



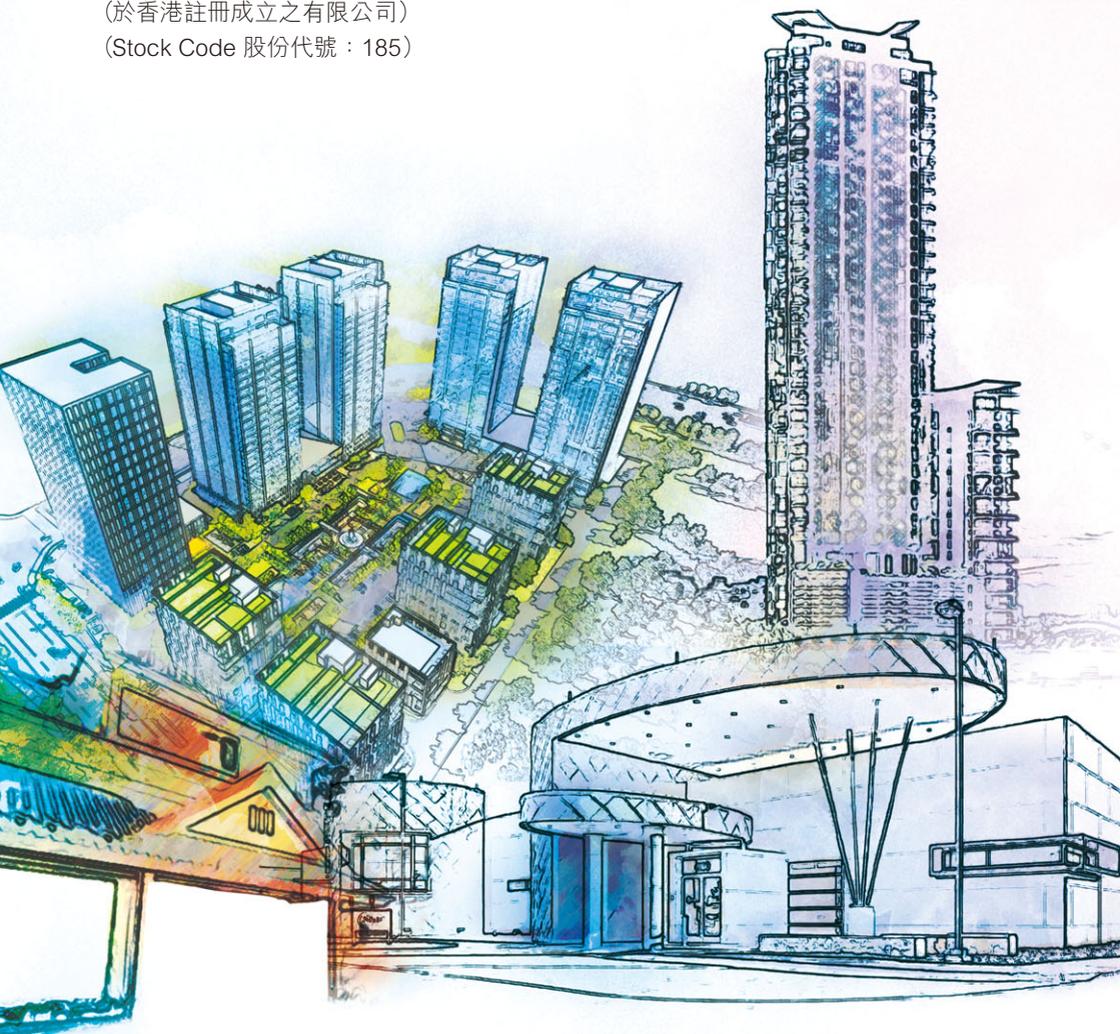
ZH INTERNATIONAL HOLDINGS LIMITED

正恒國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立之有限公司)

(Stock Code 股份代號：185)



INTERIM REPORT 2017 中期報告

The board (the "Board") of directors (the "Directors") of ZH International Holdings Limited (the "Company"), wishes to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017, which have been reviewed by the Company's audit committee (the "Audit Committee").

