness and health activities
有關台灣健身及健康 服務之特許權費收入	Royalty fee income in relation to fitness and health activities in Taiwan
有關台灣健身及健康 服務之服務費收入	Service fee income in relation to fitness and health activities in Taiwan

(v) 有關主要客戶之資料

截至二零一七年十二月三十一日止年度，來自水泥業務一名客戶之收入達375,162,000港元（二零一六年：209,284,000港元），單獨佔本集團收入10%以上。

6. SEGMENT INFORMATION (CONTINUED)

(iv) Information about major products and services

The revenue of the major products and services is analysed as follows:

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
314,091	105,411
39,683	19,050
713,641	476,375
47,832	32,443
195,763	—
29,886	—
3,440	—
1,344,336	633,279

(v) Information about major customers

For the year ended 31 December 2017, revenue from a customer in the cement business amounting to HK\$375,162,000 (2016: HK\$209,284,000) individually represented more than 10% of the Group's revenue.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

6. 分部資料 (續)

(vi) 地區資料

本集團截至二零一六年十二月三十一日止年度之營運原先位於中國。於截至二零一七年十二月三十一日止年度收購健身業務後，本集團之營運現時位於中國及新加坡。有關本集團持續經營業務來自外界客戶之收入之資料乃基於營運所在位置呈列。有關本集團非流動資產的資料乃基於資產之地理位置呈列。

中國	The PRC
新加坡	Singapore

6. SEGMENT INFORMATION (CONTINUED)

(vi) Geographical information

The Group's operations for the year ended 31 December 2016 are originally located in the PRC. With the fitness business acquired during the year ended 31 December 2017, the Group's operations are now located in the PRC and Singapore. Information about the Group's revenue from continuing operations from external customers is presented based on the location of operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

來自外界客戶之收入		非流動資產	
Revenue from external customers		Non-current assets	
二零一七年	二零一六年	二零一七年	二零一六年
2017	2016	2017	2016
千港元	千港元	千港元	千港元
HK\$'000	HK\$'000	HK\$'000	HK\$'000
1,129,941	633,279	1,083,078	1,006,517
214,395	-	604,487	-
1,344,336	633,279	1,687,565	1,006,517

7. 其他收入

7. OTHER INCOME

	二零一七年	二零一六年
	2017	2016
	千港元	千港元
	HK\$'000	HK\$'000
來自銀行之利息收入	4,344	8,291
應收貸款利息收入	6,499	11,555
來自本集團附屬公司之一名非控股股東之利息收入	6,387	6,918
來自一間中介控股公司之利息收入	995	2,214
來自其他應收款項之利息收入	828	846
政府補助及補貼	8,725	2,530
廢料銷售	2,277	5,317
租金收入	3,869	150
雜項收入	6,172	5,884
	40,096	43,705

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

8. 其他收益及虧損

8. OTHER GAINS AND LOSSES

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
匯兌(虧損)收益淨額	Net foreign exchange (loss) gain	(1,140)	20
透過損益賬按公平價值處理 之金融資產之公平價值 收益(虧損)	Fair value gains (losses) on financial assets at fair value through profit or loss	9,009	(1,545)
應收貿易款項之呆壞賬撥備	Allowance for bad and doubtful debts on trade receivables	(2,696)	(4,001)
其他應收款項之呆壞賬撥備	Allowance for bad and doubtful debts on other receivables	(15,154)	-
出售及撇銷物業、廠房及 設備之(虧損)收益淨額	Net (loss) gain on disposal and write-off of property, plant and equipment	(11,176)	6,060
溢利承諾不足之數之收益 (附註)	Gain on shortfall of profit undertaking (note)	27,125	-
出售一間合營公司之虧損	Loss on disposal of a joint venture	(180)	-
		5,788	534

附註：

根據True收購事項之股東協議，Active Gains Universal Limited（「Active Gains」，TFKT True Holdings之非控股股東）與黃友誠先生（True收購事項之保證人暨TFKT True Holdings之創辦人）均承諾，倘TFKT True集團截至二零一七年十二月三十一日止年度、截至二零一八年十二月三十一日止年度及截至二零一九年十二月三十一日止年度之經審核綜合除稅後純利分別少於8,200,000美元、10,900,000美元及13,800,000美元（設有10%下調緩衝額度，將於TFKT True集團截至二零一七年十二月三十一日止年度、截至二零一八年十二月三十一日止年度及截至二零一九年十二月三十一日止年度之經審核綜合除稅後純利分別少於7,380,000美元、9,810,000美元及12,420,000美元時觸發），Active Gains將以美元向本集團支付相等於不足之數（如TFKT True集團蒙受虧損，則包括虧損淨額）乘以100%之等額款項。因此，溢利承諾不足之數之收益即TFKT True集團截至二零一七年十二月三十一日止年度之綜合除稅後純利與8,200,000美元之差額。董事估計，截至二零一八年及二零一九年十二月三十一日止年度之溢利承諾不足之數於本綜合財務報表日期不會獲批准發出。

Note:

Pursuant to the shareholders' agreement for the True Acquisition, Active Gains Universal Limited ("Active Gains"), the non-controlling shareholder of TFKT True Holdings, and Mr. Patrick John Wee Ewe Seng, the warrantor for the True Acquisition and founder of TFKT True Holdings, have undertaken that if the audited consolidated net profit after tax of TFKT True Group for the year ended 31 December 2017, year ending 31 December 2018 and year ending 31 December 2019 shall be less than US\$8,200,000, US\$10,900,000 and US\$13,800,000, respectively (subject to a 10% buffer of downward adjustment which will be triggered if the audited consolidated net profit after tax of TFKT True Group is less than US\$7,380,000, US\$9,810,000 and US\$12,420,000 for the year ended 31 December 2017, year ending 31 December 2018 and year ending 31 December 2019 respectively), Active Gains shall pay to the Group an amount equal to such shortfall (including the amount of net loss in the event TFKT True Group is loss making) on a dollar-to-dollar basis multiplied by 100% in the United States dollars. Accordingly, the gain on shortfall of profit undertaking represented the difference between the consolidated net profit after tax of TFKT True Group for the year ended 31 December 2017 and US\$8,200,000. The Directors do not anticipate shortfalls of profit undertaking for the year ending 31 December 2018 and 2019 at the date of these consolidated financial statements were approved for issuance.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

9. 融資成本

9. FINANCE COSTS

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
以下借貸之利息：		
銀行貸款	7,254	7,225
其他借貸	12,980	9,454
授予非控股股東一項 認沽期權產生之應歸利息 (附註)	1,435	-
融資租賃責任	78	-
貸款安排費	135	542
貸款擔保費	-	797
	21,882	18,018

附註：

根據True收購事項之股東協議，Active Gains (TFKT True Holdings之非控股股東)獲授予一項認沽期權，可向本集團出售TFKT True Holdings之9%股本權益。認沽期權可由Active Gains以10,800,000美元之行使價行使，惟TFKT True集團截至二零一七年十二月三十一日止年度之經審核綜合除稅後純利不得少於8,200,000美元(設有10%下調緩衝額度，即7,380,000美元)。

購買TFKT True Holdings股份之合約義務一經確立，會於True收購事項完成時確認認沽期權所產生之金融負債總額，即使有關義務乃取決於Active Gains行使向本集團出售股份之權利亦然。股份贖回額之負債初步按估計購買價之現值確認及計量，並相應於非控股權益內入賬。因此，授予Active Gains該認沽期權所產生之應歸利息於損益賬內確認。由於截至二零一七年十二月三十一日止年度之溢利承諾出現不足之數(附註8)，故認沽期權所產生之金融負債總額已於二零一七年十二月三十一日被終止確認。

Note:

Pursuant to a shareholders' agreement for the True Acquisition, Active Gains, the non-controlling shareholder of TFKT True Holdings, is granted a put option to sell to the Group 9% of equity interest in TFKT True Holdings. The put option is exercisable by Active Gains with an exercise price of US\$10,800,000 provided that the audited consolidated net profit after tax of TFKT True Group for the year ended 31 December 2017 shall be not less than US\$8,200,000 (subject to a 10% buffer of downward adjustment i.e. US\$7,380,000).

The gross financial liability arising from the put option is recognised upon the completion of the True Acquisition when contractual obligation to purchase the shares in TFKT True Holdings is established even if the obligation is conditional on Active Gains exercising a right to sell the shares to the Group. The liability for the share redemption amount is initially recognised and measured at present value of the estimated purchase price with the corresponding debit to the non-controlling interests. Accordingly, the imputed interest arising from this put option granted to Active Gains is recognised in profit or loss. Such gross financial liability arising from the put option has been derecognised as at 31 December 2017 as a result of the shortfall of undertaking for the year ended 31 December 2017 (note 8).

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

10. 董事、最高行政人員、僱員及高級管理人員酬金

本年度之董事、最高行政人員、僱員及高級管理人員酬金根據適用上市規則及香港公司條例披露如下：

董事酬金

已付或應付六名（二零一六年：七名）董事及最高行政人員各自之薪酬如下：

執行董事：	Executive Directors:
黃俞先生	Mr. Huang Yu
黃清海先生*	Mr. Ng Qing Hai*
非執行董事：	Non-Executive Director:
張軼先生**	Mr. Zhang Yi**
獨立非執行董事：	Independent Non-Executive Directors:
陳思聰先生	Mr. Chan Sze Chung
張瑞彬先生	Mr. Zhang Ruibin
張俊喜先生	Mr. Zhang Junxi Jack
最高行政人員：	Chief Executive:
蔣朝文先生#	Mr. Jiang Chaowen#

* 黃清海先生於二零一七年十二月十一日終止出任本公司之董事總經理（根據上市規則相當於最高行政人員之職位），惟繼續擔任本公司之執行董事。上文所披露黃清海先生之酬金包括彼於年內作為董事總經理及執行董事提供服務之酬金。

** 張軼先生於二零一七年十二月十一日由本公司之執行董事調任為非執行董事，並於二零一八年一月二十三日辭任本公司之非執行董事。

蔣朝文先生於二零一七年十二月十一日獲委任為本公司之首席執行官。其於上文所述之酬金涵蓋彼於二零一七年十二月十一日至二零一七年十二月三十一日期間作為首席執行官所提供之服務。蔣朝文先生再於二零一八年一月二十三日獲委任為本公司之執行董事。

10. DIRECTORS', CHIEF EXECUTIVE'S, EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS

Emoluments of directors', chief executive's, employees' and senior management for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance is as follows:

Directors' emoluments

The remuneration paid or payable to each of the six (2016: seven) Directors and the chief executive were as follows:

二零一七年 2017						
董事袍金 Directors' fees 千港元 HK\$'000	薪金/ 服務費及 其他福利 Salaries/ service fee and other benefits 千港元 HK\$'000	按表現計算 之花紅 Performance related bonuses 千港元 HK\$'000	退休福利 計劃供款 Retirement benefits scheme contributions 千港元 HK\$'000	權益結算 以股份為基礎 之付款 Equity- settled share-based payments 千港元 HK\$'000	酬金總額 Total emoluments 千港元 HK\$'000	
	10	649	200 (附註a) (note a)	30	-	889
	10	2,834	288 (附註b) (note b)	131	383	3,646
	10	1,800	1,088 (附註a) (note a)	54	1,533	4,485
	10	79	-	-	77	166
	10	79	-	-	77	166
	10	79	-	-	77	166
	-	57	-	3	-	60
	60	5,577	1,576	218	2,147	9,578

* Mr. Ng Qing Hai ceased to be the Managing Director of the Company (equivalent to the role as the chief executive under the Listing Rules) on 11 December 2017 but continued to act as an Executive Director of the Company. Mr. Ng Qing Hai's emoluments disclosed above include those for services rendered by him as the Managing Director and Executive Director during the year.

** Mr. Zhang Yi was re-designated from an Executive Director to a Non-Executive Director of the Company on 11 December 2017 and resigned as a Non-Executive Director of the Company on 23 January 2018.

Mr. Jiang Chaowen was appointed as the Chief Executive Officer of the Company on 11 December 2017. His emoluments above include his services rendered by him as the Chief Executive Office from 11 December 2017 to 31 December 2017. Mr. Jiang Chaowen was further appointed as an Executive Director of the Company on 23 January 2018.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

10. 董事、最高行政人員、僱員及高級管理人員酬金 (續)

董事酬金 (續)

執行董事：
黃俞先生

黃清海先生

張鞅先生**
鄧勁光先生^

獨立非執行董事：

陳思聰先生
張瑞彬先生
張俊喜先生

Executive Directors:
Mr. Huang Yu

Mr. Ng Qing Hai

Mr. Zhang Yi**
Mr. Deng Jinguang^

Independent Non-Executive
Directors:

Mr. Chan Sze Chung
Mr. Zhang Ruibin
Mr. Zhang Junxi Jack

** 於二零一六年七月十二日至二零一六年十二月三十一日。

^ 於二零一六年一月一日至二零一六年七月十二日。

10. DIRECTORS', CHIEF EXECUTIVE'S, EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS

(CONTINUED)

Directors' emoluments (CONTINUED)

二零一六年
2016

董事袍金 Directors' fees 千港元 HK\$'000	薪金/ 服務費及 其他福利 Salaries/ service fee and other benefits 千港元 HK\$'000	按表現計算 之花紅 Performance related bonuses 千港元 HK\$'000	退休福利 計劃供款 Retirement benefits scheme contributions 千港元 HK\$'000	權益結算 以股份為基礎 之付款 Equity- settled share-based payments 千港元 HK\$'000	酬金總額 Total emoluments 千港元 HK\$'000
10	618	46 (附註a) (note a)	10	-	684
10	2,834	1,458 (附註c) (note c)	131	499	4,932
5	865	-	18	1,998	2,886
5	170	-	-	-	175
10	79	-	-	100	189
10	79	-	-	100	189
10	79	-	-	100	189
60	4,724	1,504	159	2,797	9,244

** From 12 July 2016 to 31 December 2016.

^ From 1 January 2016 to 12 July 2016.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

10. 董事、最高行政人員、僱員及高級管理人員酬金 (續)

董事酬金 (續)

以上所示執行董事之酬金與彼等管理本公司及本集團事務所提供之服務有關。以上所示非執行董事之酬金與其擔任本公司或其附屬公司董事所提供之服務有關。以上所示獨立非執行董事之酬金與彼等擔任董事所提供之服務有關。

於截至二零一七年及二零一六年十二月三十一日止年度，概無董事放棄任何酬金。

附註：

- (a) 金額指年內已批准之相關董事前一年度酌情花紅。
- (b) 金額指年內已批准之董事月度目標計劃花紅。
- (c) 金額指年內已批准之董事前一年度酌情花紅及月度目標計劃花紅。

僱員酬金

本集團五名最高薪酬人士中有兩名(二零一六年：兩名)為本公司董事，彼等之酬金已於上文披露。截至二零一七年十二月三十一日止年度，其餘三名(二零一六年：三名)最高薪酬人士之酬金如下：

薪金及其他福利	Salaries and other benefits
按表現計算之花紅	Performance related bonuses
退休福利計劃供款	Retirement benefits scheme contributions
權益結算以股份為基礎之付款	Equity-settled share-based payments

10. DIRECTORS', CHIEF EXECUTIVE'S, EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS

(CONTINUED)

Directors' emoluments (CONTINUED)

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The non-executive director's emoluments shown above were for his services as director of the Company or its subsidiaries. The independent non-executive directors' emoluments shown above were for their services as directors.

None of the directors waived any emoluments during the years ended 31 December 2017 and 2016.

Notes:

- (a) The amount represented the discretionary bonus of the preceding year approved to the respective directors during the year.
- (b) The amount represented the bonus on monthly target scheme approved to the director during the year.
- (c) The amount represented the discretionary bonus of the preceding year and the bonus on monthly target scheme approved to the Director during the year.

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, two (2016: two) were the directors of the Company whose emoluments are included in the disclosure above. The emoluments of the remaining three (2016: three) highest paid individuals for the year ended 31 December 2017 were as follows:

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
2,895	2,990
250	198
148	167
2,583	2,759
5,876	6,114

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

10. 董事、最高行政人員、僱員及高級管理人員酬金 (續)**僱員酬金 (續)**

彼等之酬金介乎於下列範圍：

1,000,001港元至 1,500,000港元	HK\$1,000,001 to HK\$1,500,000
2,000,001港元至 2,500,000港元	HK\$2,000,001 to HK\$2,500,000

於截至二零一七年十二月三十一日止年度，本集團概無向五名最高薪酬人士支付任何酬金（二零一六年：無），以作為吸引彼等加入或於加入本集團後之報酬。

高級管理人員酬金

本集團高級管理人員中有六名（二零一六年：七名）為本公司董事或前董事，彼等之酬金已於上文披露。截至二零一七年十二月三十一日止年度，其餘九名（二零一六年：九名）人士之酬金如下：

薪金及其他福利	Salaries and other benefits
按表現計算之花紅	Performance related bonuses
退休福利計劃供款	Retirement benefits scheme contributions
權益結算以股份為基礎之付款	Equity-settled share-based payments

10. DIRECTORS', CHIEF EXECUTIVE'S, EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS*(CONTINUED)***Employees' emoluments (CONTINUED)**

Their emoluments were within the following bands:

僱員數目	
Number of employees	
二零一七年 2017	二零一六年 2016
1	1
2	2
3	3

During the year ended 31 December 2017, no emoluments (2016: Nil) were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group.

Senior management's emoluments

Of the senior management of the Group, six (2016: seven) were the directors or former directors of the Company whose emoluments are included in the disclosure above. The emoluments of the remaining nine (2016: nine) individuals for the year ended 31 December 2017 were as follows:

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
5,465	5,452
697	525
444	443
3,196	3,558
9,802	9,978

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10. 董事、最高行政人員、僱員及高級管理人員酬金 (續)

高級管理人員酬金 (續)

彼等之酬金介乎於下列範圍：

1,000,000港元或以下	HK\$1,000,000 or below
1,000,001港元至 1,500,000港元	HK\$1,000,001 to HK\$1,500,000
1,500,001港元至 2,000,000港元	HK\$1,500,001 to HK\$2,000,000
2,000,001港元至 2,500,000港元	HK\$2,000,001 to HK\$2,500,000

按表現計算之花紅包括本公司若干附屬公司(即上海聯合水泥有限公司(「上海上聯」)、山東聯合王晁水泥有限公司(「聯合王晁」)及山東上聯水泥發展有限公司(「山東上聯」))所採用之獎勵計劃。獎勵計劃標準為：

- 溢利金額
- 平均生產成本
- 生產水泥及熟料之數量
- 耗電量
- 耗煤量
- 逾期債務總額
- 銷量

各公司根據年度預算業績設定其目標。倘於某特定月份達到預定目標，則該月全體職員有權按各目標水平釐定及按個人表現評估而獲分配按表現計算之花紅。

10. DIRECTORS', CHIEF EXECUTIVE'S, EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS

(CONTINUED)

Senior management's emoluments (CONTINUED)

Their emoluments were within the following bands:

僱員數目		Number of employees	
二零一七年	二零一六年	2017	2016
		6	6
		1	1
		—	—
		2	2
		9	9

The performance related bonuses included an incentive scheme adopted by the Company's certain subsidiaries, namely Shanghai Allied Cement Co., Ltd. ("Shanghai SAC"), Shandong Allied Wangchao Cement Limited ("Allied Wangchao") and Shandong Shanghai Allied Cement Co., Ltd. ("Shandong SAC"). Criteria on the incentive scheme are:

- Amount of profits
- Average cost of production
- Quantities of cement and clinker produced
- Electricity consumption
- Coal consumption
- Aggregate amount of aging debts
- Sales volume

Each company bases on its annual budgeted performance to set its targets. If pre-set targets are achieved in a particular month, all staff will be entitled to performance related bonus as determined for in each target level as well as on individual's assessed performance during the subject month.

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11. 稅項

11. TAXATION

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
(支出)抵免包括：	The (charge) credit comprises:		
即期稅項	Current tax		
– 中國企業所得稅	– PRC Enterprise Income Tax	(1,974)	(9,376)
– 香港利得稅	– Hong Kong Profits Tax	(19)	(19)
– 新加坡企業所得稅	– Singapore Corporate Income tax	(6,978)	–
		(8,971)	(9,395)
過往年度(撥備不足) 超額撥備	(Under) over provision in prior years		
– 中國企業所得稅	– PRC Enterprise Income Tax	7,475	(1)
– 香港利得稅	– Hong Kong Profits Tax	14	14
		7,489	13
遞延稅項(附註39)	Deferred tax (note 39)	1,363	1,957
		(119)	(7,425)

中國企業所得稅按適用於各附屬公司之稅率計算。按照中國稅務法律及法規，一間於中國成立並獲認可為山東省高新科技企業之附屬公司可於截至二零一七年及二零一六年十二月三十一日止年度享有優惠稅率15%。另一間於中國成立之附屬公司獲認可為《企業從事農、林、牧、漁業項目》，並可於截至二零一七年及二零一六年十二月三十一日止年度享有優惠稅率12.5%。於中國成立之其他附屬公司截至二零一七年十二月三十一日止年度之適用稅率為25%（二零一六年：25%）。一間於香港註冊成立之附屬公司須根據中國企業所得稅法按中國現行之預扣稅率，繳納就借貸予一間中國附屬公司所得之利息收入收取之預扣稅。

香港利得稅兩個年度均按估計應課稅溢利之16.5%計算。

新加坡企業所得稅就截至二零一七年十二月三十一日止年度之估計應課稅溢利按17%計算。

The PRC Enterprise Income Tax is calculated at the rates applicable to respective subsidiaries. According to the PRC tax laws and regulations, a subsidiary established in the PRC, which was recognised as the High and New Technology Enterprise in Shandong Province, is entitled to enjoy the preferential tax rate at 15% for the years ended 31 December 2017 and 2016. Another subsidiary established in the PRC was recognised as 《企業從事農、林、牧、漁業項目》 and is entitled to enjoy the preferential tax rate at 12.5% for the years ended 31 December 2017 and 2016. The applicable tax rate for other subsidiaries established in the PRC is 25% (2016: 25%) for the year ended 31 December 2017. A subsidiary incorporated in Hong Kong is subject to withholding tax charged on the interest income from lendings to a PRC subsidiary at the withholding tax rate prevailing in the PRC under the Enterprise Income Tax Law of the PRC.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Singapore Corporate Income Tax is calculated at 17% of the estimated assessable profits for the year ended 31 December 2017.