正恒國際控股有限公司(「本公司」)董事(「董事」)會(「董事會」)謹此公佈本公司及其附屬公司(「本集團」)截至二零一七年六月三十日止六個月之未經審核簡明綜合業績，有關業績已由本公司審核委員會(「審核委員會」)審閱。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2017

簡明綜合損益及其他全面收益賬

截至二零一七年六月三十日止六個月

		Unaudited Six months ended 30 June 未經審核 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	Notes 附註		
Revenue	4	37,977	42,363
Cost of operations		(6,741)	(8,411)
Gross profit		31,236	33,952
Other income		267	1,501
Other gains and losses	5	1,712	10,512
Administrative expenses		(32,657)	(34,690)
Sales and marketing expenses		(5,773)	(4,464)
Finance costs	6	(4,332)	(14,839)
Loss before taxation	7	(9,547)	(8,028)
Income tax expense	8	(129)	(229)
Loss for the period		(9,676)	(8,257)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		30,859	5,189
		30,859	5,189
Total comprehensive income (expense) for the period		21,183	(3,068)

**CONDENSED CONSOLIDATED STATEMENT
OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME** (Continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2017

簡明綜合損益及其他全面收益賬
(續)

截至二零一七年六月三十日止六個月

		Unaudited	
		Six months ended 30 June	
		未經審核	
		截至六月三十日止六個月	
	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
(Loss) profit for the period attributable to:	應佔期間(虧損)溢利：		
Owners of the Company	本公司擁有人	(9,502)	(8,300)
Non-controlling interests	非控股權益	(174)	43
		(9,676)	(8,257)
Total comprehensive income (expense) attributable to:	應佔全面收益(開支)總額：		
Owners of the Company	本公司擁有人	20,892	(5,385)
Non-controlling interests	非控股權益	291	2,317
		21,183	(3,068)
Loss per share (HK cent)	每股虧損(港仙)		
Basic and diluted	基本及攤薄	(0.15)	(0.15)

The accompanying notes are an integral part of the condensed consolidated financial statements.

隨附之附註為簡明綜合財務報表之組成部分。

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2017

簡明綜合財務狀況報表

於二零一七年六月三十日

		Notes 附註	Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	21,459	20,625
Investment properties	投資物業	11	798,059	582,448
Pledged bank deposits	已抵押銀行存款		4,395	4,148
			823,913	607,221
Current assets	流動資產			
Properties under development for sale	待售發展中物業	12	4,737,560	1,438,523
Deposits paid for land acquisitions	已付土地收購按金	13	6,861,152	1,030,622
Inventories	存貨		164	199
Accounts receivable, deposits and prepayments	應收賬款、按金及 預付款項	14	94,652	57,397
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產		190,337	187,403
Tax recoverable	可收回稅項		95,572	68,067
Pledged bank deposits	已抵押銀行存款		13,300	8,646
Restricted bank balances	受限制銀行結餘		48,569	27,561
Bank balances and cash	銀行結餘及現金		271,876	230,359
			12,313,182	3,048,777
Investment properties classified as held for sale	分類為持作出售之 投資物業		2,146	42,187
			12,315,328	3,090,964
Current liabilities	流動負債			
Accounts payable, deposits received and accruals	應付賬款、已收按金及 應計費用	15	173,903	174,582
Deposits received and receipt in advance from property buyers	已收及預收物業買家之 按金	16	1,452,561	901,455
Amounts due to related companies	應付關連公司款項	17	2,314,048	77,475
Loans from a related company	來自一間關連公司之 貸款	18	7,293,911	1,052,105
Bank and other borrowings - due within one year	銀行及其他借貸 - 於 一年內到期		124,483	157,550
Tax liabilities	稅項負債		20,235	8,765
			11,379,141	2,371,932
Net current assets	流動資產淨值		936,187	719,032
Total assets less current liabilities	資產總值減流動負債		1,760,100	1,326,253

**CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION** (Continued)

AT 30 JUNE 2017

簡明綜合財務狀況報表(續)