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11. 稅項 (續)

本年度稅項支出與綜合損益及其他全面收益表內之除稅前溢利(虧損)對賬如下：

11. TAXATION (CONTINUED)

The taxation charge for the year can be reconciled to the profit (loss) before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
除稅前溢利(虧損)	Profit (loss) before taxation	35,970	(20,128)
按國內所得稅稅率25% (二零一六年: 25%) 計算之稅項	Tax at the domestic income tax rate of 25% (2016: 25%)	(8,993)	5,032
不可扣稅支出之稅項影響	Tax effect of expenses not deductible for tax purpose	(6,837)	(10,998)
毋須課稅收入之稅項影響	Tax effect of income not taxable for tax purpose	11,215	3,026
未確認之稅項虧損之 稅項影響	Tax effect of tax losses not recognised	(596)	(7,258)
優惠稅率之稅項影響	Tax effect of preferential tax rate	1,293	1,470
在其他司法權區經營之附屬 公司之不同稅率之影響	Effect of different tax rates of subsidiaries operating in other jurisdictions	597	10
撥回未分派盈利之預扣稅	Reversal of withholding tax on undistributed earnings	104	392
過往年度超額撥備	Overprovision in prior years	7,489	13
使用先前未確認之稅項虧損	Utilisation of tax loss previously not recognised	672	2,020
應佔聯營公司業績之 稅項影響	Tax effect of share of result of associate	(2,191)	(4)
應佔合營公司業績之 稅項影響	Tax effect of share of result of joint venture	(2,917)	(1,024)
其他	Others	45	(104)
本年度稅項支出	Taxation charge for the year	(119)	(7,425)

國內稅率指於中國經營之主要集團公司之法定稅率。

The domestic tax rate represents the statutory tax rate of the major group companies operating in the PRC.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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12. 本年度溢利（虧損）

12. PROFIT (LOSS) FOR THE YEAR

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
本年度溢利（虧損）乃於扣除（計入）下列各項後達致：	Profit (loss) for the year has been arrived at after charging (crediting):	
員工成本（包括董事酬金）	Staff costs (including Directors' emoluments)	
薪金及其他成本	139,119	39,686
權益結算以股份為基礎之付款	10,397	13,761
退休福利計劃供款	25,759	6,325
	175,275	59,772
核數師酬金	2,107	2,067
確認為支出之存貨成本	Cost of inventories recognised as expenses	
研究及開發費用（計入其他費用）	817,328	538,120
存貨減值之虧損（計入銷售成本）	23,727	4,470
財務擔保撥備（計入其他費用）（附註）	1,469	576
無形資產攤銷	1,488	-
投資物業折舊	5,231	456
物業、廠房及設備折舊	158	67
	51,356	28,257
攤銷及折舊總額	56,745	28,780
釋出土地使用權之預付租賃款項	3,151	1,440
物業之經營租賃租金	66,865	4,167

於截至二零一七年十二月三十一日止年度，本集團向為其提供臨時勞工之一間人才服務公司支付服務費763,000港元（二零一六年：1,991,000港元）。該等款項並未計入上文所述之員工成本總額。

附註：

TFKT True集團就(i)為數100,000,000泰銖之貸款融通及(ii)應付一名第三方（「貸款人」）之應計利息向貸款人提供一項財務擔保。該貸款融通乃由貸款人授予一間由TFKT True Holdings之非控股股東所控制之實體（「借款人」）。於截至二零一七年十二月三十一日止年度確認之進一步撥備指截至貸款人同意解除TFKT True集團作為該貸款融通擔保人當日止之應計利息。

During the year ended 31 December 2017, the Group paid HK\$763,000 (2016: HK\$1,991,000) services fee to a personnel services company providing temporary labours to the Group. Such amounts are excluded from the total staff costs as mentioned on above.

Note:

TFKT True Group granted a financial guarantee to a third party (the "Lender") in respect of (i) loan facilities amounting to THB100,000,000 and (ii) the accrued interest payable to the Lender. The loan facilities were granted by the Lender to an entity under control of the non-controlling shareholder of TFKT True Holdings (the "Borrower"). The further provision recognised represented the accrued interest up to the date when the Lender agreed to release TFKT True Group as the guarantor in respect of this loan facilities during the year ended 31 December 2017.

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

13. 每股虧損

本公司股東應佔之每股基本及攤薄虧損乃基於以下數據計算：

用以計算每股基本及攤薄虧損之虧損
— 本公司股東應佔

股份數目
用以計算每股虧損之
普通股加權平均數

上文列示之普通股加權平均數乃於扣除股份獎勵計劃（「股份獎勵計劃」）持有之股份後達致。

由於行使本公司之購股權將導致每股虧損減少，故計算截至二零一七年及二零一六年十二月三十一日止年度之每股攤薄虧損時並無假設該等購股權獲行使。

14. 股息

本公司董事會（「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末期股息（二零一六年：無）。

本公司於截至二零一七年十二月三十一日止年度並無宣派或派付任何股息（二零一六年：無）。

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
Loss for the purposes of basic and diluted loss per share – attributable to owners of the Company	(1,806)	(37,076)
	二零一七年 2017 股 Shares	二零一六年 2016 股 Shares
Weighted average number of ordinary shares for the purpose loss per share	4,943,780,754	4,949,626,885

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by the share award scheme (the “Share Award Scheme”).

For the years ended 31 December 2017 and 2016, the computation of the diluted loss per share does not assume the exercise of the Company’s share options as such would result in a decrease in loss per share.

14. DIVIDEND

The board of directors of the Company (the “Board”) does not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

No dividend was declared or paid by the Company during the year ended 31 December 2017 (2016: Nil).

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15. 物業、廠房及設備

15. PROPERTY, PLANT AND EQUIPMENT

	樓宇及 建築物 Buildings and structures	租賃裝修 improvements	廠房及機器 Plant and machinery	在建工程 Construction in progress	傢俬、裝置 及設備 Furniture, fixtures and equipment	汽車 Motor vehicles	健身設備 Fitness equipment	總額 Total
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
成本	COST							
於二零一六年一月一日	270,673	3,354	241,543	5,879	7,319	7,788	-	536,556
匯兌調整影響	(25,270)	(938)	(17,575)	(2,118)	(1,522)	(600)	-	(48,023)
收購附屬公司所產生	126,846	11,594	27,337	9,422	17,001	2,614	-	194,814
添置	3,199	1,117	4,973	36,800	2,170	631	-	48,890
出售及撇銷	(7,194)	(942)	(6,166)	-	(435)	(4,280)	-	(19,017)
重新分類	1,469	-	9,838	(12,418)	1,085	26	-	-
於二零一六年十二月三十一日	369,723	14,185	259,950	37,565	25,618	6,179	-	713,220
匯兌調整影響	27,377	2,845	19,850	4,941	2,107	512	505	58,137
收購附屬公司所產生	-	43,855	7,070	10,790	3,308	795	12,337	78,155
添置	101	6,659	13,712	50,922	4,536	5,542	1,285	82,757
出售及撇銷	(9,558)	(1,812)	(13,342)	(1,209)	(819)	(3,289)	(511)	(30,540)
重新分類	1,787	7,813	430	(14,786)	655	(6)	4,107	-
於二零一七年十二月三十一日	389,430	73,545	287,670	88,223	35,405	9,733	17,723	901,729
折舊	DEPRECIATION							
於二零一六年一月一日	46,036	543	100,794	-	3,753	4,550	-	155,676
匯兌調整影響	(3,271)	(58)	(7,236)	-	(344)	(310)	-	(11,219)
本年度撥備	8,970	1,458	13,895	-	2,559	1,375	-	28,257
於出售及撇銷時對銷	(3,301)	(942)	(3,497)	-	(435)	(3,535)	-	(11,710)
減值	-	-	-	-	4	8	-	12
於二零一六年十二月三十一日	48,434	1,001	103,956	-	5,537	2,088	-	161,016
匯兌調整影響	4,109	345	8,496	-	612	139	54	13,755
本年度撥備	11,982	12,716	16,216	-	5,776	1,971	2,695	51,356
於出售及撇銷時對銷	(2,697)	(1,810)	(6,604)	-	(771)	(2,565)	(484)	(14,931)
於二零一七年十二月三十一日	61,828	12,252	122,064	-	11,154	1,633	2,265	211,196
賬面值	CARRYING VALUES							
於二零一七年十二月三十一日	327,602	61,293	165,606	88,223	24,251	8,100	15,458	690,533
於二零一六年十二月三十一日	321,289	13,184	155,994	37,565	20,081	4,091	-	552,204

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15. 物業、廠房及設備 (續)

以上物業、廠房及設備(在建工程除外)乃以直線法按以下年率折舊:

樓宇及建築物	2.5% – 9%
租賃裝修	4.5% – 18%
廠房及機器	5% – 9%
傢俬、裝置及設備	9% – 20%
汽車	18% – 33.3%
健身設備	14.3%

本集團之樓宇位於中國之租賃土地。

資產抵押之詳情請參閱附註47。

16. 設備及機器之按金

上海上聯於二零一二年九月二十八日與獨立第三方訂立三份購買協議，以購買若干設備及機器，總代價為人民幣380,000,000元(相當於約456,018,000港元(二零一六年: 424,581,000港元))。根據三份購買協議購買之設備及機器旨在未來用於上海浦東白龍港所在之新水泥生產設施發展項目(「白龍港項目」)，本集團及本公司無意將該等設備及機器留作自用。於二零一七年十二月三十一日，上海上聯已支付三份購買協議總代價之各首期付款合共人民幣68,270,000元(二零一六年: 人民幣68,270,000元)(相當於約81,927,000港元(二零一六年: 76,279,000港元))。交易詳情載於本公司日期為二零一二年十月三日之公告、日期為二零一二年十一月十五日之通函及本綜合財務報表附註44。

15. PROPERTY, PLANT AND EQUIPMENT*(CONTINUED)*

The above property, plant and equipment other than construction in progress are depreciated on a straight-line basis at the following rates per annum:

Buildings and structures	2.5% – 9%
Leasehold improvements	4.5% – 18%
Plant and machinery	5% – 9%
Furniture, fixtures and equipment	9% – 20%
Motor vehicles	18% – 33.3%
Fitness equipment	14.3%

The buildings of the Group are situated on the leasehold land in the PRC.

Details of the pledged of assets referred to note 47.

16. DEPOSITS FOR EQUIPMENT AND MACHINERIES

On 28 September 2012, Shanghai SAC entered into three purchase agreements with independent third parties for the purchases of certain equipment and machineries at the aggregate consideration of RMB380,000,000 (equivalent to approximately HK\$456,018,000 (2016: HK\$424,581,000)). The equipment and machineries under the three purchase agreements were purchased for future use in the development of new cement production facilities at Bailonggang, Pudong, Shanghai ("Bailonggang Project") and the Group and the Company do not intend to retain such equipment and machineries for their own use. As at 31 December 2017, Shanghai SAC has settled the respective first payments of the total consideration in an aggregate amount of RMB68,270,000 (2016: RMB68,270,000) (equivalent to approximately HK\$81,927,000 (2016: HK\$76,279,000)) under the three purchase agreements. Details of the transaction were set out in the announcement and circular of the Company dated 3 October 2012 and 15 November 2012 respectively and note 44 to these consolidated financial statements.

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17. 土地使用權之預付租賃款項

17. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
土地使用權之預付租賃款項包括：	The prepaid lease payments on land use rights comprise:		
中期租賃下之中國租賃土地	Leasehold land in the PRC under medium-term lease	110,429	105,877
就報告而作出之分析如下：	Analysed for reporting purposes as:		
非流動	Non-current	107,140	104,378
流動	Current	3,289	1,499
		110,429	105,877

租賃土地乃以直線法按剩餘租期釋出。

The leasehold land is released on a straight-line basis over the remaining term of leases.

資產抵押之詳情請參閱附註47。

Details of the pledged of assets referred to note 47.

18. 投資物業

18. INVESTMENT PROPERTIES

		千港元 HK\$'000
成本	COST	
於二零一六年一月一日	At 1 January 2016	–
匯兌調整影響	Effect on exchange adjustments	(333)
收購附屬公司所產生	Arising on acquisition of subsidiaries	5,466
於二零一六年十二月三十一日	At 31 December 2016	5,133
匯兌調整影響	Effect on exchange adjustments	377
於二零一七年十二月三十一日	At 31 December 2017	5,510
攤銷	AMORTISATION	
於二零一六年一月一日	At 1 January 2016	–
本年度扣除	Charge for the year	67
於二零一六年十二月三十一日	At 31 December 2016	67
匯兌調整影響	Effect on exchange adjustments	9
本年度扣除	Charge for the year	158
於二零一七年十二月三十一日	At 31 December 2017	234
賬面值	CARRYING VALUE	
於二零一七年十二月三十一日	At 31 December 2017	5,276
於二零一六年十二月三十一日	At 31 December 2016	5,066

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19. 商譽

19. GOODWILL

		千港元 HK\$'000
成本	COST	
於二零一六年一月一日	At 1 January 2016	–
收購附屬公司所產生	Arising on acquisition of subsidiaries	219,492
匯兌調整影響	Effect on exchange adjustments	(1,937)
		<hr/>
於二零一六年十二月三十一日	At 31 December 2016	217,555
收購附屬公司所產生(附註41)	Arising on acquisition of subsidiaries (note 41)	219,417
匯兌調整影響	Effect on exchange adjustments	2,188
		<hr/>
於二零一七年十二月三十一日	At 31 December 2017	<u>439,160</u>

於二零一七年五月二十九日，本集團完成自一名獨立第三方進行之True收購事項，現金代價為36,720,000美元（相當於284,580,000港元）。因收購而產生之商譽金額為219,417,000港元。詳情請參閱附註41。

On 29 May 2017, the Group completed the True Acquisition from an independent third party at a cash consideration of US\$36,720,000 (equivalent to HK\$284,580,000). The amount of goodwill arising as a result of the acquisition was HK\$219,417,000. Details referred to note 41.

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

20. 無形資產

20. INTANGIBLE ASSETS

	探礦權 Mining right 千港元 HK\$'000	會所會籍 Club membership 千港元 HK\$'000	產品許可證 Product license 千港元 HK\$'000	商標 Trademark 千港元 HK\$'000 (note a) (附註a)	特許協議 Franchise agreement 千港元 HK\$'000 (note b) (附註b)	客戶關係 Customer relationship 千港元 HK\$'000	開發費用 Development expenditure 千港元 HK\$'000	電腦軟件 Computer software 千港元 HK\$'000	總額 Total 千港元 HK\$'000
成本	COST								
於二零一六年一月一日	11,091	-	-	-	-	-	-	-	11,091
匯兌調整影響	(719)	-	(427)	-	-	-	-	-	(1,146)
收購附屬公司所產生	-	-	6,947	-	-	-	-	-	6,947
添置	850	278	-	-	-	-	-	-	1,128
於二零一六年十二月三十一日	11,222	278	6,520	-	-	-	-	-	18,020
匯兌調整影響	831	-	553	(599)	(1,260)	(112)	286	-	(301)
收購附屬公司所產生	-	-	-	93,475	196,576	17,534	-	-	307,585
添置	-	-	-	-	-	-	6,555	236	6,791
於二零一七年十二月三十一日	12,053	278	7,073	92,876	195,316	17,422	6,841	236	332,095
攤銷	AMORTISATION								
於二零一六年一月一日	2,041	-	-	-	-	-	-	-	2,041
匯兌調整影響	(144)	-	(8)	-	-	-	-	-	(152)
本年度扣除	272	-	184	-	-	-	-	-	456
於二零一六年十二月三十一日	2,169	-	176	-	-	-	-	-	2,345
匯兌調整影響	173	-	44	-	-	-	-	-	217
本年度扣除	291	-	(891)	-	3,798	2,033	-	-	5,231
於二零一七年十二月三十一日	2,633	-	(671)	-	3,798	2,033	-	-	7,793
賬面值	CARRYING VALUES								
於二零一七年十二月三十一日	9,420	278	7,744	92,876	191,518	15,389	6,841	236	324,302
於二零一六年十二月三十一日	9,053	278	6,344	-	-	-	-	-	15,675

附註：

(a) 本集團之商標具有有限法律年期，惟可於到期時以極低成本續期。董事認為，本集團會持續並有能力為商標續期。因此，董事視商標為具有無限可使用年期，因預期商標會對現金流入淨額產生無限期貢獻。商標將不作攤銷，直至可使用年期被評定為有限為止。取而代之，商標將每年及每當有跡象顯示可能出現減值時作減值測試。

Notes:

(a) The Group's trademark has finite legal lives but is renewable upon expiry at minimal costs. The Directors are of the opinion that the Group would renew the trademark continuously and has the ability to do so. As a result, the trademark is considered by the Directors as having indefinite useful lives because it is expected to contribute to net cash inflows indefinitely. The trademark will not be amortised until its useful lives is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that they may be impaired.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

20. 無形資產 (續)

附註：(續)

- (b) 於True收購事項完成時，本集團向True Yoga集團授出及提供於台灣經營特許業務之非獨家權利，自二零一七年五月二十九日起為期30年，而True Yoga集團將每月支付特許權費。每月支付之特許權費將細分為(i)特許權費及(ii)服務費。於截至二零一七年十二月三十一日止年度已確認特許權費收入31,252,000港元(二零一六年：無)及服務費收入2,074,000港元(二零一六年：無)。

除具無限可使用年期之會所會籍及商標外，無形資產按直線法於以下期間攤銷：

採礦權	50年
產品許可證	7年
特許協議	30年
客戶關係	5年
開發費用	10年
電腦軟件	3年

20. INTANGIBLE ASSETS (CONTINUED)

Notes: (CONTINUED)

- (b) Upon completion of the True Acquisition, the Group grants and provides True Yoga Group with non-exclusive rights to operate the franchise business in Taiwan for a term of 30 years commencing from 29 May 2017 and True Yoga Group shall pay a monthly franchise fee. The monthly franchise fee will be sub-divided as (i) royalty fee and (ii) service fee. During the year ended 31 December 2017, royalty fee income and service fee income of HK\$31,252,000 (2016: Nil) and HK\$2,074,000 (2016: Nil), respectively, are recognised.

Other than the club membership and trademark, which have indefinite useful lives, the intangible assets are amortised on a straight-line basis over the following periods:

Mining right	50 years
Product license	7 years
Franchise agreement	30 years
Customer relationship	5 years
Development expenditure	10 years
Computer software	3 years



綜合財務報表附註 Notes to the Consolidated Financial Statements

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21. 商譽及無形資產減值評估

為評估商譽之減值，附註19所詳述之商譽賬面值已分配至兩組（二零一六年：一組）現金產生單位如下：

製造及銷售處方藥及實驗室相關產品（「單位A」）	Manufacturing and sales of prescription drugs and laboratory related products ("Unit A")
經營健身中心及提供健身和健康諮詢服務（「單位B」）	Operating fitness centres and providing consultation services for fitness and health activities ("Unit B")

本集團管理層確定，於截至二零一七年及二零一六年十二月三十一日止年度，其包含商譽在內之現金產生單位概無減值。上述現金產生單位之可收回金額之基準及其主要相關假設概述如下：

為評估附註20所載之無形資產（本集團之會所會籍及商標）之減值，有關無形資產已分配至預期可產生未來經濟利益之單位B個別現金產生單位。

上述現金產生單位之可收回金額乃基於使用價值計算法釐定。該計算法採用以管理層所審批未來五年之財務預算為基礎之現金流量預測，而單位A及單位B之貼現率分別為15%及18.53%（二零一六年：15.5%（單位A）），由估值師使用資本資產定價模型釐定。使用價值計算法乃由獨立估值師釐定。單位A與單位B超過五年期之現金流量使用3%（二零一六年：2.3%（單位A））之穩定增長率推算。該等增長率以相關行業預測為基礎，且不會超過相關行業之平均長遠增長率。使用價值計算法之其他主要假設包括預算銷售額及毛利率以及相關現金流入及流出模式，乃基於該等單位之過往表現及管理層對市場發展之預期估計。管理層相信，任何該等假設之任何合理及可能變動不會導致單位A與單位B之可收回金額跌至低於其各自之賬面金額。

21. IMPAIRMENT ASSESSMENT ON GOODWILL AND INTANGIBLE ASSETS

For the purposes of impairment assessment of goodwill, the carrying value of goodwill as detailed in Note 19 have been allocated to two (2016: one) groups of CGUs, as follows:

商譽	
Goodwill	
二零一七年	二零一六年
2017	2016
千港元	千港元
HK\$'000	HK\$'000
219,746	217,555
219,414	—
439,160	217,555

Management of the Group determined that there were no impairment in any of its CGUs containing goodwill during the years ended 31 December 2017 and 2016. The basis of the recoverable amounts of the above CGUs and their principal underlying assumptions are summarised below.

For the purposes of impairment assessment of intangible assets of club membership and trademark of the Group as set out in Note 20, they are allocated to individual CGUs of Unit B that are expected to generate future economic benefits.

The recoverable amounts of the above CGUs have been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a five-year period, and discount rates for Unit A and Unit B are 15% and 18.53% respectively (2016: 15.5% for Unit A), determined by valuers using Capital Assets Pricing Model. The value in use calculation were determined by independent valuers. The cash flows beyond the five-year period are extrapolated using a steady growth rate of 3% for both Unit A and Unit B (2016: 2.3% for Unit A). These growth rates are based on the forecasts of the relevant industries and do not exceed the average long-term growth rate for the relevant industries. Other key assumptions for the value in use calculations included budgeted sales and gross margins and their related cash inflows and outflows patterns, estimated based on the units' historical performance and the management's expectation of the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the recoverable amounts of Unit A and Unit B to fall below their respective carrying amounts.

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22. 於聯營公司之權益

22. INTERESTS IN ASSOCIATES

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
投資成本，非上市	Cost of investment, unlisted	21,640	2,615
匯兌調整影響	Effect on exchange adjustments	-	1
應佔收購後儲備	Share of post-acquisition reserves	(8,633)	(15)
		13,007	2,601

本集團於二零一七年十二月三十一日之聯營公司之詳情載於附註53。

本集團於報告期末之重大聯營公司為於開曼群島註冊成立之True Yoga Holdings Limited。誠如附註41(A)所披露，True Yoga Holdings Limited之29%股本權益已於二零一七年五月二十九日由本集團收購。True Yoga集團在台灣從事經營健身中心及提供健身和健康諮詢服務。

根據香港財務報告準則編製有關True Yoga集團之財務資料概要載列如下。

Particulars of the Group's associate at 31 December 2017 are set out in note 53.

The Group's material associate at the end of the reporting period is True Yoga Holdings Limited, which was incorporated in the Cayman Islands. As disclosed in note 41(A), 29% equity interest in True Yoga Holdings Limited was acquired by the Group on 29 May 2017. True Yoga Group is engaged in operating fitness centres and providing consultation services for fitness and health activities in Taiwan.

Summarised financial information in respect of True Yoga Group prepared in accordance with HKFRSs is set out below.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

22. 於聯營公司之權益 (續)

22. INTERESTS IN ASSOCIATES (CONTINUED)

		二零一七年 2017 千港元 HK\$'000
收入	Revenue	224,332
本年度虧損及全面收益總額	Loss and total comprehensive income for the year	(29,768)
本集團應佔本年度虧損及全面支出總額	Loss and total comprehensive expense for the year, attributable to the Group	(8,633)
已收股息	Dividends received	-
非流動資產	Non-current assets	186,501
流動資產	Current assets	120,895
非流動負債	Non-current liabilities	(49,935)
流動負債	Current liabilities	(212,609)
		44,852
與於聯營公司之權益賬面金額之對賬：	Reconciliation to the carrying amount of interest in the associate:	
聯營公司股權持有人應佔淨資產	Net assets attributable to the equity holders of the associate	44,852
本集團於聯營公司之擁有權權益比例	Proportion of the Group's ownership interest in the associate	29%
本集團於聯營公司之權益之淨資產	Net assets of the Group's interest in the associate	13,007

綜合財務報表附註 Notes to the Consolidated Financial Statements

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23. 於一間合營公司之權益

23. INTERESTS IN A JOINT VENTURE

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
投資成本	Cost of investment	36,855	36,855
應佔收購後儲備	Share of post-acquisition reserves	(15,762)	(4,096)
		21,093	32,759

於截至二零一六年十二月三十一日止年度，本集團與一名個人第三方（「個人」）訂立普通合夥投資及股東協議。根據該協議，本集團與個人共同控制泰勝投資有限公司（「泰勝」），而泰勝為普通合夥人，全面控制 Tongfang Konta Capital L.P.（「Konta Capital」）。Konta Capital 持有 Apros Therapeutics, Inc.（「Apros」，一間根據美利堅合眾國特拉華州法律正式註冊成立之公司，主力從事免疫學及小分子醫療研究）68.74% 權益。本集團投資 4,750,000 美元（相當於 36,855,000 港元）於 Konta Capital，因而以有限合夥人身份直接持有 Konta Capital 之 99.99% 權益，並透過一間非全資附屬公司向 Konta Capital 提供管理服務。因此，Konta Capital 實際為本集團擁有 99.99% 權益之合營公司。

During the year ended 31 December 2016, the Group entered into a General Partner Investment and Shareholders Agreement with an individual third party (the "Individual"). Pursuant to the agreement, the Group and the Individual jointly controlled Taisheng Investment Co., Ltd. ("Taisheng"), and Taisheng is the general partner and in turns has full control over Tongfang Konta Capital L.P. ("Konta Capital") which holds 68.74% of Apros Therapeutics, Inc. ("Apros"), a company duly incorporated under the laws of Delaware, the United States of America, and engaged in medical research with a focus in immunology and small molecule. The Group invested US\$4,750,000 (equivalent to HK\$36,855,000) in Konta Capital and, accordingly, directly held 99.99% of Konta Capital as a limited partner and also provided management services to Konta Capital via a non-wholly owned subsidiary. Accordingly, Konta Capital is a 99.99% joint venture of the Group effectively.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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23. 於一間合營公司之權益 (續)

本集團擁有可認購250,000股泰勝股份之選擇權，該選擇權一經行使，本集團可對泰勝行使控制權。選擇權可於(i)投資日期滿四週年當日（即二零二零年八月五日）；及(ii)Apros就先導化合物完成專利註冊兩者中之較早者後隨時行使。董事認為，認購選擇權之價值並不重大。

董事認為，該投資將提升本集團於發展醫療及醫藥產品方面之研究及創新能力。

本集團於二零一七年十二月三十一日之合營公司之詳情載於附註54。

根據香港財務報告準則編製有關本公司合營公司及其附屬公司（「Konta Capital集團」）之財務資料概要載列如下。

23. INTERESTS IN A JOINT VENTURE

(CONTINUED)

The Group has an option to subscribe for 250,000 shares of Taisheng, which by then the Group could exercise control over Taisheng. The option shall be exercisable at any time after the earlier of (i) the fourth anniversary of the date of investment (i.e. 5 August 2020) and (ii) the registration of a patent for a lead compound by Apros. In the opinion of the Directors, the value of the subscription option is insignificant.

The Directors consider that the investment will enhance the research and innovation capability of the Group in the development of medical and pharmaceutical products.

Particulars of the Group's joint venture at 31 December 2017 are set out in note 54.

Summarised financial information in respect of the Company's joint venture and its subsidiary ("Konta Capital Group") prepared in accordance with HKFRSs is set out below.

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
流動資產	Current assets	29,856	30,049
非流動資產	Non-current assets	-	1,109
流動負債	Current liabilities	(15,942)	(261)
非流動負債	Non-current liabilities	-	-
非控股權益－虧絀	Non-controlling interests – deficit	7,179	1,862

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23. 於一間合營公司之權益 (續)

23. INTERESTS IN A JOINT VENTURE

(CONTINUED)

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
上述資產及負債金額 包括以下各項：	The above amounts of assets and liabilities include the following:		
現金及現金等價物	Cash and cash equivalents	14,058	29,765
流動金融負債(不包括 應付貿易款項及其他 應付款項以及撥備)	Current financial liabilities (excluding trade and other payables and provision)	15,942	131
收入	Revenue	-	-
折舊	Depreciation	(1,109)	(192)
本公司股東應佔虧損	Loss attributable to owners of the Company	(11,666)	(4,096)
非控股權益應佔虧損	Loss attributable to non-controlling interests	(5,276)	(1,862)
本年度虧損	Loss for the year	(16,942)	(5,958)

上述財務資料與綜合財務報表內所確
認於Konta Capital集團之權益賬面金
額之對賬：

Reconciliation of the above financial information to the
carrying amount of the interest in Konta Capital Group
recognised in the consolidated financial statements:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
Konta Capital集團之 淨資產	Net assets of Konta Capital Group	21,093	32,759
本集團於Konta Capital集團 之擁有權權益比例	Proportion of the Group's ownership interest in Konta Capital Group	99.99%	99.99%
本集團於Konta Capital集團 之權益賬面金額	Carrying amount of the Group's interest in Konta Capital Group	21,093	32,759

24. 持作銷售物業

結餘指位於中國之已落成物業。

24. PROPERTIES HELD FOR SALE

The balance represented completed properties located in the
PRC.

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

25. 存貨

25. INVENTORIES

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
存貨包括下列項目：	Inventories consist of the following:		
原料	Raw materials	28,276	33,561
在製品	Work in progress	16,155	10,675
製成品	Finished goods	52,970	34,252
		97,401	78,488

26. 應收貿易款項及應收票據

26. TRADE AND BILLS RECEIVABLES

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
應收貿易款項	Trade receivables	421,126	280,038
減：應收貿易款項撥備	Less: Allowance for trade receivables	(20,368)	(34,562)
		400,758	245,476
應收票據	Bills receivables	131,913	102,513
		532,671	347,989

本集團之政策為給予貿易客戶一般介乎30天至1年不等之信貸期。於報告期末基於發票日期呈列之應收貿易款項及應收票據（扣除呆壞賬撥備）之賬齡分析如下：

The Group has a policy of allowing its trade customers credit periods normally ranging from 30 days to 1 year. The aged analysis of trade and bills receivables, net of allowance for bad and doubtful debts, is presented based on the invoice date at the end of the reporting period as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
0至90天	0 to 90 days	254,138	206,377
91至180天	91 to 180 days	197,028	93,456
181至365天	181 to 365 days	74,446	36,812
超過1年	Over 1 year	7,059	11,344
		532,671	347,989

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26. 應收貿易款項及應收票據

(續)

在接納任何新客戶前，本集團將評估潛在客戶之信貸質素和釐定客戶之信貸限額。客戶之限額及評分每年檢討兩次。約99%（二零一六年：約97%）之應收貿易款項及應收票據並無逾期或減值。本集團管理層認為，於報告期末並無逾期或減值之應收貿易款項及應收票據結餘之信貸質素良好，且該等客戶與本集團建有長期合作關係。

於二零一七年十二月三十一日，本集團之應收貿易款項及應收票據結餘包括於報告期末已逾期而本集團並無計提減值虧損之應收賬款，賬面總額為7,059,000港元（二零一六年：11,344,000港元）。

於報告期末已逾期但未減值之應收貿易款項之賬齡分析如下：

超過1年 Over 1 year

應收貿易款項之賬面金額已扣除下列減值撥備：

年初結餘	Balance at beginning of the year	34,562	32,971
匯兌差額	Exchange difference	2,768	(2,410)
就應收款項確認之減值虧損	Impairment losses recognised on receivables	4,422	4,109
作為無法收回款項撇銷之款項	Amounts written off as uncollectible	(19,658)	-
年內收回之款項	Amounts recovered during the year	(1,726)	(108)

26. TRADE AND BILLS RECEIVABLES

(CONTINUED)

Before accepting any new customer, the Group will assess the potential customer's credit quality and define credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Approximately 99% (2016: approximately 97%) of the trade and bills receivables were neither past due nor impaired. Management of the Group is of the opinion that the credit quality of the trade and bills receivables balances that are neither past due nor impaired at the end of the reporting period is of good quality and these customers have long term relationship with the Group.

At 31 December 2017, included in the Group's trade and bills receivables balances are debtors with aggregate carrying amount of HK\$7,059,000 (2016: HK\$11,344,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss.

The following is an aged analysis of trade receivables that were past due at the end of the reporting period but not impaired:

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
7,059	11,344

The carrying amount of the trade receivables is after netting off the following impairment allowances:

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
34,562	32,971
2,768	(2,410)
4,422	4,109
(19,658)	-
(1,726)	(108)
20,368	34,562

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26. 應收貿易款項及應收票據

(續)

於二零一七年十二月三十一日，呆壞賬撥備內包括總結餘為20,368,000港元(二零一六年：34,562,000港元)之個別已減值應收貿易款項，該等結餘乃經考慮應收貿易款項之客戶信貸歷史(包括拖欠或延遲付款、後續付款、應收貿易款項賬齡分析及與客戶之業務關係)後評估。本集團並無就該等結餘持有任何抵押品。

27. 其他應收款項、按金及預付款項**26. TRADE AND BILLS RECEIVABLES**

(CONTINUED)

At 31 December 2017, included in the allowance for bad and doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$20,368,000 (2016: HK\$34,562,000) which was assessed after considering the credit history of the customers, including default or delay in settlement, subsequent settlements, aging analysis of trade receivables and the business relationship with the customers. The Group does not hold any collateral over these balances.

27. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
向供應商提供之墊款	Advance to suppliers	83,183	66,983
已付按金	Deposits paid	19,339	2,069
預付款項	Prepayments	4,774	10,096
其他應收款項(附註)	Other receivables (note)	41,863	56,634
應收銀行利息收入	Bank interest income receivable	273	5,246
		149,432	141,028

附註：其他應收款項內包括一筆應收獨立第三方款項15,664,000港元(二零一六年：13,610,000港元)，按年利率6%(二零一六年：6%)計息，須於二零一八年償還。

Note: There is a receivable from independent third party amounting to HK\$15,664,000 (2016: HK\$13,610,000) carrying interest at 6% (2016: 6%) per annum included in other receivables which is repayable in 2018.

其他應收款項之賬面金額已扣除下列減值撥備：

The carrying amount of other receivables is after netting of the following impairment allowances:

		千港元 HK\$'000
於二零一六年一月一日及 二零一六年十二月三十一日	At 1 January 2016 and 31 December 2016	—
已確認之減值虧損	Impairment losses recognised	15,154
於二零一七年十二月三十一日	At 31 December 2017	15,154

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28. 應收貸款

28. LOANS RECEIVABLES

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
應收貸款	Loans receivables		
逆回購合同	Reverse repurchase agreements (a)	74,437	125,981
其他應收貸款	Other loans receivables (b)	104,441	41,283
		178,878	167,264

(a) 逆回購協議

於截至二零一七年十二月三十一日止年度，本集團作為逆回購方透過上海證券交易所訂立以人民幣計值之債券質押式回購交易，本金總額為人民幣2,517,300,000元（相當於3,020,881,000港元）（二零一六年：人民幣578,100,000元（相當於645,922,000港元）），到期期間介乎1至28天，按年利率介乎2.30%至13.54%（二零一六年：2.06%至9.30%）計息。該等逆回購協議分類為貸款及應收款項，按攤銷成本列賬。

於截至二零一七年十二月三十一日止年度，本金總額為人民幣2,568,100,000元（相當於3,081,843,000港元）（二零一六年：人民幣465,400,000元（相當於520,000,000港元））之逆回購協議已到期及已贖回。

(b) 其他應收貸款

於二零一七年十二月三十一日，本金總額為人民幣35,000,000元及人民幣50,000,000元（分別相當於39,106,000港元及60,002,000港元）之其他應收貸款分別按年利率12%及6%計息，並按攤銷成本列賬，乃到期日為報告期末後一年內之應收貸款。

於二零一六年十二月三十一日，本金總額為人民幣35,000,000元（相當於39,106,000港元）之其他應收貸款按年利率12%計息，並按攤銷成本列賬，乃到期日為報告期末後一年內之應收款項。

(a) Reverse repurchase agreements

During the year ended 31 December 2017, the Group, as the reverse repo party, entered into pledge-style bond repo transactions that were denominated in RMB with the aggregate principal amount of RMB2,517,300,000 (equivalent to HK\$3,020,881,000) (2016: RMB578,100,000 (equivalent to HK\$645,922,000)) through the Shanghai Stock Exchange with maturity periods from 1 day to 28 days and carried interest ranged from 2.30% to 13.54% (2016: 2.06% to 9.30%) per annum. Such reverse repurchase agreements are classified as loans and receivables and stated at amortised cost.

During the year ended 31 December 2017, reverse repurchase agreements with aggregate principal amount of RMB2,568,100,000 (equivalent to HK\$3,081,843,000) (2016: RMB465,400,000 (equivalent to HK\$520,000,000)) had matured and been redeemed.

(b) Other loans receivables

As at 31 December 2017, other loans receivables with aggregate principal amount of RMB35,000,000 and RMB50,000,000 (equivalent to HK\$39,106,000 and HK\$60,002,000, respectively) carrying interest at 12% and 6%, respectively, per annum are stated at amortised cost. It represented the loans receivables with maturity within one year from the end of the reporting period.

As at 31 December 2016, other loans receivable with aggregate principal amount of RMB35,000,000 (equivalent to HK\$39,106,000) carrying interest at 12% per annum was stated at amortised cost. It represented a receivable with maturity within one year from the end of the reporting period.

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29. 透過損益賬按公平價值處理之金融資產

29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
持作買賣投資	Held for trading investments		
債券	Bonds (a)	31,635	79,438
於香港上市之股本證券	Equity securities listed in Hong Kong (b)	21,324	15,849
於香港以外上市之股本證券	Equity securities listed outside Hong Kong (b)	428	2,783
交易所買賣基金	Exchange-traded funds (b)	2	–
指定透過損益賬按公平價值處理之金融資產	Financial assets designated as at fair value through profit or loss		
於中國上市之可換股債券	Convertible bonds listed in the PRC (c)	36,504	–
匯率掛鈎結構性存款	Exchange rate linked structured deposits (d)	24,827	22,434
		114,720	120,504

(a) 債券

該等債券以美元（「美元」）計值，按年利率3.99%至4.00%計息。由於本集團擬短期持有該等債券及作流動資金用途，故該等債券分類為持作買賣投資。

(b) 股本證券及交易所買賣基金

股本證券按公平價值列賬，而該公平價值乃根據有關證券交易所所報之市場買入價釐定。

(a) Bonds

The bonds were denominated in the United States dollars ("US\$") and carried interest at 3.99% to 4.00% per annum. The bonds are classified as held for trading investments since the Group intended to hold the bonds for short term and liquidity purposes.

(b) Equity securities and exchange-traded funds

Equity securities are stated at fair value which is determined based on the quoted market bid price available on the relevant stock exchanges.

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29. 透過損益賬按公平價值處理之金融資產 (續)**(c) 可換股債券**

於截至二零一七年十二月三十一日止年度，本集團購入可換股債券人民幣30,000,000元（相當於36,001,000港元）。可換股債券以人民幣計值，於三年期內按年利率2%、2.5%及3%計息。

(d) 匯率掛鉤結構性存款

於截至二零一七年十二月三十一日止年度，本集團與銀行訂立以人民幣計值之新保本型匯率掛鉤結構性存款，本金總額為人民幣20,000,000元（相當於24,001,000港元）（二零一六年：人民幣135,000,000元（相當於150,838,000港元）），到期期限為一個月。

於截至二零一七年十二月三十一日止年度，本金總額為人民幣20,000,000元（相當於24,001,000港元）（二零一六年：人民幣135,000,000元（相當於150,838,000港元））之結構性存款已到期及已按人民幣20,617,000元（相當於24,741,000港元）（二零一六年：人民幣115,997,000元（相當於129,606,000港元））贖回，且產生截至二零一七年十二月三十一日止年度指定為透過損益賬按公平價值處理之金融資產之公平價值收益人民幣1,227,000元（相當於1,411,000港元）（二零一六年：人民幣1,075,000元（相當於1,256,000港元））。

該等結構性存款之利率因應美元與澳元之匯率變動而浮動。該等結構性存款於首次確認時被指定為透過損益賬按公平價值處理之金融資產。

資產抵押之詳情請參閱附註47。

29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**(c) Convertible bonds**

During the year ended 31 December 2017, the Group purchased convertible bonds of RMB30,000,000 (equivalent to HK\$36,001,000). The convertible bonds were denominated in RMB and carried interest at 2%, 2.5% and 3% per annum during the three years duration.

(d) Exchange rate linked structured deposits

During the year ended 31 December 2017, the Group entered into new principal protected exchange rate linked structured deposits that were denominated in RMB with the aggregate principal amount of RMB20,000,000 (equivalent to HK\$24,001,000) (2016: RMB135,000,000 (equivalent to HK\$150,838,000)) with banks with maturity periods of one month.

Structured deposits with aggregate principal amount of RMB20,000,000 (equivalent to HK\$24,001,000) (2016: RMB135,000,000 (equivalent to HK\$150,838,000)) had matured and been redeemed at RMB20,617,000 (equivalent to HK\$24,741,000) (2016: RMB115,997,000 (equivalent to HK\$129,606,000)) during the year ended 31 December 2017 and resulted in fair value gains on financial assets designated as at fair value through profit or loss of RMB1,227,000 (equivalent to HK\$1,411,000) (2016: RMB1,075,000 (equivalent to HK\$1,256,000)) for the year ended 31 December 2017.

Interest rates of these structured deposits vary depending on the movement of exchange rate between the US\$ and the Australian Dollars. Such structured deposits are designated as financial assets at fair value through profit or loss on initial recognition.

Details of the pledged of assets referred to note 47.

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**30. 已抵押銀行存款／定期存款
／現金及現金等價物**

於二零一七年十二月三十一日，所有已抵押銀行存款均按固定年利率0.05%至1.50%（二零一六年：0.90%至1.50%）計息。除為獲得一年後到期之銀行借貸而抵押並分類為非流動資產之2,247,000港元（二零一六年：無）外，餘額乃用於獲得短期銀行融資並分類為流動資產。

於二零一六年十二月三十一日，原到期日為四至十二個月之定期存款包括本集團持有並按固定年利率4.3%計息之銀行結餘。

於二零一六年十二月三十一日，本集團之現金及現金等價物包括原到期日為三個月內並按固定年利率0.9%（二零一七年：無）計息之定期存款1,366,000港元（二零一七年：無）。

本集團持有之其他銀行結餘乃按市場利率計息，年利率介乎0.00%至0.35%（二零一六年：0.00%至0.35%）。

31. 應付貿易款項及應付票據

於報告期末基於發票日期呈列之本集團應付貿易款項及應付票據之賬齡分析如下：

0至90天	0 to 90 days
91至180天	91 to 180 days
181至365天	181 to 365 days
超過1年	Over 1 year

**30. PLEDGED BANK DEPOSITS/
TIME DEPOSITS/CASH AND CASH
EQUIVALENTS**

As at 31 December 2017, all pledged bank deposits carry fixed interest rate ranging from 0.05% to 1.50% (2016: 0.90% to 1.50%) per annum. Except for the amount of HK\$2,247,000 (2016: Nil) that are used to secure bank borrowings due after one year and is classified as non-current assets, the remaining balances are used to secure short-term bank facilities and are classified as current assets.

Time deposits with original maturity between 4 to 12 months comprised bank balances held by the Group and carried fixed interest rate which was 4.3% per annum at 31 December 2016.

At 31 December 2016, included in the Group's cash and cash equivalents are time deposits with original maturity within 3 months of HK\$1,366,000 (2017: Nil) which carried fixed interest at 0.9% (2017: Nil) per annum.

Other bank balances held by the Group carried interest at market rates which range from 0.00% to 0.35% (2016: 0.00% to 0.35%) per annum.

31. TRADE AND BILLS PAYABLES

An aged analysis of the Group's trade and bills payables, presented based on the invoice date, at the end of the reporting period is as follows:

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
81,559	65,230
16,793	50,373
101,539	54,833
7,621	4,992
207,512	175,428

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32. 其他應付款項及已收按金

32. OTHER PAYABLES AND DEPOSITS RECEIVED

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	
購買物業、廠房及 設備應付款項	Payables for acquisition of property, plant and equipment	1,817	3,652
收取客戶墊款	Receipt in advance from customers	18,711	22,043
其他應付稅項	Other tax payables	35,611	25,242
其他應付款項	Other payables	35,328	8,329
其他應計經營費用	Other accrued operating expenses	22,507	17,010
已收按金	Deposits received	1,887	10,070
應付租金	Rental payables	7,921	-
	123,782	86,346	

33. 銀行及其他借貸

33. BANK AND OTHER BORROWINGS

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	
銀行貸款	Bank loans	248,352	536,313
其他借貸	Other borrowings	556,650	543,128
	805,002	1,079,441	
有抵押	Secured	249,795	502,793
無抵押	Unsecured	555,207	576,648
	805,002	1,079,441	

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33. 銀行及其他借貸 (續)

33. BANK AND OTHER BORROWINGS

(CONTINUED)

上述銀行及其他借貸之到期情況如下：

The maturity profile of the above bank and other borrowings is as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
銀行貸款之賬面金額 須償還如下： 一年內	The carrying amount of bank loans are repayable as follows: Within one year	248,352	536,313
其他借貸之賬面金額須 償還如下： 一年內	The carrying amount of other borrowing is repayable as follows: Within one year	381,166	380,000
一年以上但不超過兩年	More than one year but not exceeding two years	180	–
兩年以上但不超過五年	More than two years but not exceeding five years	175,304	163,128
		556,650	543,128
銀行及其他借貸	Bank and other borrowings	805,002	1,079,441
減：一年內到期及計入 流動負債之款項	Less: Amounts due within one year and shown under current liabilities	(629,518)	(916,313)
一年後到期及計入 非流動負債之款項	Amounts due after one year and shown under non-current liabilities	175,484	163,128

於二零一七年十二月三十一日，銀行及其他借貸380,000,000港元（二零一六年：780,000,000港元）乃以港元（並非有關集團實體之功能貨幣）計值。

Bank and other borrowings of HK\$380,000,000 (2016: HK\$780,000,000) were denominated in HK\$ at 31 December 2017, the currency other than the functional currency of the relevant group entities.

於二零一七年十二月三十一日，本集團銀行貸款約246,010,000港元（二零一六年：136,313,000港元）乃由本集團之中介控股公司擔保。

At 31 December 2017, bank loans of approximately HK\$246,010,000 (2016: HK\$136,313,000) of the Group were guaranteed by the Group's intermediate holding company.

本集團為獲得銀行貸款而抵押之資產詳情載於附註47。

Details of the assets of the Group pledged to secure bank loans are set out in notes 47.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

33. 銀行及其他借貸 (續)

33. BANK AND OTHER BORROWINGS

(CONTINUED)

本集團之定息和浮息銀行及其他借貸之風險如下：

The exposures of the Group's fixed-rate and variable-rate bank and other borrowings are as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
須於下列期間償還之定息借貸：	Fixed-rate borrowings repayable:		
一年內	Within one year	1,166	—
一年以上但不超過兩年	More than one year but not more than two years	180	—
兩年以上但不超過五年	More than two years but not more than five years	175,304	163,128
須於下列期間償還之浮息借貸：	Variable-rate borrowings repayable:		
一年內	Within one year	628,352	916,313
		805,002	1,079,441

附帶須定期重新釐定利率之浮息銀行及其他借貸如下：

The variable-rate bank and other borrowings carry interest rate, which are repriced periodically, as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
香港銀行同業拆息加1.35%	Hong Kong Interbank Offered Rate plus 1.35%	—	400,000
香港銀行同業拆息加2.75%	Hong Kong Interbank Offered Rate plus 2.75%	380,000	380,000
中國人民銀行一年期基準利率乘以125%	1-year People's Bank of China benchmark interest rate multiplied by 125%	—	33,520
中國人民銀行一年期基準利率乘以130%	1-year People's Bank of China benchmark interest rate multiplied by 130%	246,009	102,793
3個月倫敦銀行同業拆息加1.75%	3-months London Interbank Offered Rate plus 1.75%	2,343	—
		628,352	916,313

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33. 銀行及其他借貸 (續)

於截至二零一七年及二零一六年十二月三十一日止年度，本集團銀行及其他借貸之實際利率（亦與已訂約利率相同）範圍如下：

實際利率：	Effective interest rate:
定息銀行及其他借貸	Fixed-rate bank and other borrowings
浮息銀行及其他借貸	Variable-rate bank and other borrowings

33. BANK AND OTHER BORROWINGS

(CONTINUED)

The ranges of effective interest rates (which are also equal to contracted interest rates) of the Group's bank and other borrowings during the years ended 31 December 2017 and 2016 are as follows:

二零一七年 2017	二零一六年 2016
1.20% – 10.00%	1.20% – 6.84%
2.91% – 7.69%	1.37% – 5.66%

34. 遞延收入

34. DEFERRED INCOME

		政府補助 Government grant 千港元 HK\$'000	遞延收入 Deferred income 千港元 HK\$'000 (note) (附註)	總額 Total 千港元 HK\$'000
於二零一七年一月一日	At 1 January 2017	–	–	–
匯兌調整影響	Effect on exchange adjustments	279	5,979	6,258
收購附屬公司所產生	Arising on acquisition of subsidiaries	–	170,399	170,399
添置	Addition	6,532	142,810	149,342
於損益賬確認	Recognised in profit or loss	(119)	(164,849)	(164,968)
於二零一七年十二月三十一日	At 31 December 2017	6,692	154,339	161,031

附註：遞延收入指就為期一至三年之預付會籍套票或私人訓練課預先收取之分期款項。

Note: Deferred income represents instalments received in advance for prepaid membership packages or personal training classes for one to three years.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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34. 遞延收入 (續)

以下為就財務報告作出之遞延收入分析：

34. DEFERRED INCOME (CONTINUED)

The following is the analysis of the deferred income for financial reporting purposes:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
流動負債	Current liabilities	114,721	—
非流動負債	Non-current liabilities	46,310	—
		161,031	—

35. 股本

35. SHARE CAPITAL

		Number of shares 股份數目	Value 價值 千港元 HK\$'000
每股面值0.002港元之 普通股	Ordinary shares of HK\$0.002 each		
法定	Authorised		
於二零一六年一月一日、 二零一六年 十二月三十一日及 二零一七年 十二月三十一日	At 1 January 2016, 31 December 2016 and 31 December 2017		
		100,000,000	200,000
已發行及繳足	Issued and fully paid		
於二零一六年一月一日、 二零一六年十二月 三十一日及二零一七年 十二月三十一日	At 1 January 2016, 31 December 2016 and 31 December 2017		
		4,950,000,000	9,900

於截至二零一七年十二月三十一日止年度，本公司為股份獎勵計劃以總成本3,484,000港元（二零一六年：860,000港元）購買並持有6,756,000股（二零一六年：1,434,000股）股份，該等股份於權益內「為股份獎勵計劃持有之股份」項下確認及累計。於二零一七年十二月三十一日，為股份獎勵計劃持有之股份總數為8,190,000股（二零一六年：1,434,000股）。

During the year ended 31 December 2017, 6,756,000 (2016: 1,434,000) shares of the Company were acquired at a total cost of HK\$3,484,000 (2016: HK\$860,000) and held for the share award scheme which recognised and accumulated in equity under the heading of "shares held for share award scheme". As at 31 December 2017, the aggregated number of shares held for the share award scheme was 8,190,000 (2016: 1,434,000).