於二零一七年六月三十日

		Notes 附註	Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	19	716,706	716,706
Reserves	儲備		467,297	446,405
Total equity attributable to owners of the Company	本公司擁有人應佔 權益總額		1,184,003	1,163,111
Non-controlling interests	非控股權益		(5,802)	(6,093)
Total equity	權益總額		1,178,201	1,157,018
Non-current liabilities	非流動負債			
Rental deposits received	已收租賃按金		1,142	768
Loans from a related company	來自一間關連公司之 貸款	18	40,292	109,535
Bank and other borrowings – due after one year	銀行及其他借貸 — 於一年後到期		528,659	47,375
Deferred tax liabilities	遞延稅項負債		11,806	11,557
			581,899	169,235
Total equity and non-current liabilities	權益及非流動負債總額		1,760,100	1,326,253

The accompanying notes are an integral part of the condensed consolidated financial statements.

隨附之附註為簡明綜合財務報表之組成部分。

**CONDENSED CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY**

FOR THE SIX MONTHS ENDED 30 JUNE 2017

簡明綜合權益變動表

截至二零一七年六月三十日止六個月

Unaudited
未經審核

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital 股本 HK\$'000 千港元	Capital reduction reserve 資本削減儲備賬 HK\$'000 千港元	Exchange reserve 外匯儲備 HK\$'000 千港元	Property revaluation reserve 物業重估儲備 HK\$'000 千港元	Retained earnings 保留盈餘 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年 一月一日	716,706	149,180	(61,509)	17,036	341,698	1,163,111	(6,093)	1,157,018
Loss for the period	期間虧損	-	-	-	-	(9,502)	(9,502)	(174)	(9,676)
Exchange differences on translation of foreign operations	因換算海外業務 而產生之 匯兌差額	-	-	30,394	-	-	30,394	465	30,859
Total comprehensive income (expense) for the period	期間全面收益 (開支)總額	-	-	30,394	-	(9,502)	20,892	291	21,183
At 30 June 2017	於二零一七年 六月三十日	716,706	149,180	(31,115)	17,036	332,196	1,184,003	(5,802)	1,178,201
At 1 January 2016	於二零一六年 一月一日	557,626	149,180	(23,576)	17,036	398,515	1,098,781	(7,178)	1,091,603
(Loss) profit for the period	期間(虧損) 溢利	-	-	-	-	(8,300)	(8,300)	43	(8,257)
Exchange differences on translation of foreign operations	因換算海外業務 而產生之 匯兌差額	-	-	2,915	-	-	2,915	2,274	5,189
Total comprehensive income (expense) for the period	期間全面收益 (開支)總額	-	-	2,915	-	(8,300)	(5,385)	2,317	(3,068)
Issue of shares under share subscription	根據股份認購 發行股份	159,080	-	-	-	-	159,080	-	159,080
Acquisition of additional interests in subsidiaries	收購附屬 公司之 額外權益	-	-	-	-	(116)	(116)	116	-
Disposal of subsidiaries	出售附屬公司	-	-	(9,198)	-	9,198	-	-	-
At 30 June 2016	於二零一六年 六月三十日	716,706	149,180	(29,859)	17,036	399,297	1,252,360	(4,745)	1,247,615

The accompanying notes are an integral part of the condensed consolidated financial statements.

隨附之附註為簡明綜合財務報表之組成部分。

**CONDENSED CONSOLIDATED STATEMENT
OF CASH FLOWS**

FOR THE SIX MONTHS ENDED 30 JUNE 2017

簡明綜合現金流量表

截至二零一七年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Operating activities	經營業務		
Loss before taxation	除稅前虧損	(9,547)	(8,028)
Adjustments for:	經下列各項調整：		
(Increase) decrease in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值(增加)減少	(1,508)	1,188
Decrease (increase) in fair value of investment properties	投資物業之公平值減少(增加)	526	(128)
Bad debts written-off in respect of accounts receivable	就應收賬款撇銷壞賬	434	288
Depreciation of property, plant and equipment	物業、廠房及設備折舊	490	482
Gain on disposal of an associate	出售一間聯營公司之收益	-	(8,367)
Gain on disposal of previously impaired available-for-sale financial assets	出售先前已減值可供出售金融資產之收益	(446)	-
(Gain) loss on disposal of investment properties	出售投資物業之收益(虧損)	(378)	753
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(27)	-
Interest income	利息收入	(2,315)	(104)
Finance costs	融資成本	4,332	14,839
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(8,439)	923
(Increase) decrease in financial assets at fair value through profit or loss	按公平值計入損益之金融資產(增加)減少	(234)	349
Decrease in inventories	存貨減少	35	73
Increase in accounts receivable, deposits and prepayments	應收賬款、按金及預付款項增加	(36,529)	(45,791)
Increase in restricted bank balances	受限制銀行結餘增加	(21,008)	(28,786)
Increase in properties under development for sale	待售發展中物業增加	(3,243,165)	(235,403)
Increase in deposits paid for land acquisitions	已付土地收購按金增加	(5,798,594)	(564,780)
(Decrease) increase in accounts payable, deposits received and accruals	應付賬款、已收按金及應計費用(減少)增加	(5,111)	20,171
Increase in deposits received and receipt in advance from property buyers	已收及預收物業買家之按金增加	523,173	559,737
Increase in amounts due to related companies	應付關連公司款項增加	2,230,903	8,297
Cash used in operating activities	經營業務所用現金	(6,358,969)	(285,210)
Tax paid	已繳稅項	(14,055)	(27,327)
Net cash used in operating activities	經營業務所用現金淨額	(6,373,024)	(312,537)

**CONDENSED CONSOLIDATED STATEMENT
OF CASH FLOWS** (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

簡明綜合現金流量表(續)

截至二零一七年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Investing activities	投資活動		
Interest received	已收利息	2,315	104
Purchase of investment properties	購入投資物業	(214,384)	(291,512)
Purchase of property, plant and equipment	購入物業、廠房及設備	(971)	(79)
Proceed from disposal of previously impaired available-for-sale financial assets	出售先前已減值可供出售金融資產所得款項	446	-
Proceeds from disposal of investment properties	出售投資物業所得款項	61,738	12,318
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	69	-
Release of pledged bank deposits	解除已抵押銀行存款	3,821	30,669
Placement of pledged bank deposits	存放已抵押銀行存款	(8,722)	(4,140)
Net cash used in investing activities	投資活動所用現金淨額	(155,688)	(252,640)
Financing activities	融資活動		
New bank and other borrowings raised	新造銀行及其他借貸	483,218	320,977
Repayment of bank and other borrowings	償還銀行及其他借貸	(41,152)	(114,769)
Interest paid	已付利息	(12,906)	(14,839)
Proceeds from issuance of shares under share subscription	根據股份認購發行股份之所得款項	-	159,080
Repayment to ultimate holding company	償還最終控股公司款項	-	(26,740)
Loan advances from a related company	一間關連公司墊付貸款	6,205,569	339,685
Repayment to related companies	償還關連公司款項	(69,243)	(123,260)
Net cash generated from financing activities	融資活動所得現金淨額	6,565,486	540,134
Net increase (decrease) in cash and cash equivalents	現金及現金等值項目增加(減少)淨額	36,774	(25,043)
Cash and cash equivalents at the beginning of the period	於期初之現金及現金等值項目	230,359	195,039
Effect of foreign exchange rate changes	外匯匯率變動影響	4,743	727
Cash and cash equivalents at the end of the period, represented by bank balances and cash	於期末之現金及現金等值項目指銀行結餘及現金	271,876	170,723

The accompanying notes are an integral part of the condensed consolidated financial statements.

隨附之附註為簡明綜合財務報表之組成部分。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

1. GENERAL

ZH International Holdings Limited (the "Company") is a public limited liability company incorporated and domiciled in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") include property development, property investment and management, hotel operations and securities trading and investment in Hong Kong and overseas.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$").

The condensed consolidated financial statements for the six months ended 30 June 2017 were approved for issue by the Board on 25 August 2017. The condensed consolidated financial statements are unaudited, but have been reviewed by the Company's Audit Committee.