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36. 購股權計劃

本公司之購股權計劃（「購股權計劃」）於二零一一年四月二十八日採納，旨在激勵參與者為本集團作出貢獻，並使本集團得以招聘及挽留具有卓越才幹之僱員，以及吸納及挽留本集團寶貴之人力資源。董事會可向其絕對酌情認為基於表現、服務年期已對本集團業務作出寶貴貢獻，或基於工作經驗、行業知識及其他相關因素被認為是本集團寶貴人力資源之任何個別人士，即本集團任何成員公司之僱員、高級職員、代理、顧問或代表（包括本集團任何成員公司之任何執行或非執行董事），授予可認購本公司股份之購股權。購股權計劃自二零一二年一月十八日起計十年內有效，並將於二零二二年一月十七日屆滿。

因購股權計劃及本公司任何其他購股權計劃已授出而未獲行使之所有尚未行使購股權（不包括已失效及已註銷之購股權）獲行使而可能發行之本公司股份總數限額，不得超過本公司不時已發行股份總數之30%。此外，因根據購股權計劃連同本公司任何其他購股權計劃將授出之所有購股權（不包括已失效之購股權）獲行使而可能發行之本公司股份總數，不得超過本公司股份於聯交所主板上市之日本公司已發行股份總數之10%（「計劃授權限額」），或批准更新計劃授權限額之日本公司已發行股份總數之10%。

由於二零一五年進行普通股拆細（「股份拆細」），故根據購股權計劃可供發行之股份總數已作調整。於二零一七年十二月三十一日，根據購股權計劃可供發行之股份總數為361,700,000股（二零一六年：330,000,000股），相當於二零一七年十二月三十一日及本報告日期本公司已發行股份總數（即4,950,000,000股）約7.31%（二零一六年：6.66%）。

36. SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted on 28 April 2011 for the purpose of providing incentives to participants to contribute to the Group and to enable the Group to recruit and retain high-calibre employees and attract and retain human resources that are valuable to the Group. The Board may grant an option to subscribe for the shares in the Company to any individual being an employee, officer, agent, consultant or representative of any members of the Group (including any executive or non-executive director of any member of the Group) who, as the Board may determine in its absolute discretion, has made valuable contribution to the business of the Group based on his/her performance, years of service, or is regarded to be a valuable human resource of the Group based on his/her working experience, knowledge in the industry and other relevant factors. The Share Option Scheme shall be valid and effective for a period of ten years commencing on 18 January 2012 and will expire on 17 January 2022.

The limit on the total number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company (excluding lapsed and cancelled options) must not exceed 30% of the total number of the Company's shares in issue from time to time. In addition, the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Share Option Scheme, together with all options to be granted under any other share option scheme(s) of the Company (excluding lapsed options), must not represent more than 10% of the total number of the Company's shares in issue as at the date of commencement of the listing of shares of the Company on the Main Board of the Stock Exchange (the "Scheme Mandate Limit") or as at the date of approval of the refreshed Scheme Mandate Limit.

As a result of the subdivision of the ordinary shares in 2015 (the "Share Subdivision"), the total number of shares available for issue under the Share Option Scheme was adjusted. As at 31 December 2017, the total number of shares available for issue under the Share Option Scheme was 361,700,000 (2016: 330,000,000), representing approximately 7.31% (2016: 6.66%) of the total number of shares of the Company in issue (i.e. 4,950,000,000), as at 31 December 2017 and the date of this report.

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36. 購股權計劃 (續)

於緊接建議授出日期前十二個月期間內，因已授予各參與者之購股權連同根據本公司任何其他購股權計劃已經及將會授予該參與者之所有購股權（包括已行使、已註銷及尚未行使之購股權）獲行使而已發行及將發行之股份總數，不得超過於建議授出日期本公司已發行股份總數之1%。凡向某一參與者進一步授出超過1%限額之購股權，須經由本公司股東批准，而該參與者及其聯繫人須放棄表決權。

將根據購股權計劃向本公司董事、最高行政人員或主要股東或任何彼等各自之聯繫人授出之任何購股權，必須經由獨立非執行董事（不包括身為承授人之獨立非執行董事）批准。此外，倘向本公司主要股東或獨立非執行董事或任何彼等各自之聯繫人授出任何購股權將導致於任何十二個月期間內已發行及將發行之股份超過已發行股份之0.1%或總值（根據於授出日期之股份收市價計算）超過5,000,000港元，則須經由本公司股東於股東大會上批准。

授予購股權之要約必須於由授出日期起計二十八日內獲接納。各購股權承授人就接納授予購股權要約應付本公司之金額為1.00港元。行使期將由董事會決定，於任何情況下不得超過由授出購股權日期起計十年。

於購股權計劃項下購股權獲行使時本公司股份之行使價不得低於以下三者之最高者：(a)於授出日期（必須為營業日）聯交所每日報價表所列之股份收市價；(b)於緊接授出日期前五個營業日聯交所每日報價表所列股份之平均收市價；及(c)股份面值。

於二零一六年七月二十二日（「授出日期」），董事會議決根據購股權計劃向若干合資格參與者（「承授人」）授出合共148,500,000份購股權（「購股權」），以認購合共148,500,000股本公司股本中每股面值0.002港元之本公司普通股（「股份」），惟須待有關承授人接納後方可作實。所有購股權將按其各自之歸屬條件歸屬。有關授出購股權之進一步詳情載於本公司日期為二零一六年七月二十二日之公告。

36. SHARE OPTION SCHEME (CONTINUED)

The total number of shares issued and to be issued upon exercise of the options granted to each participant, together with all options granted and to be granted to him/her under any other share option scheme(s) of the Company within the 12-month period immediately preceding the proposed date of grant (including exercised, cancelled and outstanding options) shall not exceed 1% of the total number of the Company's shares in issue as at the proposed date of grant. Any further grant of options to a participant in excess of the 1% limit shall be subject to the shareholders' approval of the Company with such participant and his/her associates abstaining from voting.

Any option to be granted under the Share Option Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by Independent Non-Executive Directors (excluding Independent Non-Executive Director who is the grantee). In addition, any option to be granted to a substantial shareholder of the Company or an Independent Non-Executive Director or any of their respective associates which will result in the shares issued and to be issued in excess of 0.1% of the issued shares or with an aggregate value (based on the closing price of the shares at the date of the grant) in excess of HK\$5,000,000 within any 12-month period is subject to approval by the shareholders of the Company in general meeting.

An offer for grant of options must be accepted within 28 days from the date of grant. The amount payable by each grantee of options to the Company on acceptance of the offer for the grant of options is HK\$1.00. The exercisable period will be determined by the Board and in any event must not be more than 10 years from the date of the grant of the option.

The exercise price for the Company's shares on the exercise of options under the Share Option Scheme shall be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the 5 business days immediately preceding the date of grant; and (c) the nominal value of the share.

On 22 July 2016 (the "Grant Date"), the Board has resolved to grant to certain eligible participants (the "Grantees"), subject to acceptance by such Grantees, a total of 148,500,000 share options (the "Share Options") to subscribe for a total number of 148,500,000 ordinary shares of HK\$0.002 each of the Company (the "Shares") in the share capital of the Company under the Share Option Scheme. All the share options shall be vested in accordance with their respective vesting conditions of the share options. Further details regarding the grant of Share Options are set out in the Company's announcement dated 22 July 2016.

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36. 購股權計劃 (續)

本公司根據購股權計劃授出之購股權於年內之變動詳情如下：

36. SHARE OPTION SCHEME (CONTINUED)

The details of the movements of the Company's share options under the Share Option Scheme during the year are as follows:

承授人姓名/類別 Name of grantees/category	授出日期 Date of grant	每股 行使價 Exercise price per share 港元 HK\$	行使期 Exercise period	歸屬期 Vesting period	購股權數目 Number of share options						
					於二零一六年 一月一日 As at 1 January 2016	年內授出 Granted during the year	年內失效 Lapsed during the year	於二零一六年 十二月三十一日 As at 31 December 2016	年內失效 Lapsed during the year	於二零一七年 十二月三十一日 As at 31 December 2017	
執行董事 Executive Directors											
黃清海	二零一六年七月二十二日	0.68	二零一六年七月二十二日 至二零二零年七月三十一日	附註1	-	5,000,000	-	5,000,000	-	5,000,000	
Ng Qing Hai	22 July 2016	0.68	22 July 2016 to 21 July 2020	Note 1							
張軼	二零一六年七月二十二日	0.68	二零一六年七月二十二日至 二零二零年七月三十一日	附註1	-	20,000,000	-	20,000,000	-	20,000,000	
Zhang Yi	22 July 2016	0.68	22 July 2016 to 21 July 2020	Note 1							
獨立非執行董事 Independent Non-Executive Directors											
陳思聰	二零一六年七月二十二日	0.68	二零一六年七月二十二日至 二零二零年七月三十一日	附註1	-	1,000,000	-	1,000,000	-	1,000,000	
Chan Sze Chung	22 July 2016	0.68	22 July 2016 to 21 July 2020	Note 1							
張瑞彬	二零一六年七月二十二日	0.68	二零一六年七月二十二日至 二零二零年七月三十一日	附註1	-	1,000,000	-	1,000,000	-	1,000,000	
Zhang Ruibin	22 July 2016	0.68	22 July 2016 to 21 July 2020	Note 1							
張俊喜	二零一六年七月二十二日	0.68	二零一六年七月二十二日至 二零二零年七月三十一日	附註1	-	1,000,000	-	1,000,000	-	1,000,000	
Zhang Junxi Jack	22 July 2016	0.68	22 July 2016 to 21 July 2020	Note 1							
					-	28,000,000	-	28,000,000	-	28,000,000	
其他僱員 Other employees											
	二零一六年七月二十二日	0.68	二零一六年七月二十二日至 二零二零年七月三十一日	附註1	-	95,800,000	(400,000)	95,400,000	(5,300,000)	90,100,000	
	22 July 2016	0.68	22 July 2016 to 21 July 2020	Note 1							
	二零一六年七月二十二日	0.68	二零一七年七月二十二日至 二零二零年七月三十一日	附註2	-	24,800,000	(200,000)	24,500,000	(9,300,000)	15,200,000	
	22 July 2016	0.68	22 July 2017 to 21 July 2021	Note 2							
總額 Total						-	148,500,000	(600,000)	147,900,000	(14,600,000)	133,300,000
於年末可行使 Exercisable at the end of the year								30,850,000		62,580,000	

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36. 購股權計劃 (續)

附註：

- (1) 購股權之有效期為二零一六年七月二十二日至二零二零年七月二十一日，須分四批按下列歸屬日期歸屬：
- (i) 授予承授人之25%購股權須於授出日期歸屬，並於二零一六年七月二十二日至二零二零年七月二十一日可供行使；
- (ii) 授予承授人之25%購股權須於授出日期滿1週年當日歸屬，並於二零一七年七月二十二日至二零二零年七月二十一日可供行使；
- (iii) 授予承授人之25%購股權須於授出日期滿2週年當日歸屬，並於二零一八年七月二十二日至二零二零年七月二十一日可供行使；及
- (iv) 授予承授人之25%購股權須於授出日期滿3週年當日歸屬，並於二零一九年七月二十二日至二零二零年七月二十一日可供行使。
- (2) 購股權之有效期為二零一六年七月二十二日至二零二一年七月二十一日，須分四批按下列歸屬日期歸屬：
- (i) 授予承授人之25%購股權須於授出日期滿1週年當日歸屬，並於二零一七年七月二十二日至二零二一年七月二十一日可供行使；
- (ii) 授予承授人之25%購股權須於授出日期滿2週年當日歸屬，並於二零一八年七月二十二日至二零二一年七月二十一日可供行使；
- (iii) 授予承授人之25%購股權須於授出日期滿3週年當日歸屬，並於二零一九年七月二十二日至二零二一年七月二十一日可供行使；及
- (iv) 授予承授人之25%購股權須於授出日期滿4週年當日歸屬，並於二零二零年七月二十二日至二零二一年七月二十一日可供行使。

36. SHARE OPTION SCHEME (CONTINUED)

Notes:

- (1) Share Options are valid from 22 July 2016 to 21 July 2020 and shall be vested in four tranches in accordance with the following vesting dates:
- (i) 25% of the Share Options so granted to the grantees shall become vested on the Grant Date and shall be exercisable from 22 July 2016 to 21 July 2020;
- (ii) 25% of the Share Options so granted to the grantees shall become vested on the 1st anniversary of the Grant Date and shall be exercisable from 22 July 2017 to 21 July 2020;
- (iii) 25% of the Share Options so granted to the grantees shall become vested on the 2nd anniversary of the Grant Date and shall be exercisable from 22 July 2018 to 21 July 2020; and
- (iv) 25% of the Share Options so granted to the grantees become vested on the 3rd anniversary of the Grant Date and shall be exercisable from 22 July 2019 to 21 July 2020.
- (2) Share Options are valid from 22 July 2016 to 21 July 2021 and shall be vested in four tranches in accordance with the following vesting dates:
- (i) 25% of the Share Options so granted to the grantees become vested on the 1st anniversary of the Grant Date and shall be exercisable from 22 July 2017 to 21 July 2021;
- (ii) 25% of the Share Options so granted to the grantees become vested on the 2nd anniversary of the Grant Date and shall be exercisable from 22 July 2018 to 21 July 2021;
- (iii) 25% of the Share Options so granted to the grantees become vested on the 3rd anniversary of the Grant Date and shall be exercisable from 22 July 2019 to 21 July 2021; and
- (iv) 25% of the Share Options so granted to the grantees become vested on the 4th anniversary of the Grant Date and shall be exercisable from 22 July 2020 to 21 July 2021.

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36. 購股權計劃 (續)

該等購股權於授出日期之公平價值為33,492,000港元，乃根據普敦國際評估有限公司（一間與本集團並無關連之獨立及合資格專業估值師行）作出之估值釐定。截至二零一七年十二月三十一日止年度，10,397,000港元（二零一六年：13,761,000港元）於損益賬內確認為權益結算以股份為基礎之付款。

公平價值使用三項式期權定價模型計算。該模型所用之輸入值如下：

行使價	Exercise price
無風險利率	Risk-free rate
波幅（附註）	Volatility (note)
股息收益率	Dividend yield
僱員流動率	Employee turnover rate
提早行使倍數	Early exercise multiplier

附註：由於本公司主要業務出現重大變動，因此已採用主要業務與本公司類似之公司之平均波幅，而非歷史波幅。

計算購股權公平價值時使用之變數及假設乃基於董事之最佳估計。購股權之價值會因若干主觀假設之不同變數而有所差異。

36. SHARE OPTION SCHEME (CONTINUED)

The fair value of these share options at the Grant Date was amounting to HK\$33,492,000, which have been arrived at the basis on the valuation carried out by Norton Appraisals Limited, a firm of independent and qualified professional valuers not connected with the Group. For the year ended 31 December 2017, HK\$10,397,000 (2016: HK\$13,761,000) was recognised as equity-settled share-based payments to the profit or loss.

The fair values were calculated using the trinomial option pricing model. The inputs into the model were as follows:

於二零一六年 七月二十二日 至二零二零年 七月二十一日 可供行使 Exercisable from 22 July 2016 to 21 July 2020	於二零一七年 七月二十二日 至二零二一年 七月二十一日 可供行使 Exercisable from 22 July 2017 to 21 July 2021
HK\$0.68港元	HK\$0.68港元
0.575%	0.618%
41.18%	42.12%
0%	0%
0%	0%
2.8	2.8

Note: Due to the substantial changes of the major business of the Company, instead of historical volatilities, average volatilities of companies with major business comparable to the Company was adopted.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

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37. 股份獎勵計劃

於二零一六年九月二十日（「採納日期」），本公司採納股份獎勵計劃（「股份獎勵計劃」），旨在給予選定僱員（「選定僱員」）獎勵，以挽留彼等協助本集團持續營運及發展，並為本集團之增長及進一步發展招攬適當人才。董事會可根據股份獎勵計劃之條款，向選定僱員（包括但不限於董事會不時絕對酌情認為曾經或將會對本集團業務發展作出貢獻之本集團任何成員公司之董事、行政人員、高級職員及其他僱員（不論全職或兼職））獎勵本公司股份（「股份」）。

如董事會根據股份獎勵計劃授出及批准之獎勵股份（「獎勵股份」）總數超出於採納日期已發行股份總數之10%，則董事會將不會作出任何進一步股份獎勵。

根據股份獎勵計劃可授予一名選定僱員之獎勵股份最高數目不得超過於採納日期已發行股份總數之1%。

由於採納日期之已發行股份總數為4,950,000,000股股份，故根據股份獎勵計劃可授出之獎勵股份最高數目為495,000,000股股份，而可授予一名選定僱員之獎勵股份最高數目為49,500,000股股份。

於截至二零一七年十二月三十一日止年度，本公司已透過其信託人於聯交所購買6,756,000股（二零一六年：1,434,000股）股份，金額約為3,484,000港元（二零一六年：860,000港元）。於截至二零一七年十二月三十一日止年度，概無根據股份獎勵計劃向選定僱員獎勵任何股份。已購買股份於權益內「為股份獎勵計劃持有之股份」項下確認及累計。

37. SHARE AWARD SCHEME

On 20 September 2016 (the "Adoption Date"), the Company adopted the share award scheme (the "Share Award Scheme") for the purpose of providing incentives to selected employees (the "Selected Employees") in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group. The Board may award shares of the Company (the "Shares"), pursuant to the terms of the Share Award Scheme, to the Selected Employees including without limitation, the directors, executives, officers and other employees, whether full-time or part-time, of any member of the Group from time to time who the Board considers, in its absolute discretion, has contributed or will contribute to the business development of the Group.

The Board shall not make any further award of Shares which will result in the total number of Shares awarded (the "Awarded Shares") and approved by the Board under the Share Award Scheme, to be in excess of 10% of the total number of issued Shares as at the Adoption Date.

The maximum number of Awarded Shares which may be awarded to a Selected Employee under the Share Award Scheme shall not exceed 1% of the total number of issued Shares as at the Adoption Date.

As the total number of Shares in issue was 4,950,000,000 Shares as at the Adoption Date, the maximum number of Awarded Shares that may be awarded under the Share Award Scheme is 495,000,000 Shares and the maximum number of Awarded Shares that may be awarded to a Selected Employee is 49,500,000 Shares.

During the year ended 31 December 2017, the Company has purchased 6,756,000 shares (2016: 1,434,000 shares) amounting to approximately HK\$3,484,000 (2016: HK\$860,000) through its trustee on the Stock Exchange. No share was awarded to Selected Employees under the Share Award Scheme during the year ended 31 December 2017. The acquired Shares was recognised and accumulated in equity under the heading of "Shares held for share award scheme".



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38. 股份溢價及儲備

本年度及過往年度本集團股份溢價及儲備之金額以及其變動於綜合權益變動表內呈列。

特別儲備指本公司（或本公司之附屬公司）已發行股份面值與根據於過往年度為籌備本公司股份於聯交所上市而進行之公司重組所購入附屬公司股份面值之差額。

於二零一七年十二月三十一日之其他儲備包括以下項目：

1. 儲備基金24,092,000港元（二零一六年：24,092,000港元），乃用於增加企業之營運資金。當企業蒙受虧損時，儲備基金可用於彌補於特殊情況下未能收回之虧損；
2. 上海上聯、聯合王晁及山東上聯之企業拓展基金8,722,000港元（二零一六年：8,722,000港元），乃用於拓展業務，如獲批准亦可用於增加資本；及
3. 於二零一七年七月，本集團根據於二零一七年五月簽訂之買賣協議進一步向TFKT True Holdings注資5,000,000美元（相當於38,750,000港元）。因此，本集團於TFKT True Holdings之持股量由51%增加至54%。非控股權益賬面金額與就視作收購一間附屬公司額外權益之已付代價公平價值之差額2,666,000港元已於其他儲備及匯兌儲備內分別記賬2,104,000港元及562,000港元。

於截至二零一七年十二月三十一日止年度，貸款人同意解除TFKT True集團作為授予借款人27,237,000港元貸款融通之擔保人。鑑於借款人乃一間受TFKT True Holdings非控股股東控制之實體，本公司董事認為解除該擔保為因與TFKT True Holdings之股東以股東身份進行交易而引起之事件，因此視作一名股東之出資。故此，解除該擔保會於資本儲備記賬。

於中國成立之附屬公司將保留溢利匯出中國須取得地方機關之批准，並須視乎該等附屬公司所產生及保留之外幣是否足夠。

38. SHARE PREMIUM AND RESERVES

The amounts of the Group's share premium and reserves and the movement therein for the current and prior years are presented in the consolidated statement of changes in equity.

The special reserve represents the difference between the nominal amount of the shares issued by the Company (or the subsidiary of the Company) and the nominal amount of the shares of subsidiaries acquired pursuant to a corporate reorganisation in the preparation for the listing of the Company's shares on the Stock Exchange in previous years.

Other reserves as at 31 December 2017 comprise the following:

1. reserve fund of HK\$24,092,000 (2016: HK\$24,092,000) which is used to expand the enterprise's working capital. When the enterprise suffers losses, the reserve fund may be used to make up unrecovered losses under special circumstances;
2. enterprise expansion fund of HK\$8,722,000 (2016: HK\$8,722,000) of Shanghai SAC, Allied Wangchao and Shandong SAC. The enterprise expansion fund is to be used for business expansion and, if approved, can also be used to increase capital; and
3. in July 2017, the Group further injected US\$5,000,000 (equivalent to HK\$38,750,000) in TFKT True Holdings pursuant to the sales and purchase agreement signed in May 2017. Consequently, the Group's shareholding in TFKT True Holdings was increased from 51% to 54%. The difference between the carrying amount of the non-controlling interest and the fair value of consideration paid in relation to the deemed acquisition of additional interest in a subsidiary of HK\$2,666,000 has been recorded in the other reserves and translation reserve at the amount of HK\$2,104,000 and HK\$562,000, respectively.

The Lender agreed to release TFKT True Group as the guarantor in respect of the loan facilities granted to the Borrower amounting to HK\$27,237,000 during the year ended 31 December 2017. In view that the Borrower is an entity under the control of the non-controlling shareholder of TFKT True Holdings, the Directors of the Company considered the discharge of this guarantee is an event resulting from transaction with the shareholder of TFKT True Holdings in the shareholder's capacity and therefore as a deemed contribution from a shareholder. Accordingly, the discharge of this guarantee is recorded in capital reserve.

The remittance of retained profits of the subsidiaries established in the PRC outside the PRC is subject to approval of the local authorities and the availability of foreign currencies generated and retained by these subsidiaries.