The financial information relating to the year ended 31 December 2016 that is included in the condensed consolidated financial statements for the six months ended 30 June 2017 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

簡明綜合財務報表附註

截至二零一七年六月三十日止六個月

1. 一般資料

正恒國際控股有限公司(「本公司」)為在香港註冊成立並以香港為註冊地之上市有限公司，其股份在香港聯合交易所有限公司(「聯交所」)上市。

本公司及其附屬公司(以下統稱「本集團」)之主要業務為於香港及海外進行物業發展、物業投資及管理、酒店業務以及證券買賣及投資。

簡明綜合財務報表以港元(「港元」)呈列。

截至二零一七年六月三十日止六個月之簡明綜合財務報表已於二零一七年八月二十五日由董事會批准刊發。簡明綜合財務報表未經審核，惟已由本公司之審核委員會審閱。

截至二零一七年六月三十日止六個月簡明綜合財務報表所載有關截至二零一六年十二月三十一日止年度之財務資料僅作比較用途，並不構成本公司於該財政年度之法定年度財務報表，惟摘錄自該等財務報表。有關根據香港公司條例(第622章)第436條須披露之該等法定財務報表之進一步資料載列如下：

本公司已根據香港公司條例(第622章)第662(3)條及附表6第3部之規定，向公司註冊處處長呈交截至二零一六年十二月三十一日止年度之財務報表。

本公司核數師已就該等財務報表作出報告。核數師報告並無保留意見；並無載有核數師於並無保留意見下以強調方式提請注意之任何事項之提述；及並無載有香港公司條例(第622章)第406(2)、407(2)或407(3)條作出之陳述。

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016 which have been prepared in accordance with Hong Kong Financial Reporting Standard ("HKFRSs").

The Group's policies on financial risk management were set out in the financial statements included in the Company's 2016 Annual Report and there have been no significant changes in the financial risk management policies for the six months ended 30 June 2017.

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

The Group's financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period and they are grouped under Level 1 of the fair value hierarchy with reference to quoted market bid prices. The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements at amortised cost approximate their fair values. There was no transfer between levels of the fair value hierarchy of financial instruments during the six months ended 30 June 2017.

The accounting policies applied to the condensed consolidated financial statements for the six months ended 30 June 2017 are consistent with those of the Group's annual financial statements for the year ended 31 December 2016, as described in those annual financial statements.

2. 編製基準及會計政策

簡明綜合財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十六之適用披露規定編製。

簡明綜合財務報表應當與本集團截至二零一六年十二月三十一日止年度之年度財務報表一併閱讀，有關財務報表乃根據香港財務報告準則(「香港財務報告準則」)編製而成。

本集團之財務風險管理政策已載列於本公司二零一六年年報之財務報表。截至二零一七年六月三十日止六個月，財務風險管理政策並無重大變動。

除投資物業及若干金融工具乃按公平值計量外，簡明綜合財務報表已按歷史成本法編製。

本集團按公平值計入損益之金融資產於各報告期間結算日按公平值計量並根據公平值層級第一級參考市場所報買入價分組。其他金融資產及金融負債之公平值根據貼現現金流量分析之一般公認定價模型釐定。

管理層認為，按攤銷成本計算並於簡明綜合財務報表中確認之金融資產及金融負債賬面值與其公平值相若。於截至二零一七年六月三十日止六個月內並無於公平值層級內發生轉撥之情況。

誠如該等年度財務報表所述，截至二零一七年六月三十日止六個月之簡明綜合財務報表所用會計政策，與本集團截至二零一六年十二月三十一日止年度財務報表所用者一致。

The Group has adopted for the first time a number of new or revised standards and interpretations ("new or revised HKFRSs") issued by the HKICPA, which are mandatorily effective in the current interim period. The adoption of the new and revised HKFRSs in the current period has no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
HK (IFRIC) 22	Foreign Currency Transaction and Advance Consideration ¹
Amendments to HKAS 28	Investments in Associates and Joint Venture ¹
Amendments to HKFRS 1	First Time Adoption of HKFRS ¹
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 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers ¹

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

The Group has already commenced an assessment of the related impact of adopting the above new or revised HKFRSs to the Group. The Group is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the consolidated financial statements will result.