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39. 遞延稅項

於報告期末以及於本年度及過往年度內，就臨時差額確認之遞延稅項負債（資產）與以下各項有關：

39. DEFERRED TAXATION

At the end of the reporting period and during the current and prior years, deferred tax liabilities (assets) were recognised in respect of the temporary differences attributable to the following:

		加速稅務折舊 Accelerated tax depreciation	呆賬撥備 Allowance for doubtful debts	未分派盈利 之預扣稅 Withholding tax on undistributed earnings	業務合併之 公平價值調整 Fair value adjustments on business combination	稅項虧損 Tax losses	其他 Others	總額 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零一六年一月一日	At 1 January 2016	29,859	(13,251)	2,087	-	-	517	19,212
匯兌差額	Exchange differences	(2,306)	904	(115)	(1,510)	-	2	(3,025)
收購附屬公司所產生	Arising on acquisition of subsidiaries	5,979	(50)	-	24,577	-	(165)	30,341
於損益賬扣除（計入）	Charge (credit) to profit or loss	88	(957)	(392)	(110)	-	(586)	(1,957)
於二零一六年十二月三十一日	At 31 December 2016	33,620	(13,354)	1,580	22,957	-	(232)	44,571
匯兌差額	Exchange differences	2,510	(840)	112	1,766	(123)	17	3,442
收購附屬公司所產生	Arising on acquisition of subsidiaries	(16)	-	-	63,372	(414)	(415)	62,527
於損益賬扣除（計入）	Charge (credit) to profit or loss	190	3,408	(104)	(2,791)	(2,318)	252	(1,363)
於二零一七年十二月三十一日	At 31 December 2017	36,304	(10,786)	1,588	85,304	(2,855)	(378)	109,177

以下為就財務報告作出之遞延稅項結餘分析：

The following is the analysis of the deferred tax balances for financial reporting purposes:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
遞延稅項資產	Deferred tax assets	4,360	199
遞延稅項負債	Deferred tax liabilities	(113,537)	(44,770)
		(109,177)	(44,571)

於二零一七年十二月三十一日，本集團擁有為數203,471,000港元（二零一六年：110,858,000港元）之估計未動用稅項虧損可用於抵銷未來溢利。本集團已就稅項虧損11,420,000港元（二零一六年：無）確認遞延稅項資產。由於未來溢利流量難以估計，因此並無就餘下稅項虧損192,051,000港元（二零一六年：110,858,000港元）確認遞延稅項資產。於二零一七年十二月三十一日，為數44,738,000港元（二零一六年：52,292,000港元）之未動用稅項虧損將在五年內逐步到期，而餘下未動用稅項虧損可無限期結轉。

The Group had estimated unused tax losses of HK\$203,471,000 (2016: HK\$110,858,000) at 31 December 2017, which were available for offset against future profits. A deferred tax asset has been recognised in respect of tax losses of HK\$11,420,000 (2016: Nil). No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$192,051,000 (2016: HK\$110,858,000) due to the unpredictability of future profit streams. Unused tax losses of HK\$44,738,000 (2016: HK\$52,292,000) at 31 December 2017 will gradually expire in five years and the remaining unused tax losses may be carried forward indefinitely.

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40. 復原成本撥備

40. PROVISION OF REINSTATEMENT COST

		千港元 HK\$'000
於二零一七年一月一日	At 1 January 2017	–
收購附屬公司所產生	Arising on acquisition of subsidiaries	16,519
匯兌調整影響	Effect on exchange adjustments	526
額外撥備	Additional provision	1,898
動用撥備	Utilisation of provision	–
		<hr/>
於二零一七年十二月三十一日	At 31 December 2017	18,943
		<hr/> <hr/>

根據與業主簽訂之租賃協議之條款，本集團應於相關租賃協議到期時移除及復原健身中心租賃場址，費用由本集團承擔。因此，本集團已就預計產生之復原成本所作之最佳估計計提撥備。

Under the terms of the rental agreements signed with landlords, the Group should remove and re-instate the rented premises for fitness centers at the Group's cost upon expiry of the relevant rental agreements. Provision is therefore made for the best estimate of the expected reinstatement costs to be incurred.

41. 收購附屬公司

41. ACQUISITION OF SUBSIDIARIES

(A) 於二零一七年五月二十九日，本集團完成自一名獨立第三方進行之True收購事項，現金代價為36,720,000美元（相當於284,580,000港元）。該項交易已採用購買法入賬。因收購附屬公司而產生之商譽金額為219,417,000港元。TFKT True集團及True Yoga集團從事經營健身中心及提供健身和健康諮詢服務。收購TFKT True集團旨在實現更佳回報及發展。

(A) On 29 May 2017, the Group completed the True Acquisition from an independent third party for a cash consideration of US\$36,720,000 (equivalent to HK\$284,580,000). The transaction had been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition of subsidiaries was HK\$219,417,000. TFKT True Group and True Yoga Group are engaged in the operation of fitness centres and provision of consultation services of fitness and health activities. TFKT True Group was acquired so as to achieve better returns and development.

收購之相關成本4,023,000港元未有計入已轉讓代價，並已於本年度在綜合損益及其他全面收益表內之其他費用項下確認為費用。

Acquisition-related costs amounting to HK\$4,023,000 has been excluded from the consideration transferred and have been recognised as an expense in the current year, within the other expenses line item in the consolidated statement of profit or loss and other comprehensive income.

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41. 收購附屬公司 (續)

41. ACQUISITION OF SUBSIDIARIES

(CONTINUED)

(A) (續)

(A) (CONTINUED)

		千港元 HK\$'000
購買代價	Purchase consideration	
現金代價	Cash consideration	257,455
應付代價	Consideration payable	27,125
		<u>284,580</u>
於收購日期所收購資產及所承擔負債之公平價值如下：	Fair value of assets acquired and liabilities assumed at the date of acquisition are as follows:	
物業、廠房及設備	Property, plant and equipment	70,214
無形資產	Intangible assets	307,585
遞延稅項資產	Deferred tax assets	845
租金按金	Rental deposits	13,453
已抵押銀行存款	Pledged bank deposits	2,162
應收貿易款項	Trade receivables	1,918
其他應收款項	Other receivables	5,376
現金及現金等價物	Cash and cash equivalents	10,740
應付貿易款項	Trade payables	(2,081)
其他應付款項	Other payables	(38,861)
欠其他關聯方款項	Amounts due to other related parties	(174)
財務擔保撥備	Provision for financial guarantee	(24,565)
遞延稅項	Deferred taxation	(63,372)
銀行及其他借貸	Bank and other borrowings	(5,868)
融資租賃責任	Obligations under finance leases	(5,114)
遞延收入	Deferred income	(170,399)
復原成本撥備	Provision of reinstatement cost	(16,519)
		<u>85,340</u>
所收購可識別淨資產總值	Total identifiable net assets acquired	<u>85,340</u>

於業務合併中所收購無形資產(主要與確認特許協議、商標及客戶關係有關)及所承擔遞延收入之公平價值乃基於獨立合資格專業估值師進行之估值釐定。

The fair values of intangible assets (mainly related to recognition of franchise agreement, trademark and customer relationship) acquired and deferred income assumed in business combination are based on valuations performed by an independent qualified professional valuer.

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41. 收購附屬公司 (續)

(A) (續)

應收貿易款項及其他應收款項於收購日期之公平價值為7,294,000港元。於收購日期，已收購應收貿易款項及其他應收款項之合約總額為7,294,000港元。

收購產生之商譽	Goodwill arising on acquisition	
代價	Consideration	284,580
加：非控股權益	Plus: non-controlling interests	41,817
減：所收購淨資產	Less: net assets acquired	(85,340)
減：於一間聯營公司之權益， 即True Yoga集團之 29%股本權益（附註）	Less: interest in an associate, representing 29% equity interest in True Yoga Group (note)	(21,640)
		<u>219,417</u>

附註：該金額指收購True Yoga集團29%股權所分配之代價，乃基於管理層在獨立估值師漢華評值有限公司協助下參照True Yoga集團之貼現現金流量進行之估值釐定。

本年度有關此項收購之現金及現金等價物流出淨額分析如下：

所收購現金及現金等價物	Cash and cash equivalents acquired	10,740
減：本年度以現金支付之代價	Less: Consideration satisfied by cash in the current year	(257,455)
本年度收購所產生之現金流出淨額	Net cash outflow on acquisition in the current year	<u>(246,715)</u>

41. ACQUISITION OF SUBSIDIARIES

(CONTINUED)

(A) (CONTINUED)

The fair value of trade and other receivables at the date of acquisition amounted to HK\$7,294,000. The gross contractual amounts of trade and other receivables acquired amounted to HK\$7,294,000 at the date of acquisition.

千港元
HK\$'000

Note: The amount represents the allocated consideration for acquiring the 29% shareholding of True Yoga Group, which is determined based on a valuation carried out by the management with the assistance from Greater China Appraisal Limited, an independent valuer, by reference of the discounted cash flow of the True Yoga Group.

An analysis of the net outflow of cash and cash equivalents in the current year in respect of the acquisition is as follows:

千港元
HK\$'000

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

41. 收購附屬公司 (續)

(A) (續)

於收購日期確認之TFKT True集團非控股權益乃按現有擁有權權益於被收購方可識別淨資產已確認金額之應佔部分計量，有關金額為41,817,000港元。

收購產生之商譽包括有關TFKT True集團預期收入增長、未來市場發展及裝配勞動力所帶來利益之金額。本集團一直不時於全民健康產業物色投資機會。本集團可運用其資源協助TFKT True集團於中國拓展業務及把握健身及健康行業之機會。管理層已檢討本集團之業務，並持續積極探索醫療、醫藥及健康產業商機以及其他投資機會。由於健身中心屬於全民健康產業，故True收購事項符合本集團之業務策略。

由於該等利益不符合可識別無形資產之確認條件，故並無與商譽分開確認。

預期此項收購所產生之商譽不可扣稅。

本年度溢利包括TFKT True集團業務所產生之7,295,000港元。本年度收入包括TFKT True集團所產生之229,089,000港元。

倘收購事項於二零一七年一月一日完成，則本年度之本集團收入總額應為1,510,731,000港元，而本年度溢利應為37,044,000港元。備考資料僅供說明，未必為假設收購事項於二零一七年一月一日完成時，本集團實際將可達致之經營收入及業績指標，亦不擬作未來業績之預測。

41. ACQUISITION OF SUBSIDIARIES

(CONTINUED)

(A) (CONTINUED)

The non-controlling interests in TFKT True Group recognised at the acquisition date was measured at the present ownership interest's proportionate share in the recognised amounts of the acquiree's identifiable net assets and amounted to HK\$41,817,000.

Goodwill arose in the acquisition included amounts in relation to the benefit of expected revenue growth, future market development and the assembled workforce of TFKT True Group. The Group has been looking for investment opportunities in the universal health sector from time to time. The Group could leverage its resources to facilitate the TFKT True Group to expand the business in China and capture the opportunities of the fitness and health industry. The management has reviewed the business of the Group and has been actively exploring the medical, pharmaceutical and health industry businesses and other investment opportunities. The True Acquisition is in line with the business strategy of the Group as fitness centres belong to universal health industry.

These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Included in the profit for the year is HK\$7,295,000 attributable to the business generated by TFKT True Group. Revenue for the year includes HK\$229,089,000 generated from TFKT True Group.

Had the acquisition been completed on 1 January 2017, total Group revenue for the year would have been HK\$1,510,731,000 and profit for the year would have been HK\$37,044,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

41. 收購附屬公司 (續)

(A) (續)

於釐定本集團「備考」收入及溢利時（假設TFKT True集團已於報告期初被收購），董事乃根據首次將業務合併入賬所產生之公平價值（而非在收購前財務報表內確認之賬面金額）計算所收購無形資產之攤銷及就所承擔遞延收入確認之收入。

- (B) 於二零一七年八月二十五日及二零一七年十一月十五日，本集團與本公司一間主要在中國從事提供合同能源管理之聯營公司上海國瑞同順節能環保技術發展有限公司（「國瑞同順」）之股東訂立多份協議，據此，本集團進一步購入國瑞同順之46%股份，代價為人民幣4,600,000元。因此，於二零一七年十一月十五日，國瑞同順成為本集團擁有85%權益之附屬公司，並已採用購買法入賬。收購國瑞同順旨在實現水泥業務之更佳回報及發展。

41. ACQUISITION OF SUBSIDIARIES

(CONTINUED)

(A) (CONTINUED)

In determining the 'pro-forma' revenue and profit of the Group had TFKT True Group been acquired at the beginning of the reporting period, the Directors have calculated amortisation of intangible assets acquired and recognition of revenue on deferred income assumed on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements.

- (B) On 25 August 2017 and 15 November 2017, the Group entered into agreements with the shareholders of 上海國瑞同順節能環保技術發展有限公司 (Shanghai Guorui Tongshun Environmental Protection Technology Co., Ltd.) ("Guorui Tongshun"), an associate of the Company which principally engaged in provision of energy performance contracting in the PRC, where the Group further purchased 46% of shares of Guorui Tongshun at a consideration of RMB4,600,000. Accordingly on 15 November 2017, Guorui Tongshun becomes a 85% owned subsidiary of the Group and has been accounted for using the purchase method. Guorui Tongshun was acquired so as to achieve better returns and development for cement business.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

41. 收購附屬公司 (續)

(B) (續)

此項收購之進一步詳情(包括代價、所收購臨時資產及所確認負債)載列如下。

於收購日期所收購資產及所承擔負債之臨時公平價值如下：
物業、廠房及設備
存貨
應收貿易款項
其他應收款項
銀行結餘及現金
應付貿易款項及
其他應付款項

所收購可識別淨資產總值

應收貿易款項及其他應收款項於收購日期之臨時公平價值為3,358,000港元。所收購應收貿易款項及其他應收款項於收購日期之合約總額為3,358,000港元。

收購產生之臨時商譽：
現金代價
先前於國瑞同順
所持股本權益之
公平價值
加：非控股權益
減：所收購淨資產

本年度有關此項收購之現金及現金等價物流出淨額分析如下：

所收購銀行結餘及現金
減：本年度以現金支付之代價

本年度收購所產生之現金流出淨額

41. ACQUISITION OF SUBSIDIARIES

(CONTINUED)

(B) (CONTINUED)

Further details of the acquisition, including the consideration, provisional assets acquired and liabilities recognised are set out below.

Provisional fair value of assets acquired and liabilities recognised at the date of acquisition are as follows:

Property, plant and equipment	7,941
Inventories	240
Trade receivables	144
Other receivables	3,214
Bank balances and cash	2,560
Trade and other payables	(2,311)

Total identifiable net assets acquired

千港元
HK\$'000

11,788

The provisional fair value of trade and other receivables at the date of acquisition amounted to HK\$3,358,000. The gross contractual amounts of trade and other receivables acquired amounted to HK\$3,358,000 at the date of acquisition.

千港元
HK\$'000

Provisional Goodwill arising on acquisition:

Cash consideration	5,520
Fair value of previously held equity interest in Guorui Tongshun	4,527
Plus: non-controlling interests	1,741
Less: net assets acquired	(11,788)

-

An analysis of the net outflow of cash and cash equivalents in the current year in respect of the acquisition is as follows:

Bank balances and cash acquired	2,560
Less: Consideration satisfied by cash in the current year	(5,520)

Net cash outflow on acquisition in the current year

(2,960)



綜合財務報表附註 Notes to the Consolidated Financial Statements

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

41. 收購附屬公司 (續)

(B) (續)

本期間溢利包括國瑞同順額外業務所產生之46,000港元。本期間收入包括國瑞同順所產生之130,000港元。

倘收購事項於二零一七年一月一日完成，則本年度之本集團收入總額應為1,345,346,000港元，而本年度溢利應為36,191,000港元。備考資料僅供說明，未必為假設收購事項於二零一七年一月一日完成時，本集團實際將可達致之經營收入及業績指標，亦不擬作未來業績之預測。

- (C) 於二零一六年七月十二日，本集團完成自深圳市華融泰資產管理有限公司(本公司之中介控股公司)收購同方藥業集團有限公司(前稱北京紫光製藥有限公司) (「同方藥業」)之60%股本權益，現金代價為人民幣291,200,000元(相當於338,871,000港元)。該交易為一項關聯方交易。有關收購已使用購買法入賬。因收購產生之商譽金額為219,492,000港元。同方藥業及其附屬公司(「同方藥業集團」)從事製造及銷售處方藥，包括化學藥和傳統中成藥。收購同方藥業集團旨在實現更佳回報及發展。

收購之相關成本2,910,000港元未有計入已轉讓代價，並已於截至二零一六年十二月三十一日止年度在綜合損益及其他全面收益表內之其他費用項下確認為費用。

41. ACQUISITION OF SUBSIDIARIES

(CONTINUED)

(B) (CONTINUED)

Included in the profit for the period is HK\$46,000 attributable to the additional business generated by Guorui Tongshun. Revenue for the period includes HK\$130,000 generated from Guorui Tongshun.

Had the acquisition been completed on 1 January 2017, total group revenue for the year would have been HK\$1,345,346,000, and profit for the year would have been HK\$36,191,000. The pro forma information is for illustrative purposes only and is not necessary an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

- (C) On 12 July 2016, the Group completed the acquisition of 60% of the equity interest in 同方藥業集團有限公司(前稱北京紫光製藥有限公司) Tongfang Pharmaceutical Group Co., Ltd (formerly known as Beijing Ziguang Pharmaceutical Co., Ltd) ("Tongfang Pharmaceutical") from 深圳市華融泰資產管理有限公司, an intermediate holding company of the Company, for a cash consideration of RMB291,200,000 (equivalent to HK\$338,871,000). The transaction is a related party transaction. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was HK\$219,492,000. Tongfang Pharmaceutical and its subsidiaries ("Tongfang Pharmaceutical Group") is engaged in the manufacturing and sales of prescription drugs, including chemical drugs and traditional prescribed Chinese medicines. Tongfang Pharmaceutical Group was acquired so as to achieve better returns and development.

Acquisition-related costs amounting to HK\$2,910,000 has been excluded from the consideration transferred and have been recognised as an expense in the year ended 31 December 2016, within the other expenses line item in the consolidated statement of profit or loss and other comprehensive income.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

41. 收購附屬公司 (續)

41. ACQUISITION OF SUBSIDIARIES

(CONTINUED)

(C) (續)

(C) (CONTINUED)

		千港元 HK\$'000
購買代價	Purchase consideration	
現金代價	Cash consideration	338,871
於收購日期所收購資產及 所承擔負債之 公平價值如下：	Fair value of assets acquired and liabilities assumed at the date of acquisition are as follows:	
物業、廠房及設備	Property, plant and equipment	194,814
土地使用權之預付租賃款項	Prepaid lease payments on land use right	107,431
投資物業	Investment property	5,466
無形資產	Intangible assets	6,947
遞延稅項資產	Deferred tax assets	212
存貨	Inventories	59,697
生物資產	Biological assets	3,437
應收貿易款項及應收票據	Trade and bills receivables	43,724
其他應收款項、按金及 預付款項	Other receivables, deposits and prepayments	52,412
其他關聯方欠款	Amounts due from other related parties	94,617
一間中介控股公司欠款	Amount due from an intermediate holding company	22,579
現金及現金等價物	Cash and cash equivalents	223,347
應付貿易款項及應付票據	Trade and bills payables	(34,278)
其他應付款項	Other payables	(27,482)
欠一間中介控股公司款項	Amount due to an intermediate holding company	(13,912)
欠其他關聯方款項	Amounts due to other related parties	(11,064)
稅項負債	Tax liabilities	(7,398)
遞延稅項負債	Deferred tax liabilities	(30,553)
銀行及其他借貸	Bank and other borrowings	(429,762)
所收購可識別淨資產總值	Total identifiable net assets acquired	260,234

於業務合併中所收購物業、廠房及設備以及土地使用權之預付租賃款項之公平價值乃基於獨立合資格專業估值師參考物業、廠房及設備之折舊置換成本以及土地使用權之預付租賃款項市值進行之估值釐定。

應收貿易款項及應收票據、其他應收款項、其他關聯方欠款及一間中介控股公司欠款於收購日期之公平價值為195,805,000港元。於收購日期已收購應收貿易款項及其他應收款項之合約總額為96,760,000港元。預期不可收回之合約現金流量於收購日期之最佳估計為1,601,000港元。

The fair values of property, plant and equipment and prepaid lease payments for land use right acquired in business combination are based on valuations performed by an independent qualified professional valuer with reference to depreciated replacement cost of property, plant and equipment and market value of prepaid lease payments for land use right.

The fair value of trade and bills receivables, other receivables, amounts due from other related parties and amount due from an intermediate holding company at the date of acquisition amounted to HK\$195,805,000. The gross contractual amounts of those trade and other receivables acquired amounted to HK\$96,760,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to HK\$1,601,000.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

41. 收購附屬公司 (續)

(C) (續)

收購產生之商譽
所轉讓之代價
加：非控股權益
減：所收購淨資產

於截至二零一六年十二月三十一日止年度有關此項收購之現金及現金等價物流出淨額分析如下：

所收購現金及現金等價物
減：本年度以現金支付
之代價

本年度收購附屬公司
所產生之現金流出淨額

於收購日期確認之同方藥業集團非控股權益乃按現有擁有權權益於被收購方可識別淨資產已確認金額之應佔部分計量，有關金額為140,855,000港元。

41. ACQUISITION OF SUBSIDIARIES

(CONTINUED)

(C) (CONTINUED)

Goodwill arising on acquisition

Consideration transferred
Plus: non-controlling interests
Less: net assets acquired

An analysis of the net outflow of cash and cash equivalents in the year ended 31 December 2016 in respect of the acquisition is as follows:

Cash and cash equivalents acquired
Less: Consideration satisfied by cash
in the current year

Net cash outflow on acquisition of subsidiaries
in the current year

The non-controlling interests in Tongfang Pharmaceutical Group recognised at the acquisition date was measured by the present ownership interest's proportionate share in the recognised amounts of the acquiree's identifiable net assets and amounted to HK\$140,855,000.

千港元
HK\$'000

338,871
140,855
(260,234)

219,492

千港元
HK\$'000

223,347
(338,871)

(115,524)

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

41. 收購附屬公司 (續)

(C) (續)

收購產生之商譽包括有關同方藥業集團之預期收入增長、未來市場發展及裝配勞動力所帶來利益之金額。為把握醫療健康行業之機遇，本公司成立了一間全資附屬公司北京華控康泰醫療健康管理有限公司(「華控康泰」)。華控康泰將專注於投資及經營醫療健康業務，而同方藥業集團將繼續專注於其醫藥業務。預期華控康泰及同方藥業集團可共同促進醫療、健康及醫藥上下游供應鏈之整合。例如，華控康泰可為同方藥業集團增設新銷售額來源，而華控康泰亦可受惠於同方藥業集團既有營運經驗。因此，董事相信收購同方藥業將對本集團之現有醫療、健康及醫藥業務產生協同效應，並提升本集團於業界之知名度。

由於該等利益不符合可識別無形資產之確認條件，故並無與商譽分開確認。

預期此項收購所產生之商譽不可扣稅。

該年度虧損包括同方藥業集團業務所產生之4,944,000港元。該年度收入包括同方藥業集團所產生之124,461,000港元。

倘收購事項於二零一六年一月一日完成，則該年度本集團收入總額應為904,413,000港元，而該年度虧損應為38,746,000港元。備考資料僅供說明，未必為假設收購事項於二零一六年一月一日完成時，本集團實際將可達致之經營收入及業績指標，亦不擬作未來業績之預測。

41. ACQUISITION OF SUBSIDIARIES

(CONTINUED)

(C) (CONTINUED)

Goodwill arose in the acquisition included amounts in relation to the benefit of expected revenue growth, future market development and the assembled workforce of Tongfang Pharmaceutical Group. In order to capture the opportunities of the medical and healthcare industry, the Company has established a wholly owned subsidiary, 北京華控康泰醫療健康管理有限公司 (“Huakong Kangtai”). Huakong Kangtai will focus on the investment in and operation of medical and healthcare businesses and Tongfang Pharmaceutical Group will continue to focus on its pharmaceutical businesses, it is expected that Huakong Kangtai and Tongfang Pharmaceutical Group may provide mutual support for integrating the upstream and downstream supply chain in the medical, healthcare and pharmaceutical aspects. For instance, Huakong Kangtai may create new sources of sales for Tongfang Pharmaceutical Group, and Huakong Kangtai may in turn benefit from the existing operational experience from Tongfang Pharmaceutical Group. As such, the Directors believe that the acquisition of Tongfang Pharmaceutical will generate synergies with the Group's existing medical, healthcare and pharmaceutical businesses and raise the Group's profile in the industry.

These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Included in the loss for the year is HK\$4,944,000 attributable to the business generated by Tongfang Pharmaceutical Group. Revenue for the year includes HK\$124,461,000 generated from Tongfang Pharmaceutical Group.

Had the acquisition been completed on 1 January 2016, total group revenue for the year would have been HK\$904,413,000, and loss for the year would have been HK\$38,746,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2016, nor is it intended to be a projection of future results.



綜合財務報表附註 Notes to the Consolidated Financial Statements

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

41. 收購附屬公司 (續)

(C) (續)

於釐定本集團「備考」虧損時(假設同方藥業集團已於本年度初被收購)，董事乃根據首次將業務合併入賬所產生之公平價值(而非在收購前財務報表內確認之賬面金額)計算廠房及設備折舊以及已收購土地使用權之預付租賃款項。

42. 退休福利計劃

本集團之中國僱員乃當地政府運作之國家管理退休福利計劃之成員。本集團須按僱員薪支成本之若干百分比向該等退休福利計劃供款，為有關福利提供資金。本集團就該等退休福利計劃承擔之唯一責任為作出特定供款。

本集團於新加坡之附屬公司參與一個由新加坡中央公積金局(Central Provident Fund Board in Singapore)營辦之界定供款計劃。該計劃之資產於多個由受託人控制之基金內分開持有。於該等附屬公司確認之費用指該等附屬公司按計劃規則所訂費率已付及應付該計劃之供款。

本集團亦設有強制性公積金計劃(「強積金計劃」)。所有香港合資格僱員均須參與強積金計劃。計劃之資產與本集團之資產分開持有，存置於由受託人控制之基金。僱員及本集團之供款乃按僱員每月相關收入之5%計算，設有強制性上限，若僱員之每月基本薪金超過強制性上限，則本集團將作出額外5%之供款。

截至二零一七年及二零一六年十二月三十一日止年度董事及員工之退休福利計劃供款分別載於附註10及12。

41. ACQUISITION OF SUBSIDIARIES

(CONTINUED)

(C) (CONTINUED)

In determining the “pro-forma” loss of the Group had Tongfang Pharmaceutical Group been acquired at the beginning of the current year, the directors have calculated depreciation of plant and equipment and prepaid lease payments on land use right acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements.

42. RETIREMENT BENEFITS SCHEMES

The PRC employees of the Group are members of state-managed retirement benefits schemes operated by the local government. The Group is required to contribute certain percentage of their payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the specified contributions.

The Group's subsidiaries in Singapore participate in a defined contribution scheme operated by Central Provident Fund Board in Singapore. The assets of the scheme are held separately in funds under the control of trustees. The expenses recognised in these subsidiaries represent contributions paid and payable to the plan by these subsidiaries at rates specified in the rules of the plan.

The Group also operates a Mandatory Provident Fund Scheme (the “MPF Scheme”). All qualifying employees in Hong Kong are required to join the MPF Scheme. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. Both employees' and the Group's contributions are calculated at 5% of the employee's monthly relevant income with the mandatory cap, and the Group will make 5% top-up contribution if an employee's monthly basic salary exceeds the mandatory cap.

The retirement benefits scheme contributions of the Directors and staff for the years ended 31 December 2017 and 2016 are stated in notes 10 and 12 respectively.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

43. 經營租賃承擔及安排

本集團作為承租人

於報告期末，本集團根據上述安排及其他不可撤銷之水泥生產設施場所及健身中心場所經營租賃須承擔之未來最低租賃款項之到期情況如下：

不超過一年	Not later than one year
一年以上但不超過五年	Later than one year and not later than five years
超過五年	Later than five years

43. OPERATING LEASE COMMITMENTS AND ARRANGEMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under the above arrangement and other non-cancellable operating leases for premises as the production facilities for manufacture of cement and premises for fitness centers which fall due as follows:

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
90,999	7,287
130,891	14,249
514	1,109
222,404	22,645

本集團作為出租人

於報告期末，本集團已就以下未來最低租賃款項與租戶訂立合同：

不超過一年	Not later than one year
一年以上但不超過五年	Later than one year and not later than five years
超過五年	Later than five years

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
1,809	379
6,477	1,517
2,395	1,990
10,681	3,886



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

44. 資本承擔

本集團有以下資本承擔：

44. CAPITAL COMMITMENTS

The Group had the following capital commitments:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
已訂約但未於綜合 財務報表撥備之 資本承擔：	Capital commitments contracted for but not provided in the consolidated financial statements:		
— 向一間合營公司 出資	— Capital contribution to a joint venture (a)	480,019	446,927
— 向合營公司 Tongfang Konta Capital L.P.出資	— Capital contribution to Tongfang Konta Capital L.P., a joint venture	36,812	36,812
— 購置物業、廠房及 設備	— Acquisition of property, plant and equipment	47,952	45,515
— 認購一間公司之 股份	— Subscription of shares in a company (b)	—	1,356,722
		564,783	1,885,976

(a) 誠如本公司於二零一二年二月十五日所公佈，於二零一二年二月十三日，上海上聯與國有企業上海建材（集團）有限公司（前稱上海建築材料（集團）總公司）（「上海建材」）訂立《關於建設「白龍港項目」合作協議》（「合作協議」）及《關於設立合資公司（原則）協議》（「合資原則協議」），以根據有關協議之條款及條件成立一間合資公司（「合資公司」）。根據合作協議，上海建材與上海上聯同意於取得白龍港項目之有關政府批文後，按合資原則協議之條款成立合資公司，以經營及管理白龍港項目。向一間合營公司出資承擔指本集團提供合資公司註冊資本之50%份額人民幣400,000,000元（二零一六年：人民幣400,000,000元）（相當於約480,019,000港元（二零一六年：446,927,000港元））。交易詳情載於本公司日期分別為二零一二年二月十五日及二零一四年一月三十日之公告及通函以及本公司日期為二零一二年三月十六日之通函。

(a) As announced by the Company on 15 February 2012, Shanghai SAC entered into the 《關於建設「白龍港項目」合作協議》 (the Bailonggang Project Construction Cooperation Agreement*) (the “Cooperation Agreement”) and the 《關於設立合資公司（原則）協議》 (the Principle Agreement for the Establishment of the Joint Venture Company*) (the “JV Principle Agreement”) with 上海建材（集團）有限公司 (Shanghai Building Material (Group) Company Limited*) (formerly known as 上海建築材料（集團）總公司 (Shanghai Building Material (Group) General Company*)) (“Shanghai Building Material”, a state-owned enterprise, for the purpose of setting up a joint venture company (the “JV Company”) pursuant to the terms and conditions therein on 13 February 2012. Pursuant to the Cooperation Agreement, Shanghai Building Material and Shanghai SAC agreed to establish the JV Company to operate and manage the Bailonggang Project under the terms of the JV Principle Agreement after the relevant government approvals for the Bailonggang Project being obtained. The commitment on capital contribution to a joint venture represents the 50% share of registered capital of the JV Company by the Group amounting to RMB400,000,000 (2016: RMB400,000,000) (equivalent to approximately HK\$480,019,000 (2016: HK\$446,927,000)). Details of the transaction were set out in the announcement and circular of the Company dated 15 February 2012 and 30 January 2014, respectively, and the circular of the Company dated 16 March 2012.

備註：*英文名稱僅供識別

Remark: * English name for identification purpose only

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44. 資本承擔 (續)

(a) (續)

於二零一二年九月二十八日，上海上聯訂立三份購買協議，以購買若干設備及機器，總代價為人民幣380,000,000元（二零一六年：人民幣380,000,000元）（相當於約456,018,000港元（二零一六年：424,581,000港元））。於二零一七年十二月三十一日，上海上聯已支付該三份購買協議總代價之各首期付款合共人民幣68,270,000元（二零一六年：人民幣68,270,000元）（相當於約81,927,000港元（二零一六年：76,279,000港元））。根據三份購買協議購買之設備及機器旨在未來用於白龍港項目，本集團及本公司無意將該等設備及機器留作自用。於合資公司成立後，上海上聯可根據相關中國規則及法規，按成本透過出售或其他方式將所購買之設備及機器轉讓予合資公司，或按成本更替購買協議之權利及責任予合資公司，或在相關中國規則及法規規限下按成本以實物出資方式轉讓該等設備及機器，以履行其於合資公司註冊資本比例之出資。交易詳情分別載於本公司日期為二零一二年十月三日之公告及日期為二零一二年十一月十五日之通函。

由於根據三份購買協議購買之設備及機器旨在未來用於白龍港項目，故本集團於白龍港項目之總承擔（包括該三份購買協議項下之承擔）最高為人民幣400,000,000元（相當於約446,927,000港元（二零一六年：446,927,000港元）），即向一間合資公司出資之承擔。

44. CAPITAL COMMITMENTS (CONTINUED)

(a) (CONTINUED)

On 28 September 2012, Shanghai SAC entered into three purchase agreements for the purchases of certain equipment and machineries at the aggregate consideration of RMB380,000,000 (2016: RMB380,000,000) (equivalent to approximately HK\$456,018,000 (2016: HK\$424,581,000)). As at 31 December 2017, Shanghai SAC has settled the respective first payments of the total consideration in an aggregate amount of RMB68,270,000 (2016: RMB68,270,000) (equivalent to approximately HK\$81,927,000 (2016: HK\$76,279,000)) under the three purchase agreements. The equipment and machineries under the three purchase agreements were purchased for future use in the Bailonggang Project and the Group and the Company do not intend to retain such equipment and machineries for their own use. After the JV Company is established, Shanghai SAC may transfer, by way of disposal or otherwise, the equipment and machineries purchased at cost or novate the rights and obligations of the purchase agreements at cost to the JV Company in accordance with the relevant PRC rules and regulations, or subject to the relevant PRC rules and regulations, may transfer such equipment and machineries at cost by way of contribution in kind to satisfy its proportion of the registered capital of the JV Company. Details of the transaction were set out in the announcement and circular of the Company dated 3 October 2012 and 15 November 2012 respectively.

Since the equipment and machineries under the three purchase agreements were purchased for future use in the Bailonggang Project, the total commitment of the Group to the Bailonggang Project, including the commitment under the three purchase agreements, would be limited to RMB400,000,000 (equivalent to approximately HK\$446,927,000 (2016: HK\$446,927,000)) being the commitment on capital contribution to a joint venture.

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44. 資本承擔 (續)

- (b) 於二零一六年十一月二十九日，本公司、Binex Co., Ltd. (「Binex」，一間於韓國交易所韓國證券交易商自動報價系統 (Korean Securities Dealers Automated Quotations of Korea Exchange) 上市之公司)、Able Partners Co., Ltd.、Binex Holdings Co., Ltd.、Lee, Hyuk-Jong 先生及 Jeong, Myung-Ho 先生訂立一份股份認購協議，據此，本公司 (或透過其指定全資附屬公司) 有條件同意向 Binex 認購，而 Binex 有條件同意向本公司 (或透過其指定全資附屬公司) 發行 Binex 13,182,298 股具表決權之普通股。按照認購價每股 16,000 韓圓計算，認購代價合共為 210,916,768,000 韓圓 (相當於約 1,397,725,000 港元)。建議收購事項須待本公司日期為二零一六年十二月十六日之公告所載之先決條件達成後，方可作實。

鑑於當前市況，於重新審視根據股份認購協議擬進行之商業安排後，本公司及股份認購協議之其他訂約方在商業上協定終止建議認購 Binex 之股本權益。於二零一七年五月三十一日，本公司、Binex 及韓國大股東訂立一份終止契據，據此，參與各方協定，股份認購協議及已就股份認購協議簽訂之所有相關協議將由終止契據日期起終止及不再具任何效力或作用。終止詳情載於日期為二零一七年五月三十一日之公告。

44. CAPITAL COMMITMENTS (CONTINUED)

- (b) On 29 November 2016, the Company, Binex Co., Ltd. ("Binex", a company listed on Korean Securities Dealers Automated Quotations of Korea Exchange), Able Partners Co., Ltd., Binex Holdings Co., Ltd., Mr. Lee, Hyuk-Jong and Mr. Jeong, Myung-Ho entered into a share subscription agreement, pursuant to which the Company (or through its wholly owned subsidiary designated by it) has conditionally agreed to subscribe from Binex, and Binex has conditionally agreed to issue to the Company (or through its wholly owned subsidiary designated by it) 13,182,298 shares of voting common stock of Binex. Based on the subscription price of KRW16,000 per share, the total subscription consideration is KRW210,916,768,000 (equivalent to approximately HK\$1,397,725,000). The proposed acquisition is subject to the fulfilment of the conditions precedent pursuant to the Company's announcement dated 16 December 2016.

After revising the commercial arrangements contemplated under the share subscription agreement and in view of the prevailing market conditions, the Company and other parties to the share subscription agreement commercially agreed to terminate the proposed subscription of equity interest in Binex. On 31 May 2017, the Company, Binex and the majority Korean shareholders entered into a termination deed pursuant to which the involved parties agreed that the share subscription agreement and all related agreements signed in relation to the share subscription agreement would be terminated and ceased to have any force or effect from the date of the termination deed. Details of the termination were set out in the announcement dated 31 May 2017.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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45. 資本風險管理

本集團管理其資本，以確保本集團之實體可持續經營，並透過優化債務及權益結餘為本公司股東帶來最大回報。本集團之整體策略與上一年度維持不變。

本集團之資本結構包括債務（主要包括附註33所披露之銀行及其他借貸）及本公司股東應佔權益，包括已發行股本、儲備及保留溢利。董事每年檢討資本結構。作為檢討之一部分，董事會考慮資本成本及各資本類別相關之風險。按照董事之建議，本集團將透過發行新股份、回購股份及發行新債務或贖回現有債務以平衡其整體資本結構。

45. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which mainly includes the bank and other borrowings disclosed in note 33 and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits. The Directors review the capital structure on an annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through issuance of new shares and share buy-back as well as the issuance of new debts or the redemption of existing debts.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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46. 金融工具

金融工具之類別

46. FINANCIAL INSTRUMENTS

Categories of financial instruments

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
金融資產	Financial assets		
透過損益賬按公平價值 處理之金融資產 持作買賣投資(附註29)	Financial assets at fair value through profit or loss Held for trading investments (note 29)	53,389	98,070
指定透過損益賬按公平價值 處理之金融資產 (附註29)	Financial assets designated as at fair value through profit or loss (note 29)	61,331	22,434
		114,720	120,504
貸款及應收款項	Loans and receivables		
應收貿易款項及應收票據 (附註26)	Trade and bills receivables (note 26)	532,671	347,989
其他應收款項及按金 (計入其他應收款項、 按金及預付款項) (附註27)	Other receivables and deposits (included in other receivables, deposits and prepayments) (note 27)	61,202	57,843
應收銀行利息收入 (計入其他應收款項、 按金及預付款項) (附註27)	Bank interest income receivable (included in other receivables, deposits and prepayments) (note 27)	273	5,246
應收貸款(附註28)	Loans receivables (note 28)	178,878	167,264
一間中介控股公司欠款 (附註48)	Amount due from an intermediate holding company (note 48)	-	89,385
一間合營公司欠款 (附註48)	Amount due from a joint venture (note 48)	7,972	131
一間聯營公司欠款 (附註48)	Amount due from an associate (note 48)	34,667	-
其他關聯方欠款 (附註49(c))	Amounts due from other related parties (note 49(c))	208,961	168,865
受限制銀行存款(附註30)	Restricted bank deposit (note 30)	-	2,518
已抵押銀行存款(附註30)	Pledged bank deposits (note 30)	35,762	421,416
原到期日為四至十二個月之 定期存款(附註30)	Time deposits with original maturity between 4 to 12 months (note 30)	-	22,347
現金及現金等價物 (附註30)	Cash and cash equivalents (note 30)	381,450	581,137
		1,441,836	1,864,141
		1,556,556	1,984,645

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46. 金融工具 (續)

金融工具之類別 (續)

按攤銷成本計量之金融負債

應付貿易款項及應付票據
(附註31)

其他應付款項及已收按金
(計入其他應付款項及
已收按金)(附註32)

購買物業、廠房及
設備應付款項
(計入其他應付款項及
已收按金)(附註32)

其他應計經營費用
(計入其他應付款項及
已收按金)(附註32)

欠一間中介控股公司款項
(附註48)

欠其他關聯方款項
(附註49(c))

銀行及其他借貸(附註33)

46. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments
(CONTINUED)

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
Financial liabilities measured at amortised cost		
Trade and bills payables (note 31)	207,512	175,428
Other payables and deposits received (included in other payables and deposits received) (note 32)	45,136	26,024
Payables for acquisition of property, plant and equipment (included in other payables and deposits received) (note 32)	1,817	3,652
Other accrued operating expenses (included in other payables and deposits received) (note 32)	22,507	12,513
Amount due to an intermediate holding company (note 48)	17,011	24,230
Amounts due to other related parties (note 49(c))	57,974	9,528
Bank and other borrowings (note 33)	805,002	1,079,441
	1,156,959	1,330,816

金融風險管理目標及政策

本集團之主要金融工具載於上文。該等金融工具詳情於相關附註內披露。有關該等金融工具之風險包括市場風險(利率風險、外幣風險及其他價格風險)、信貸風險及流動性風險。有關如何減輕該等風險之政策載於下文。管理層會管理及監察該等風險，以確保及時且有效地採取適當措施。

Financial risk management objectives and policies

The Group's major financial instruments are listed above. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (interest rate risk, foreign currency risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

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

46. 金融工具 (續)**金融風險管理目標及政策 (續)****市場風險****利率風險**

本集團之公平價值利率風險主要與若干定息已抵押銀行存款、受限制銀行存款、一間中介控股公司欠款、借予本集團附屬公司一名非控股股東之貸款、定期存款、應收貸款、其他應收款項以及銀行及其他借貸有關(有關該等銀行及其他借貸之詳情請參閱附註33)。

本集團之現金流量利率風險主要與浮息銀行結餘以及銀行及其他借貸有關(有關該等銀行及其他借貸之詳情請參閱附註33)。利率掛鉤結構性存款(歸入其他保本型存款)之利息因上海銀行間同業拆放利率(「上海銀行間同業拆放利率」)變動而浮動。

本集團並未使用任何利率掉期以減低其面對之利率風險。然而，管理層會監察利率風險，並於預期面對重大利率風險時考慮採取所需行動。

本集團面對之金融負債利率風險之詳情載於流動性風險部分。本集團之現金流量利率風險主要集中於本集團銀行及其他借貸所產生香港銀行同業拆息、倫敦銀行同業拆息與中國人民銀行所報利率波動之風險。

46. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management objectives and policies (CONTINUED)****Market risk****Interest rate risk**

The Group's fair value interest rate risk relates primarily to certain fixed-rate pledged bank deposits, restricted bank deposits, amount due from an intermediate holding company, loan to a non-controlling shareholder of the Group's subsidiary, time deposits, loans receivables, other receivable and bank and other borrowings (see note 33 for details of these bank and other borrowings).

The Group's cash flow interest rate risk primarily relates to variable-rate bank balances and bank and other borrowings (see note 33 for details of these bank and other borrowings). For interest rate linked structured deposits, which are grouped under other principal protected deposits, interest varies depending on the movement of the Shanghai Interbank Offered Rate (the "SHIBOR").

The Group has not used any interest rate swaps to mitigate its exposure associated with interest rate risk. However, the management monitors interest rate exposure and will consider necessary actions when significant interest rate exposure is anticipated.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate, London Interbank Offered Rate and the interest rates quoted by the People's Bank of China arising from the Group's bank and other borrowings.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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46. 金融工具 (續)**金融風險管理目標及政策 (續)****市場風險 (續)****利率風險 (續)****敏感度分析**

以下敏感度分析乃按報告期末基於有關銀行結餘以及浮息銀行及其他借貸之非衍生工具面對之利率風險釐定，編製時已假設於報告期末尚存資產與負債金額於整個年度一直存在。200個基點之增減（就銀行及其他借貸而言）及15個基點之增加（就銀行結餘而言）代表管理層對利率合理可能變動之評估。預計銀行結餘之利率在自報告期末起計未來十二個月內不會下降。

倘銀行及其他借貸相關利率增加／減少200個基點，而所有其他可變因素維持不變，則本集團截至二零一七年十二月三十一日止年度之溢利將減少／增加10,075,000港元（二零一六年：年度虧損增加／減少15,070,000港元）。

此外，倘銀行結餘相關利率增加15個基點，而所有其他可變因素維持不變，則本集團截至二零一七年十二月三十一日止年度之溢利將增加437,000港元（二零一六年：年度虧損減少791,000港元）。

本集團之保本型利率掛鈎結構性存款存在利率風險，其利率因應上海銀行間同業拆放利率之變動而浮動。於二零一七年十二月三十一日，概無利率掛鈎結構性存款結餘。

其他價格風險

本集團因其於債券及上市股本證券之投資而面對股本價格風險。管理層密切監察價格風險，並於有需要時考慮對沖風險。管理層認為就其投資面對之其他價格風險並不重大，因此並無呈列敏感度分析。

46. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management objectives and policies (CONTINUED)****Market risk (CONTINUED)****Interest rate risk (CONTINUED)****Sensitivity analysis**

The sensitivity analysis below have been determined based on the exposure to interest rate for non-derivative instruments relating to bank balances and floating-rate bank and other borrowings at the end of the reporting period. The analysis is prepared assuming the amount of assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year. 200 basis points increase or decrease for bank and other borrowings and 15 basis points increase for bank balances represent the management's assessment of the reasonably possible change in interest rates. It is expected that the interest rate for bank balances will not decrease in the next twelve months from end of the reporting period.

If interest rates had been increased/decreased by 200 basis points in respect of bank and other borrowings and all other variables were held constant, the Group's profit for the year ended 31 December 2017 would decrease/increase by HK\$10,075,000 (2016: loss for the year would increase/decrease by HK\$15,070,000).

In addition, if interest rates had been increased by 15 basis points in respective of bank balances and all other variables were held constant, the Group's profit for the year ended 31 December 2017 would increase by HK\$437,000 (2016: loss for the year would decrease by HK\$791,000).

The Group is exposed to interest rate risk through its interest rate linked structured deposits which are principal protected and their interest varies depending on the movement of the SHIBOR. As 31 December 2017, there was no outstanding interest rate linked structured deposits.

Other price risk

The Group is exposed to equity price risk through its investments in bonds and listed equity securities. The management closely monitors the price risk and will consider hedging the risk exposure should the need arise. The management considers the exposure of other price risk for its investments is not significant. Accordingly, no sensitivity analysis is presented.

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46. 金融工具 (續)

金融風險管理目標及政策 (續)

市場風險 (續)

外幣風險

外幣風險為金融工具價值因外幣匯率變動而波動之風險。除香港及新加坡外，本集團之營運主要位於中國。於二零一七年十二月三十一日，本集團持有以各集團實體之功能貨幣以外貨幣計值之銀行結餘、已抵押銀行存款、其他關聯方欠款、欠其他關聯方款項以及銀行及其他借貸（二零一六年：銀行結餘、欠其他關聯方款項以及銀行及其他借貸）。本集團目前並無外幣對沖政策。然而，管理層密切監察外匯風險，並於有需要時考慮對沖重大外幣風險。

以集團實體之功能貨幣以外貨幣計值之貨幣資產及貨幣負債之賬面金額如下：

美元（「美元」）	United States dollar ("USD")
港元	HK\$
新加坡元（「新加坡元」）	Singapore dollar ("SGD")

46. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (CONTINUED)

Market risk (CONTINUED)

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group's operations are mainly in the PRC other than Hong Kong and Singapore. As at 31 December 2017, the Group has bank balances, pledged bank deposits, amounts due from other related parties, amounts due to other related parties and bank and other borrowings (2016: bank balances, amounts due to other related parties and bank and other borrowings) denominated in currencies other than the functional currency of the respective group entities. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arises.

The carrying amounts of monetary assets and monetary liabilities that are denominated in currencies other than the functional currency of the group entities are as follows:

Assets 資產		Liabilities 負債	
二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
32,610	2,499	2,343	-
87,606	770,574	387,334	782,589
12,523	-	21,748	-

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46. 金融工具 (續)

金融風險管理目標及政策 (續)

市場風險 (續)

外幣風險 (續)

下表詳列本集團就人民幣兌相關外幣上升及下降5%之敏感度。5%為管理層評估外幣匯率之合理可能變動時採用之敏感度比率。敏感度分析包括以相關外幣計值之金融資產及金融負債，並於報告期末以外幣匯率5%之變動調整換算。下文所示正數或負數表示人民幣兌相關外幣上升5%時本年度溢利之增加或減少（二零一六年：年度虧損減少／增加）。至於人民幣兌該等外幣下跌5%時，本年度業績會出現同等及相反影響。

本年度業績	Result for the year
美元	USD
港元	HK\$
新加坡元	SGD

信貸風險

本集團之信貸風險主要與應收貿易款項及應收票據及其他應收款項、透過損益賬按公平價值處理之金融資產、應收貸款、一間中介控股公司欠款、一間合營公司欠款、一間聯營公司欠款、其他關聯方欠款、受限制銀行存款、已抵押銀行存款、定期存款以及銀行結餘及現金有關。

本集團因交易對手未能履行責任而使本集團須蒙受財務損失之最高信貸風險，相當於綜合財務狀況表所列之各項已確認金融資產之賬面金額。

46. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (CONTINUED)

Market risk (CONTINUED)

Foreign currency risk (CONTINUED)

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currency. 5% sensitivity rate represents the management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes the financial assets and financial liabilities denominated in the relevant foreign currency, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rate. A positive or negative number below indicates an increase or a decrease in profit for the year (2016: decrease/increase in loss for the year) where RMB strengthen 5% against the relevant foreign currency. For a 5% weakening of RMB against in these currencies, there would be an equal and opposite impact on the result for the year.

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
(1,135)	(125)
11,240	451
346	-

Credit risk

The Group's credit risk is primarily attributable to trade and bills and other receivables, financial assets at fair value through profit or loss, loans receivables, amount due from an intermediate holding company, amount due from a joint venture, amount due from an associate, amounts due from other related parties, restricted bank deposit, pledged bank deposits, time deposits and bank balances and cash.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.



綜合財務報表附註 Notes to the Consolidated Financial Statements

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46. 金融工具 (續)

金融風險管理目標及政策 (續)

信貸風險 (續)

為將信貸風險降至最低，管理層已委派一支團隊專責決定信貸額度、信貸審批及其他監察程序，以確保採取跟進行動收回逾期債務。本集團會聘用獨立之公司，以調查客戶之信用狀況及彼等在需要時所提供之擔保或資產抵押。此外，管理層定期檢討各個別貿易債務、應收票據及其他應收款項之可收回金額，以確保就不可收回金額確認足夠之減值虧損。

其他保本型存款之信貸風險有限，原因在於其保本性質，而發行之銀行亦為具有良好信貸評級之知名銀行。

由於本集團之已抵押短期銀行存款、定期存款及銀行結餘乃存入香港及中國具有高信貸評級之銀行，故流動資金之信貸風險有限。

應收貸款、一間中介控股公司欠款、一間合營公司欠款、一間聯營公司欠款及其他關聯方欠款之信貸風險有限，原因為本集團之管理層認為該等交易對手之財政狀況穩健。

於二零一七年十二月三十一日，由於本集團附屬公司之一名非控股股東欠款158,607,000港元（二零一六年：147,673,000港元）及應收貸款178,878,000港元（二零一六年：167,264,000港元）分別佔貸款及應收款項總額之11.1%（二零一六年：7.9%）及12.6%（二零一六年：9.0%），因此本集團存在集中風險。本集團會監察風險水平，確保即時採取跟進及／或矯正行動以減輕風險。

除存入多間信貸評級良好之銀行之流動資金及上述結餘所產生之集中信貸風險外，本集團並無任何其他高度集中之信貸風險。應收貿易款項涉及之客戶數目龐大，並分散於不同行業及地區。

46. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (CONTINUED)

Credit risk (CONTINUED)

In order to minimise credit risk, the management has delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Independent companies are engaged to investigate the credibility of customers, and guarantees or pledges of assets provided by them on a needed basis. In addition, the management reviews the recoverable amount of each individual trade debt, bills receivables and other receivables regularly to ensure that adequate impairment losses are recognised for irrecoverable amounts.

The credit risk on other principal protected deposits is limited because they are principal protected and the issuing banks are reputable banks with good credit ratings.

The credit risk on liquid funds is limited because the Group's pledged short-term bank deposits, time deposits and bank balances are deposited with banks of high credit ratings in Hong Kong and the PRC.

The credit risk on loans receivables, amount due from an intermediate holding company, amount due from a joint venture, amount due from an associate and amounts due from other related parties are limited because the management of the Group determines that these counterparties are in strong financial position.

The Group has concentration risk on amounts due from a non-controlling shareholder of the Group's subsidiary amounted to HK\$158,607,000 (2016: HK\$147,673,000) and loans receivables amounted to HK\$178,878,000 (2016: HK\$167,264,000) representing 11.1% (2016: 7.9%) and 12.6% (2016: 9.0%) of total loans and receivables, respectively as at 31 December 2017. The Group will monitor the level of exposure to ensure that follow up actions and/or corrective actions are taken promptly to lower the risk exposure.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings and on balances mentioned above, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

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46. 金融工具 (續)

金融風險管理目標及政策 (續)

流動性風險

於管理流動性風險時，本集團監察及維持管理層認為足以為本集團營運提供資金及減輕現金流量波動影響之現金及現金等價物水平。本集團依賴銀行及其他借貸作為重要流動資金來源。管理層監察銀行及其他借貸之使用情況。

下表詳列本集團金融負債之餘下合約到期狀況。該等列表乃基於本集團可被要求償還金融負債之最早日期，按金融負債未貼現現金流量編製。該表包括利息及本金現金流量。因利息流為浮動利率，故未貼現款額以報告期末之利率計算。

流動資金及利息風險表

於二零一七年十二月三十一日

應付貿易款項及應付票據及

其他應付款項

欠一間中介控股公司款項

欠其他關聯方款項

銀行及其他借貸—浮息

銀行及其他借貸—定息

At 31 December 2017

Trade and bills payables and other payables

Amount due to an intermediate holding company

Amounts due to other related parties

Bank and other borrowings – variable rate

Bank and other borrowings – fixed rate

46. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (CONTINUED)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on bank and other borrowings as a significant source of liquidity. The management monitors the utilisation of bank and other borrowings.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity and interest risk tables

加權平均 實際利率 Weighted average effective interest rate	少於1個月 Less than 1 month	1至3個月 1-3 months	3個月至1年 3 months to 1 year	1至5年 1-5 years	未貼現現金 流量總額 Total undiscounted cash flows	賬面金額 Carrying amount
%	千港元	千港元	千港元	千港元	千港元	千港元
%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
-	166,516	39,421	71,035	-	276,972	276,972
-	17,011	-	-	-	17,011	17,011
-	57,974	-	-	-	57,974	57,974
4.69	2,193	493,735	142,878	-	638,806	628,352
1.26	186	372	2,602	212,500	215,660	176,650
	243,880	533,528	216,515	212,500	1,206,423	1,156,959

綜合財務報表附註 Notes to the Consolidated Financial Statements

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46. 金融工具 (續)

金融風險管理目標及政策 (續)

流動性風險 (續)

流動資金及利息風險表 (續)

於二零一六年十二月三十一日

應付貿易款項及應付票據及

其他應付款項

欠一間中介控股公司款項

欠其他關聯方款項

銀行及其他借貸—浮息

銀行及其他借貸—定息

At 31 December 2016

Trade and bills payables and other payables

Amount due to an intermediate holding company

Amounts due to other related parties

Bank and other borrowings – variable rate

Bank and other borrowings – fixed rate

46. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (CONTINUED)

Liquidity risk (CONTINUED)

Liquidity and interest risk tables (CONTINUED)

加權平均 實際利率 Weighted average effective interest rate	少於1個月 Less than 1 month	1至3個月 1-3 months	3個月至1年 3 months to 1 year	1至5年 1-5 years	未貼現現金 流量總額 Total undiscounted cash flows	賬面金額 Carrying amount
%	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
-	134,401	7,486	74,982	748	217,617	217,617
-	24,230	-	-	-	24,230	24,230
-	9,528	-	-	-	9,528	9,528
3.00	2,112	794,934	125,125	-	922,171	916,313
1.20	163	326	1,468	199,180	201,137	163,128
	170,434	802,746	201,575	199,928	1,374,683	1,330,816

倘浮動利率變動與於報告期末釐定之估計利率出現差異，則計入上述非衍生金融負債之浮息工具之金額或會變動。

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change, if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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46. 金融工具 (續)

金融工具之公平價值計量

本附註提供有關本集團如何釐定各項金融資產及負債之公平價值之資料。

本集團若干金融資產按於各報告期末之公平價值計量。下表提供釐定該等金融資產公平價值之方式(尤其是所使用之估值技術及輸入值),以及根據公平價值計量所用輸入值之可觀察程度而將公平價值計量歸類於公平價值等級之級別(第一至三級)之資料。

46. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements of financial instruments

This note provides information about how the Group determines fair value of various financial assets and liabilities.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

金融資產 Financial assets	公平價值於 Fair value at		公平價值 等級 Fair value hierarchy	估值技術及主要輸入值 Valuation technique and key inputs
	二零一七年 2017 HK\$'000	二零一六年 2016 HK\$'000		
持作買賣投資 Held for trading investments				
債券 Bonds	31,635	79,438	第二級 Level 2	定價服務之報價。 Quoted prices from pricing services.
於香港上市之股本證券 Equity securities listed in Hong Kong	21,324	15,849	第一級 Level 1	市場所報買入價。 Quoted bid prices in market.
於香港以外上市之股本證券 Equity securities listed outside Hong Kong	428	2,783	第一級 Level 1	市場所報買入價。 Quoted bid prices in market.
交易所買賣基金 Exchange-traded funds	2	–	第一級 Level 1	市場所報買入價。 Quoted bid price in market.
指定透過損益賬按公平價值 處理之金融資產 Financial assets designated as at fair value through profit or loss				
於中國上市之可換股債券 Convertible bonds listed in the PRC	36,504	–	第二級 Level 2	金融機構提供之報價。 Quoted price from financial institutions.

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46. 金融工具 (續)

金融工具之公平價值計量 (續)

金融資產 Financial assets	公平價值於 Fair value at	
	二零一七年 2017 HK\$'000	二零一六年 2016 HK\$'000

匯率掛鈎結構性存款	24,827	22,434
Exchange rate linked structured deposits		
	114,720	120,504

於截至二零一七年及二零一六年十二月三十一日止年度，第一級、第二級與第三級之間並無轉移。

董事認為，本集團在綜合財務報表內按攤銷成本記賬之金融資產及金融負債之賬面金額與公平價值相若。該等公平價值乃基於貼現現金流量分析按照公認定價模型釐定。

46. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements of financial instruments (CONTINUED)

公平價值
等級
Fair value hierarchy 估值技術及主要輸入值
Valuation technique and key inputs

第二級 貼現現金流量。根據未來匯率變動之概率（利用於報告期末從外匯期權市場取得之引伸波幅價格模擬）及合約利率估計未來現金流量，並以反映本集團或各交易對手（如適用）之信貸風險之貼現率將其貼現。

Level 2 Discounted cash flow. Future cash flows are estimated based on the probabilities of future exchange rate movements (which are modelled using the implied volatility prices at the end of the reporting period from the foreign exchange options market) and contracted interest rates, discounted at a rate that reflects the credit risk of the Group or the counterparties, as appropriate.

There were no transfers among Levels 1, 2 and 3 during the years ended 31 December 2017 and 2016.

The Directors consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

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47. 資產抵押

於二零一七年十二月三十一日，本集團之銀行及其他借貸249,795,000港元（二零一六年：502,793,000港元）、有關向供應商開具應付票據之短期銀行融資100,003,000港元（二零一六年：98,831,000港元）及融資租賃3,414,000港元（二零一六年：無）已以下列項目作抵押：

樓宇及建築物	Buildings and structures
廠房及機器	Plant and machinery
土地使用權之預付租賃款項	Prepaid lease payments on land use rights
匯率掛鈎結構性存款	Exchange rate linked structured deposits
已抵押銀行存款	Pledged bank deposits

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
155,271	105,999
54,339	–
99,524	45,655
24,001	22,434
35,762	421,416
368,897	595,504

47. PLEDGE OF ASSETS

As at 31 December 2017, the Group's bank and other borrowings of HK\$249,795,000 (2016: HK\$502,793,000), short-term bank facilities in respect of the issuance of bills payable to suppliers amounting to HK\$100,003,000 (2016: HK\$98,831,000) and finance lease of HK\$3,414,000 (2016: nil) were secured by the following:

48. 一間中介控股公司／一間合營公司／一間聯營公司欠款（欠一間中介控股公司／一間合營公司／一間聯營公司款項）

於二零一六年十二月三十一日，一間中介控股公司欠款指向該中介控股公司提供貸款55,900,000港元及33,500,000港元，該等貸款為無抵押，按年利率5.66%及5.44%計息。有關結餘已於截至二零一七年十二月三十一日止年度悉數償還。

一間中介控股公司、一間合營公司及一間聯營公司欠款（欠一間中介控股公司、一間合營公司及一間聯營公司款項）為無抵押、免息及須按的要求償還。

48. AMOUNT DUE FROM (TO) AN INTERMEDIATE HOLDING COMPANY/ A JOINT VENTURE/AN ASSOCIATE

As at 31 December 2016, amount due from an intermediate holding company represented the provision of loans to the intermediate holding company amounted to HK\$55,900,000 and HK\$33,500,000, which were unsecured, interest bearing at 5.66% and 5.44% per annum. The balance has been fully repaid during the year ended 31 December 2017.

Amount due from (to) an intermediate holding company, a joint venture and an associate are unsecured, interest-free and are repayable on demand.

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49. 關聯方交易及結餘

除本綜合財務報表內其他部份所披露之交易、結餘及承擔外，於截至二零一七年十二月三十一日止年度，本集團與關聯方之交易及結餘如下：

(a) 交易概要

本集團附屬公司之非控股股東	Non-controlling shareholders of the Group's subsidiaries
– 利息收入	– Interest income
– 管理費費用	– Management fee expense
一間聯營公司	An associate
– 管理費收入	– Management fee income
– 特許權費收入	– Royalty fee income
– 服務費收入	– Service fee income
中介控股公司	Intermediate holding company
– 利息收入	– Interest income

(b) 主要管理層人員補償

薪金及其他短期福利	Salaries and other short-term benefits
離職後成本	Post-employment costs
權益結算以股份為基礎之付款	Equity-settled share-based payments

49. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions, balances and commitments disclosed elsewhere in these consolidated financial statements, during the year ended 31 December 2017, the Group had transactions and balances with related parties as follows:

(a) Summary of transactions

附註 Note	(收入)費用 (Income) Expenses	
	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
(i)	(6,387)	(6,918)
	89	89
(iii)	(1,344)	–
(iii)	(29,886)	–
(iii)	(3,440)	–
	(995)	(2,214)

(b) Key management personnel compensation

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
13,319	12,266
659	601
5,342	6,355
19,320	19,222

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49. 關聯方交易及結餘 (續)

49. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) 結餘概要

(c) Summary of balances

	附註 Note	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
流動資產			
借予本集團附屬公司 一名非控股股東之 貸款	(i)	158,406	147,486
應收本集團附屬公司 一名非控股股東之 利息	(i)	201	187
最終控股公司之一間 同系附屬公司欠款	(ii)	22,763	21,192
一名股東欠款	(ii)	466	—
本集團附屬公司之 一名非控股股東欠款	(ii)	27,125	—
其他關聯方欠款		208,961	168,865
流動負債			
應付本集團附屬公司 一名非控股股東之 股息	(ii)	6,846	2,500
欠本集團附屬公司 非控股股東之款項	(ii)	28,083	494
欠最終控股公司 一間同系附屬公司之 款項	(ii)	12,044	6,534
欠受本集團附屬公司 一名非控股股東控制 之一間實體之款項	(ii)	2,336	—
欠本集團附屬公司 一名董事之款項	(ii)	7,822	—
欠中介控股公司 一間同系附屬公司之 款項	(ii)	843	—
欠其他關聯方款項		57,974	9,528
Current assets			
Loan to a non-controlling shareholder of the Group's subsidiary	(i)	158,406	147,486
Interest receivable from a non-controlling shareholder of the Group's subsidiary	(i)	201	187
Amount due from a fellow subsidiary of the ultimate holding company	(ii)	22,763	21,192
Amount due from a shareholder	(ii)	466	—
Amount due from a non-controlling shareholder of the Group's subsidiary	(ii)	27,125	—
Amounts due from other related parties		208,961	168,865
Current liabilities			
Dividend payable to a non-controlling shareholder of the Group's subsidiary	(ii)	6,846	2,500
Amounts due to non-controlling shareholders of the Group's subsidiaries	(ii)	28,083	494
Amounts due to a fellow subsidiary of the ultimate holding company	(ii)	12,044	6,534
Amount due to an entity controlled by a non-controlling shareholder of the Group's subsidiary	(ii)	2,336	—
Amount due to a director of the Group's subsidiary	(ii)	7,822	—
Amount due to a fellow subsidiary of the intermediate holding company	(ii)	843	—
Amounts due to other related parties		57,974	9,528

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49. 關聯方交易及結餘 (續)

(c) 結餘概要 (續)

附註：

- (i) 該等交易及結餘指透過一間銀行向本集團附屬公司之一名非控股股東提供委託貸款。於二零一七年十二月三十一日，貸款本金按年利率4.15%（二零一六年：4.15%）計息，為無抵押及須於二零一八年五月及二零一八年六月（二零一六年：二零一七年五月及二零一七年六月）償還。該等交易亦構成持續關連交易（定義見上市規則）。交易詳情載於本公司日期為二零一七年五月二十六日（二零一六年：二零一六年五月二十七日）之公告。
- (ii) 結餘為無抵押、不計息及須按要求償還。
- (iii) 該等交易符合上市規則內「持續關連交易」之定義。

- (d)** 本集團之中介控股公司就銀行借貸向本集團提供之擔保載於附註33。

49. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Summary of balances (CONTINUED)

Notes:

- (i) The transactions and balances represented the provision of entrusted loans through a bank to a non-controlling shareholder of the Group's subsidiary. As at 31 December 2017, the principals of the loans bear interest at 4.15% (2016: 4.15%) per annum, were unsecured and were repayable in May 2018 and June 2018 (2016: May 2017 and June 2017). The transactions also constituted connected transactions within the meaning of the Listing Rules. Details of the transactions were set out in the announcement of the Company dated 26 May 2017 (2016: 27 May 2016).
- (ii) The balances were unsecured, non-interest bearing and were repayable on demand.
- (iii) These transactions fall under the definition of 'continuing connected transaction' under the Listing Rules.

- (d)** The guarantee provided to the Group in relation to the bank borrowings by the Group's intermediate holding company is set out in note 33.

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50. 融資業務所產生負債之對賬

下表詳述本集團融資業務所產生負債之變動(包括現金及非現金變動)。融資業務所產生負債之現金流量已經或未來現金流量將會於本集團綜合現金流動表內分類為融資業務現金流量。

50. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	借貨 Borrowings	其他 應付款項 Other payables	融資租賃 責任 Obligations under finance leases	欠一間 中介控股公司 款項 Amount due to an intermediate holding company	欠其他 關聯方 款項 Amounts due to other related parties	授予非控股 股東一項 認沽期權 產生之承擔 Obligation arising from a put option to non- controlling shareholder	總額 Total
	千港元 HK\$'000 (附註33) (note 33)	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000 (附註48) (note 48)	千港元 HK\$'000 (附註49(c)) (note 49(c))	千港元 HK\$'000	千港元 HK\$'000
於二零一七年一月一日	1,079,441	864	-	24,230	9,528	-	1,114,063
融資現金流量	(306,553)	(20,238)	(2,206)	(8,637)	3,151	-	(334,483)
收購附屬公司	5,868	368	5,114	-	174	-	11,524
應付代價(附註41(a))	-	-	-	-	27,125	-	27,125
新融資租賃	-	-	212	-	-	-	212
授予非控股股東一項 認沽期權產生之承擔	-	-	-	-	-	81,900	81,900
外匯兌換	26,246	-	138	1,418	11,332	-	39,134
利息支出	-	20,234	78	-	-	-	20,312
應歸利息(附註9)	-	-	-	-	-	1,435	1,435
終止確認授予非控股股東一項 認沽期權產生之承擔	-	-	-	-	-	(83,335)	(83,335)
分派予非控股權益之股息	-	-	-	-	6,664	-	6,664
於二零一七年十二月三十一日	805,002	1,150	3,414	17,011	57,974	-	884,551

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51. 本公司之財務狀況表

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
非流動資產		
物業、廠房及設備	1,943	79
於附屬公司之投資	457,171	420,902
於一間合營公司之權益	21,093	32,759
附屬公司欠款	642,475	427,687
	1,122,682	881,427
流動資產		
其他應收款項及預付款項	7,229	10,405
透過損益賬按公平價值		
處理之金融資產	52,958	95,287
一間合營公司欠款	7,972	131
已抵押短期銀行存款	-	400,000
現金及現金等價物	10,931	212,146
	79,090	717,969
流動負債		
其他應付款項及應計費用	5,388	8,083
一年內到期之銀行借貸	-	400,000
	5,388	408,083
流動資產淨值	73,702	309,886
總資產減流動負債	1,196,384	1,191,313
股本及儲備		
股本	9,900	9,900
股份溢價及儲備(附註)	1,186,484	1,181,413
權益總額	1,196,384	1,191,313

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51. 本公司之財務狀況表 (續)

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

附註：

Note:

股份溢價及儲備

Share premium and reserves

		為股份 獎勵計劃 持有之股份 Shares held for share award scheme	以股份 為基礎之 僱員補償儲備 Employee share-based compensation reserve	匯兌儲備 Translation reserve	保留溢利 Retained profits	總額 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零一六年一月一日	At 1 January 2016	1,215,024	-	-	8,834	1,197,759
本公司本年度虧損	Loss for the year of the Company	-	-	-	(19,510)	(19,510)
兌換為呈列貨幣產生之 匯兌差額	Exchange difference arising on translation to presentation currency	-	-	(9,737)	-	(9,737)
根據購股權計劃確認權益 結算以股份為基礎之付款	Recognition of equity-settled share-based payments under share options scheme	-	13,761	-	-	13,761
已失效之購股權	Share options lapsed	-	(22)	-	22	-
為股份獎勵計劃購買股份	Purchase of shares for share award scheme	-	(860)	-	-	(860)
於二零一六年十二月三十一日	At 31 December 2016	1,215,024	(860)	13,739	(10,654)	1,181,413
本公司本年度虧損	Loss for the year of the Company	-	-	-	(11,746)	(11,746)
兌換為呈列貨幣產生之匯兌差額	Exchange difference arising on translation to presentation currency	-	-	9,904	-	9,904
根據購股權計劃確認權益結算 以股份為基礎之付款	Recognition of equity-settled share-based payments under share options scheme	-	10,397	-	-	10,397
已失效之購股權	Share options lapsed	-	(2,426)	-	2,426	-
為股份獎勵計劃購買股份	Purchase of shares for share award scheme	-	(3,484)	-	-	(3,484)
於二零一七年十二月三十一日	At 31 December 2017	1,215,024	(4,344)	21,710	(19,974)	1,186,484

於二零一七年十二月三十一日，本公司可供分派予本公司股東之儲備為股份溢價1,215,024,000港元減已變現累計虧損50,975,000港元（二零一六年：股份溢價1,215,024,000港元減已變現累計虧損33,272,000港元）。

The Company's reserves available for distribution to shareholders of the Company as at 31 December 2017 represented the share premium of HK\$1,215,024,000 and net of realised accumulated loss of HK\$50,975,000 (2016: share premium of HK\$1,215,024,000 and net of realised accumulated loss of HK\$33,272,000).

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52. 附屬公司資料

本公司所有附屬公司於二零一七年及二零一六年十二月三十一日之資料如下：

52. PARTICULARS OF SUBSIDIARIES

Particulars of all subsidiaries of the Company as at 31 December 2017 and 2016 are as follows:

公司名稱 Name of company	註冊成立/ 登記地點 Place of incorporation/ registration	經營地點 Place of operations	已發行及繳足 普通股股本/ 已繳足註冊資本 Paid up issued ordinary share capital/paid up registered capital	本集團應佔之 實際股本權益 Effective equity interest attributable to the Group		主要業務 Principal activities
				二零一七年 2017 %	二零一六年 2016 %	
All-cement Limited	英屬處女群島 British Virgin Islands	香港 Hong Kong	1美元 US\$1	100	100	投資控股及水泥業務 Investment holding and cement business
All-Shanghai Inc.	英屬處女群島 British Virgin Islands	香港 Hong Kong	15,376,500美元 US\$15,376,500	83.33	83.33	投資控股及水泥業務 Investment holding and cement business
Fester Global Limited	英屬處女群島 British Virgin Islands	香港 Hong Kong	1美元 US\$1	100	100	投資控股 Investment holding
金瑞有限公司 Fortunate Gold Limited	英屬處女群島 British Virgin Islands	香港 Hong Kong	1美元 US\$1	100	100	投資控股 Investment holding
富而嘉有限公司 Fully Fine Limited	香港 Hong Kong	香港 Hong Kong	1港元 HK\$1	100	100	投資控股 Investment holding
Gratwick Limited	英屬處女群島 British Virgin Islands	香港 Hong Kong	1美元 US\$1	100	100	投資控股 Investment holding
Greater Vision Limited	英屬處女群島 British Virgin Islands	香港 Hong Kong	1美元 US\$1	100	100	投資控股 Investment holding
興璋香港有限公司 Kingway Hong Kong Limited	香港 Hong Kong	香港 Hong Kong	1港元 HK\$1	100	100	投資控股 Investment holding
興活有限公司 Kingwood Limited	香港 Hong Kong	香港 Hong Kong	1港元 HK\$1	100	100	投資控股 Investment holding
康泰投資管理有限公司 Konta Investment Management Co. Ltd.	開曼群島 Cayman Islands	香港 Hong Kong	100美元 US\$100	90	-	投資控股 Investment holding
SAC Intellectual Properties Limited	英屬處女群島 British Virgin Islands	香港 Hong Kong	1美元 US\$1	100	100	投資控股 Investment holding

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

52. 附屬公司資料 (續)

52. PARTICULARS OF SUBSIDIARIES

(CONTINUED)

公司名稱 Name of company	註冊成立/ 登記地點 Place of incorporation/ registration	經營地點 Place of operations	已發行及繳足 普通股股本/ 已繳足註冊資本 Paid up issued ordinary share capital/paid up registered capital	本集團應佔之 實際股本權益 Effective equity interest attributable to the Group		主要業務 Principal activities
				二零一七年 2017 %	二零一六年 2016 %	
山東聯合王晁水泥有限公司	中國(有限責任公司 (台港澳與外國投資者 合資))	中國	14,360,000美元	100	100	生產及銷售水泥及熟料
Shandong Allied Wangchao Cement Limited	The PRC (有限責任公司 (台港澳與外國投資者 合資))	The PRC	US\$14,360,000			Manufacture and sales of cement and clinker
山東上聯水泥發展有限公司	中國(有限責任公司 (外國法人獨資))	中國	1,000,000美元	100	100	生產及銷售礦粉
Shandong Shanghai Allied Cement Co., Ltd.	The PRC (有限責任公司 (外國法人獨資))	The PRC	US\$1,000,000	100	100	Manufacture and sales of slag
上海聯合水泥有限公司	中國(有限責任公司 (台港澳與境內合資))	中國	104,000,000美元	50 [#]	50 [#]	買賣水泥及熟料
Shanghai Allied Cement Co., Ltd.	The PRC (有限責任公司 (台港澳與境內合資))	The PRC	US\$104,000,000			Trading of cement and clinker
上聯水泥集團有限公司	香港	香港	10,000,000港元	100	100	投資控股
Shanghai Allied Cement Holdings Limited	Hong Kong	Hong Kong	HK\$10,000,000			Investment holding
Sharkview Limited	英屬處女群島	香港	1美元	100	100	投資控股
	British Virgin Islands	Hong Kong	US\$1			Investment holding
鉅聯有限公司	英屬處女群島	香港	1美元	100	100	投資控股
Splendid Link Limited	British Virgin Islands	Hong Kong	US\$1			Investment holding
同方藥業	中國(有限責任公司 (中外合資))	中國	人民幣120,000,000元	60	60	投資控股以及製造及 銷售處方藥
Tongfang Pharmaceutical	The PRC (有限責任公司 (中外合資))	The PRC	RMB120,000,000			Investment holding and manufacturing and sales of prescription of drugs
華控創新(北京)藥物研究院 有限公司	中國(有限責任公司 (法人獨資))	中國	-**	60 [#]	60 [#]	研發醫療產品
	The PRC (有限責任公司 (法人獨資))	The PRC	-**			Research and development of medical products

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

52. 附屬公司資料 (續)

52. PARTICULARS OF SUBSIDIARIES

(CONTINUED)

公司名稱 Name of company	註冊成立/ 登記地點 Place of incorporation/ registration	經營地點 Place of operations	已發行及繳足 普通股股本/ 已繳足註冊資本 Paid up issued ordinary share capital/paid up registered capital	本集團應佔之 實際股本權益 Effective equity interest attributable to the Group		主要業務 Principal activities	
				二零一七年	二零一六年		
				2017	2016		
				%	%		
西藏林芝地區醫藥有限公司	中國(有限責任公司 (非自然人投資或 控股的法人獨資)) The PRC (有限責任公司 (非自然人投資或 控股的法人獨資))	中國 The PRC	人民幣5,360,000元 RMB5,360,000	60**	60**	製造及銷售處方藥 Manufacture and sales of prescription drugs	
陝西紫光辰濟藥業有限公司	中國(其他有限責任公司) The PRC (其他有限責任公司)	中國 The PRC	人民幣 18,007,322.35元 RMB18,007,322.35	39.6**	39.6**	製造及銷售處方藥 Manufacture and sales of prescription drugs	
重慶康樂製藥有限公司	中國(有限責任公司 (自然人投資或控股)) The PRC (有限責任公司 (自然人投資或控股))	中國 The PRC	人民幣20,723,418元 RMB20,723,418	35.65**	37.52**	製造及銷售處方藥 Manufacture and sales of prescription drugs	
斯貝福(北京)生物技術 有限公司	中國(其他有限責任公司) The PRC (其他有限責任公司)	中國 The PRC	人民幣8,400,000元 RMB8,400,000	33.26**	33.26**	買賣實驗室相關產品 Trading of laboratory related products	
陝西辰濟大藥房有限公司	中國(有限責任公司 (自然人投資或控股)) The PRC (有限責任公司 (自然人投資或控股))	中國 The PRC	人民幣1,000,000元 RMB1,000,000	39.6**	39.6**	買賣處方藥 Trading of prescription drugs	
重慶華控康樂藥物研究 有限公司	中國(有限責任公司 (自然人投資或控股的 法人獨資)) The PRC (有限責任公司 (自然人投資或 控股的法人獨資))	中國 The PRC	--	35.65**	37.52**	研發醫療產品 Research and development of medical products	
前海興璋企業管理諮詢 (深圳)有限公司	中國 The PRC	中國 The PRC	--	100	100	投資控股及企業顧問 Investment holding and corporate advisory	

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

52. 附屬公司資料 (續)

52. PARTICULARS OF SUBSIDIARIES

(CONTINUED)

公司名稱 Name of company	註冊成立/ 登記地點 Place of incorporation/ registration	經營地點 Place of operations	已發行及繳足 普通股股本/ 已繳足註冊資本 Paid up issued ordinary share capital/paid up registered capital	本集團應佔之 實際股本權益 Effective equity interest attributable to the Group		主要業務 Principal activities	
				二零一七年	二零一六年		
				2017	2016		
				%	%		
前海富而嘉企業管理諮詢 (深圳)有限公司	中國(有限責任公司 (台港澳法人獨資)) The PRC (有限責任公司 (台港澳法人獨資))	中國 The PRC	-**	100	100	投資控股及企業顧問 Investment holding and corporate advisory	
北京華控康泰醫療健康管理 有限公司	中國(有限責任公司 (法人獨資)) The PRC (有限責任公司 (法人獨資))	中國 The PRC	-**	100	100	投資控股 Investment holding	
清藥同創(深圳)藥物研發中心 有限公司	中國(有限責任公司 (法人獨資)) The PRC (有限責任公司 (法人獨資))	中國 The PRC	人民幣10,000,000元 RMB10,000,000	100	-	暫無營業 Inactive	
國瑞同順 Guorui Tongshun	中國(有限責任公司 (國內合資)) The PRC (有限責任公司 (國內合資))	中國 The PRC	人民幣10,000,000元 RMB10,000,000	85*	N/A	提供合同能源管理 Provision of energy performance contracting	
榮徽投資有限公司 Glorious Mark Investments Limited	香港 Hong Kong	香港 Hong Kong	1港元 HK\$1	100	-	投資控股 Investment holding	
TFKT True Holdings	開曼群島 Cayman Islands	新加坡 Singapore	5,050,000美元 US\$5,050,000	54	-	投資控股 Investment holding	
Nation Valley Investment Limited	英屬處女群島 British Virgin Islands	新加坡 Singapore	1美元 US\$1	54***	-	投資控股 Investment holding	
Profit Heaven Management Limited	英屬處女群島 British Virgin Islands	新加坡 Singapore	1美元 US\$1	54***	-	投資控股 Investment holding	
群真(廈門)健身休閒有限公司 True Yoga (Xiamen) Co., Ltd.	中國 The PRC	中國 The PRC	人民幣4,558,774元 RMB4,558,774	54***	-	經營健身中心及提供諮詢 服務 Operating of fitness centres and provision of consultation services	

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

52. 附屬公司資料 (續)

52. PARTICULARS OF SUBSIDIARIES

(CONTINUED)

公司名稱 Name of company	註冊成立/ 登記地點 Place of incorporation/ registration	經營地點 Place of operations	已發行及繳足 普通股股本/ 已繳足註冊資本 Paid up issued ordinary share capital/paid up registered capital	本集團應佔之 實際股本權益 Effective equity interest attributable to the Group		主要業務 Principal activities
				二零一七年 2017 %	二零一六年 2016 %	
True Fitness Holdings (Singapore) Pte. Ltd.	新加坡	新加坡	1新加坡元	54 ^{###}	-	投資控股
	Singapore	Singapore	SGD1			Investment holding
True Fit Pte. Ltd.	新加坡	新加坡	1新加坡元	54 ^{###}	-	經營健身中心及提供諮詢 服務
	Singapore	Singapore	SGD1			Operating of fitness centres and provision of consultation services
True Fitness Pte. Ltd.	新加坡	新加坡	4,474,000新加坡元	54 ^{###}	-	經營健身中心及提供諮詢 服務
	Singapore	Singapore	SGD4,474,000			Operating of fitness centres and provision of consultation services
True Yoga Pte. Ltd.	新加坡	新加坡	100,000新加坡元	54 ^{###}	-	經營健身中心及提供諮詢 服務
	Singapore	Singapore	SGD100,000			Operating of fitness centres and provision of consultation services
True Fitness (STC) Pte. Ltd.	新加坡	新加坡	1,700,000新加坡元	54 ^{###}	-	經營健身中心及提供諮詢 服務
	Singapore	Singapore	SGD1,700,000			Operating of fitness centres and provision of consultation services

於年末，附屬公司概無發行任何債務證券。

None of the subsidiaries had issued any debt securities at the end of the year.

備註：

Remark:

該公司由本公司擁有其83.33%權益之附屬公司持有及控制。

This company is held and controlled by a 83.33%-owned subsidiary of the Company.

** 該等公司由同方藥業持有及控制。

** These companies are held and controlled by Tongfang Pharmaceutical.

該等公司由TFKT True Holdings持有及控制。

These companies are held and controlled by TFKT True Holdings.

* 該公司於截至二零一七年十二月三十一日止年度由本公司之聯營公司成為本公司之附屬公司。

* This company becomes a subsidiary of the Company from an associate of the Company during the year ended 31 December 2017.

** 該等公司由同方康泰產業集團有限公司成立且並無已繳足股本。

** These companies were set up by Tongfang Kontafarma Holdings Limited and there was no paid up share capital.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

53. 聯營公司資料

本公司聯營公司於二零一七年及二零一六年十二月三十一日之資料如下：

公司名稱 Name of company	登記地點 Place of registration	經營地點 Place of operations	已繳足 註冊資本 Paid up registered capital	投票權 Voting power		本集團應佔之 實際股本權益 Effective equity interest attributable to the Group		主要業務 Principal activities
				二零一七年	二零一六年	二零一七年	二零一六年	
				2017	2016	2017	2016	
國瑞同順	中國(有限責任公司 (國內合資)) The PRC	中國 The PRC	人民幣 6,000,000元 RMB6,000,000	不適用*	39	不適用*	39	提供合同能源管理 Provision of energy performance contracting
全真瑜珈控股有限公司 True Yoga Holdings Limited	開曼群島 Cayman Islands	台灣 Taiwan	新台幣 165,245,000元 New Taiwan dollar 165,245,000	29	-	29	-	投資控股 Investment holding

備註：

* 該公司於截至二零一七年十二月三十一日止年度由本公司之聯營公司成為本公司之附屬公司。

Remark:

* This company becomes a subsidiary of the Company from an associate of the Company during the year ended 31 December 2017.

54. 合營公司資料

本公司合營公司於二零一七年及二零一六年十二月三十一日之資料如下：

公司名稱 Name of company	註冊成立地點 Place of incorporation	經營地點 Place of operations	已發行及繳足 普通股股本/ 已繳足註冊資本 Paid up ordinary share capital/paid up registered capital	投票權 Voting power		本集團應佔之 實際股本權益 Effective equity interest attributable to the Group		主要業務 Principal activities
				二零一七年	二零一六年	二零一七年	二零一六年	
				2017	2016	2017	2016	
Konta Capital	開曼群島 Cayman Islands	美利堅合眾國 The United States of America	100美元 US\$100	50	50	99.99	99.99	研發醫療產品 Research and development of medical products

54. PARTICULARS OF JOINT VENTURE

Particulars of joint venture of the Company as at 31 December 2017 and 2016 are as follows:

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

55. 擁有重大非控股權益之非全資附屬公司之詳情

下表顯示本公司擁有重大非控股權益之非全資附屬公司之詳情：

55. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Company that have material non-controlling interests:

公司名稱 Name of company	非控股權益持有之擁有權 權益及投票權比例 Proportion of ownership interest and voting rights held by non-controlling interests		分配至非控股權益之 溢利(虧損) Profit (loss) allocated to non-controlling interests		累計非控股權益 Accumulated non-controlling interests	
	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
	2017	2016	2017	2016	2017	2016
	%	%	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
上海聯合水泥有限公司 Shanghai Allied Cement Co., Ltd.	50	50	8,016	9,553	403,576	375,940
同方藥業 Tongfang Pharmaceutical	40	40	14,876	(1,864)	110,292	96,891
同方藥業之非全資附屬公司 Non-wholly owned subsidiaries of Tongfang Pharmaceutical	37-45	37-45	7,168	1,975	58,284	39,024
TFKT True Holdings	46	-	6,454	-	43,641	-
擁有非控股權益之個別非重大附屬公司 Individually immaterial subsidiary with non- controlling interests					8,896	5,374
					624,689	517,229

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

55. 擁有重大非控股權益之非全資附屬公司之詳情 (續)

有關本公司擁有重大非控股權益之附屬公司之財務資料概要載列如下。以下財務資料概要呈報集團內抵銷前之金額。

上海聯合水泥有限公司

流動資產	Current assets
非流動資產	Non-current assets
流動負債	Current liabilities
非流動負債	Non-current liabilities
本公司股東應佔權益	Equity attributable to owners of the Company
非控股權益	Non-controlling interests

55. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

(CONTINUED)

Summarised financial information in respect of the Company's subsidiary that has material non-controlling interests is set out below. The summarised financial information below presented amounts before intra-group eliminations.

Shanghai Allied Cement Co., Ltd.

二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
921,516	824,565
157,829	148,982
(246,544)	(202,130)
(25,681)	(19,580)
403,544	375,897
403,576	375,940

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

55. 擁有重大非控股權益之非全資附屬公司之詳情 (續)

55. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

(CONTINUED)

上海聯合水泥有限公司 (續)

Shanghai Allied Cement Co., Ltd. (CONTINUED)

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
收入	Revenue	485,790	320,008
費用淨額	Net expenses	(469,758)	(300,902)
本年度溢利	Profit for the year	16,032	19,106
本公司股東應佔溢利	Profit attributable to owners of the Company	8,016	9,553
非控股權益應佔溢利	Profit attributable to non-controlling interests	8,016	9,553
本年度溢利	Profit for the year	16,032	19,106
本公司股東應佔其他全面收益(支出)	Other comprehensive income (expense) attributable to owners of the Company	27,961	(25,772)
非控股權益應佔其他全面收益(支出)	Other comprehensive income (expense) attributable to non-controlling interests	27,954	(25,772)
本年度其他全面收益(支出)	Other comprehensive income (expense) for the year	55,915	(51,544)
本公司股東應佔全面收益(支出)總額	Total comprehensive income (expense) attributable to owners of the Company	35,977	(16,219)
非控股權益應佔全面收益(支出)總額	Total comprehensive income (expense) attributable to non-controlling interests	35,970	(16,219)
本年度全面收益(支出)總額	Total comprehensive income (expense) for the year	71,947	(32,438)
分派予非控股權益之股息	Dividend distribution to non-controlling interests	6,664	1,499
營運業務之現金(流出)流入淨額	Net cash (outflow) inflow from operating activities	(77,458)	36,288
投資業務之現金流入(流出)淨額	Net cash inflow (outflow) from investing activities	76,907	(41,746)
融資業務之現金流出淨額	Net cash outflow from financing activities	-	(3,920)
現金流出淨額	Net cash outflow	(551)	(9,378)

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

55. 擁有重大非控股權益之非全資附屬公司之詳情 (續)

55. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

(CONTINUED)

同方藥業

Tongfang Pharmaceutical

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
流動資產	Current assets	568,310	345,066
非流動資產	Non-current assets	612,377	439,954
流動負債	Current liabilities	(775,728)	(316,551)
非流動負債	Non-current liabilities	(212,968)	(191,783)
本公司股東應佔權益	Equity attributable to owners of the Company	23,415	140,771
同方藥業非控股權益	Non-controlling interests of Tongfang Pharmaceutical	110,292	96,891
同方藥業附屬公司之非控股權益	Non-controlling interests of Tongfang Pharmaceutical's subsidiaries	58,284	39,024
收入	Revenue	353,774	124,461
費用淨額	Net expenses	(309,427)	(130,049)
本年度溢利(虧損)	Profit (loss) for the year	44,347	(5,588)
本公司股東應佔溢利(虧損)	Profit (loss) attributable to owners of the Company	22,303	(5,699)
同方藥業非控股權益應佔溢利(虧損)	Profit (loss) attributable to non-controlling interests of Tongfang Pharmaceutical	14,876	(1,864)
同方藥業附屬公司之非控股權益應佔溢利	Profit attributable to non-controlling interests of Tongfang Pharmaceutical's subsidiaries	7,168	1,975
本年度溢利(虧損)	Profit (loss) for the year	44,347	(5,588)

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

55. 擁有重大非控股權益之非全資附屬公司之詳情 (續)

同方藥業 (續)

本公司股東應佔其他全面收益(支出)
同方藥業非控股權益應佔其他全面收益(支出)
同方藥業附屬公司之非控股權益應佔其他全面收益(支出)
本年度其他全面收益(支出)
本公司股東應佔全面收益(支出)總額
非控股權益應佔全面收益(支出)總額
同方藥業附屬公司之非控股權益應佔全面收益(支出)總額

本年度全面收益(支出)總額

分派予非控股權益之股息

營運業務之現金(流出)流入淨額

投資業務之現金流出淨額

融資業務之現金流入淨額

現金流入淨額

55. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

(CONTINUED)

Tongfang Pharmaceutical (CONTINUED)

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
Other comprehensive income (expense) attributable to owners of the Company	15,439	(9,326)
Other comprehensive income (expense) attributable to non-controlling interests of Tongfang Pharmaceutical	4,079	(2,810)
Other comprehensive income (expense) attributable to non-controlling interests of Tongfang Pharmaceutical's subsidiaries	3,661	(2,241)
Other comprehensive income (expense) for the year	23,179	(14,377)
Total comprehensive income (expense) attributable to owners of the Company	37,742	(15,025)
Total comprehensive income (expense) attributable to non-controlling interests	18,955	(4,674)
Total comprehensive income (expense) attributable to non-controlling interests of Tongfang Pharmaceutical's subsidiaries	10,829	(266)
Total comprehensive income (expense) for the year	67,526	(19,965)
Dividend distribution to non-controlling interests	-	-
Net cash (outflow) inflow from operating activities	(71,016)	40,410
Net cash outflow from investing activities	(67,676)	(148,577)
Net cash inflow from financing activities	185,370	304,489
Net cash inflow	46,678	196,322

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

56. 報告期後事項

- (a) 於二零一八年一月二十三日，本公司與清華同方節能控股有限公司（「認購方」）訂立一份認購協議，據此，認購方有條件同意認購而本公司有條件同意配發及發行400,000,000股本公司股份，作價每股0.5港元。
- (b) 於二零一八年一月二十三日，本集團亦與深圳市世奧萬運投資有限公司及Sea Best Group Limited（統稱「該等賣方」）訂立一份買賣協議，以收購同方藥業其餘40%股本權益，總代價為人民幣200,000,000元（相當於約243,902,439港元），當中(i)人民幣100,000,000元（相當於約121,951,220港元）將以現金支付及(ii)人民幣100,000,000元（相當於約121,951,220港元）透過按每股0.5港元之價格向該等賣方發行243,863,777股本公司股份之方式支付。

交易須待若干條件達成後方可作實，該等條件其中包括本公司獨立股東於二零一八年三月十六日舉行之股東特別大會（「股東特別大會」）上通過普通決議案，批准按買賣協議所擬發行243,863,777股本公司股份，以清償部分收購同方藥業其餘40%股本權益之代價。於二零一八年三月十六日，股東特別大會已舉行，而該決議案亦已獲批准。

56. EVENT AFTER THE REPORTING PERIOD

- (a) On 23 January 2018, the Company and THTF Energy-Saving Holdings Limited (the “Subscriber”) entered into a subscription agreement pursuant to which the Subscriber conditionally agreed to subscribe and the Company conditionally agreed to allot and issue 400,000,000 shares of the Company at a price of HK\$0.5 per share.
- (b) On 23 January 2018, the Group also entered into a sale and purchase agreement with Shenzhen Shiao Wan Yun Investment Co. Ltd. and Sea Best Group Limited (collectively as the “Vendors”) for the acquisition of remaining 40% equity interest in Tongfang Pharmaceutical, at a total consideration of RMB200,000,000 (equivalent to approximately HK\$243,902,439), of which (i) RMB100,000,000 (equivalent to approximately HK\$121,951,220) shall be satisfied in cash and (ii) RMB100,000,000 (equivalent to approximately HK\$121,951,220) shall be satisfied by the issue of 243,863,777 shares of the Company to the Vendors at the price of HK\$0.5 per share.

The transaction is subject to the fulfilment of certain conditions, which includes, among others, the passing of an ordinary resolution by the independent shareholders of the Company at the extraordinary general meeting held on 16 March 2018 to approve the issue of 243,863,777 of the Company’s shares as settlement of part of the consideration of the acquisition of remaining 40% equity interest in Tongfang Pharmaceutical as contemplated under the sale and purchase agreement (“EGM”). On 16 March 2018, EGM was held and the resolution was approved.



同方康泰產業集團有限公司
Tongfang Kontafarma Holdings Limited