本集團已首次採納於本中期間強制定生效由香港會計師公會頒佈之多項新訂或經修訂準則及詮釋（「新訂或經修訂香港財務報告準則」）。於本期間採納新訂及經修訂香港財務報告準則對該等簡明綜合財務報表內所呈報金額及／或所載披露事項並無重大影響。

本集團並無提早採納下列已頒佈但尚未生效之新訂或經修訂香港財務報告準則。

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收益 ¹
香港財務報告準則第16號	租賃 ²
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價 ¹
香港會計準則第28號修訂本	於聯營公司及合營企業之投資 ¹
香港財務報告準則第1號修訂本	首次採納香港財務報告準則 ¹
香港財務報告準則第2號修訂本	以股份為基礎付款交易之分類及計量 ¹
香港財務報告準則第4號修訂本	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司或合營企業之間之資產出售或注入 ³
香港財務報告準則第15號修訂本	香港財務報告準則第15號客戶合約收益之澄清 ¹

1. 於二零一八年一月一日或之後開始之年度期間生效
2. 於二零一九年一月一日或之後開始之年度期間生效
3. 於將予釐定之日期或之後開始之年度期間生效

本集團已著手評估採納上述新訂或經修訂香港財務報告準則對本集團之相關影響。本集團未能指出是否會對本集團會計政策及綜合財務報表之列報方式造成重大變動。

3. ESTIMATES

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed consolidated financial statements, the significant judgement made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 December 2016.

4. REVENUE AND SEGMENT INFORMATION

3. 估計

在編製符合香港會計準則第34號規定之簡明綜合財務報表時，管理層須作出影響會計政策之應用及呈報之資產及負債、收入及支出金額之判斷、估計及假設。實際結果可能與該等估計有異。

編製簡明綜合財務報表時，管理層就應用本集團之會計政策所作出之重大判斷以及估計不確定性之主要來源，與本集團截至二零一六年十二月三十一日止年度年度財務報表所應用者相同。

4. 收益及分部資料

Unaudited
未經審核
Six months ended 30 June
截至六月三十日止六個月

Revenue is analysed as follows:	收益分析如下：		
Rental income	租金收入	14,818	39,072
Property management income	物業管理收入	9,766	-
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之金融資產股息收入	8,410	319
Income from hotel operations	酒店業務收入	2,668	2,868
Interest income	利息收入	2,315	104

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
37,977	42,363

Information reported to the Board, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance is based on different business activities of the Group. This is also the basis upon which the Group is organised and managed.

向董事會(即主要營運決策者(「主要營運決策者」))報告作資源分配及分部表現評估之資料乃以本集團不同業務活動為基礎。此亦為組織及管理本集團之基準。

The Group's reportable and operating segments under HKFRS 8 are as follows:

- a) Property development in the People's Republic of China ("PRC")
- b) Property investment and management in the United States of America ("USA" or "U.S.") on American Housing REIT, Inc. ("AHR") and Global Medical REIT, Inc. ("GMR"), both of which are operated and managed by a subsidiary of the Group
- c) Property investment other than AHR and GMR
- d) Securities trading and investment
- e) Hotel operations

The Group has property investment and management businesses in Hong Kong, the USA, Singapore and Japan. Other than property investment and management in AHR and GMR which are carried out in the USA, the property investment business in other regions are aggregated into one reportable segment.

本集團根據香港財務報告準則第8號劃分之可報告及經營分部如下：

- a) 於中華人民共和國(「中國」)之物業發展
- b) 美洲房地產投資信託(「AHR」)及國際醫療房地產投資信託(「GMR」)於美利堅合眾國(「美國」)之物業投資及管理，兩者皆由本集團一間附屬公司經營及管理
- c) AHR及GMR以外之物業投資
- d) 證券買賣及投資
- e) 酒店業務

本集團於香港、美國、新加坡及日本有物業投資及管理業務。除AHR及GMR於美國進行物業投資及管理業務外，其他地區之物業投資業務合併作一個可報告分部。

The following is an analysis of the Group's revenue, results and assets by reportable and operating segments:

本集團按可報告及經營分部之收益、業績以及資產分析如下：

Segment revenue and results

分部收益及業績

		Unaudited 未經審核			
		Segment revenue 分部收益		Segment results 分部業績	
		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
By reportable segment:	按可報告分部劃分：				
Property development in the PRC	於中國之物業發展	-	-	(11,046)	(6,715)
Property investment and management in the USA on AHR and GMR	AHR及GMR於美國之物業投資及管理	17,159	30,916	(8,075)	(7,614)
Property investment other than AHR and GMR	AHR及GMR以外之物業投資	7,425	8,156	2,741	1,836
Securities trading and investment	證券買賣及投資	8,410	319	10,306	(852)
Hotel operations	酒店業務	2,668	2,868	(990)	(881)
Others	其他	2,315	104	2,733	(26)
		37,977	42,363	(4,331)	(14,252)
Other gains and losses	其他收益及虧損			(367)	12,566
Unallocated corporate income	未分配公司收入			-	517
Unallocated corporate expenses	未分配公司開支			(4,849)	(6,714)
Unallocated finance costs	未分配融資成本			-	(145)
Loss before taxation	除稅前虧損			(9,547)	(8,028)
Income tax expense	所得稅開支			(129)	(229)
Loss for the period	期間虧損			(9,676)	(8,257)

Segment assets**分部資產**

		Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2016 二零一六年 十二月 三十一日 HK\$'000 千港元
Property development in the PRC	於中國之物業發展	11,981,949	2,637,334
Property investment and management in the USA on AHR and GMR	於美國AHR及GMR之物業投資及管理	351,086	165,900
Property investment other than AHR and GMR	AHR及GMR以外之物業投資	541,209	537,053
Securities trading and investment	證券買賣及投資	194,479	191,518
Hotel operations	酒店業務	8,105	7,740
		13,076,828	3,539,545
Unallocated assets	未分配資產	62,413	158,640
		13,139,241	3,698,185

There are no differences from the Group's annual financial statements for the year ended 31 December 2016 in the basis of segmentation or in the basis of measurement of segment profit or loss.

Segment results represent the profit from (loss incurred by) each segment without allocation of certain items, mainly comprising certain other gains and losses, certain corporate income, certain corporate administrative expenses, Directors' and chief executives' salaries and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than unallocated assets (comprising certain property, plant and equipment, certain other receivables, deposits and prepayments, and certain bank balances and cash). Information about segment liabilities is not regularly reviewed by the CODM. Accordingly, no such information is presented.

本集團截至二零一六年十二月三十一日止年度之年度財務報表與分部基準或分部損益之計量基準並無差異。

分部業績指各分部賺取之利潤(產生之虧損)，並無分配若干項目，主要包括若干其他收益及虧損、若干公司收入、若干行政開支、董事及主要行政人員之薪金以及若干融資成本。此乃向主要營運決策者呈報以作資源分配及表現評估之計量基準。

就監察分部表現及於分部間分配資源而言，所有資產獲分配至經營分部，惟未分配資產(包括若干物業、廠房及設備、若干其他應收款項、按金及預付款項以及若干銀行結餘及現金)除外。主要營運決策者並無定期審閱分部負債之資料。因此，並無呈列該項資料。

5. OTHER GAINS AND LOSSES

5. 其他收益及虧損

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Gain (loss) on disposal of investment properties	出售投資物業之收益(虧損)	378	(753)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	27	-
Gain on disposal of previously impaired available-for-sale financial assets (Note)	出售先前已減值之可供出售金融資產之收益(附註)	446	-
Gain on disposal of an associate	出售一間聯營公司之收益	-	8,367
Increase (decrease) in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值增加(減少)	1,508	(1,188)
(Decrease) increase in fair value of investment properties	投資物業公平值(減少)增加	(526)	128
Exchange gain, net	匯兌收益淨額	313	4,246
Bad debts written-off in respect of accounts receivable	就應收賬款撇銷壞賬	(434)	(288)
		1,712	10,512

Note: During the six months ended 30 June 2017, the Group disposed of its entire interest in an unlisted overseas equity investment and recorded a net gain of approximately HK\$446,000. The carrying amount of such investment which was classified as available-for-sale financial assets was considered as impaired by the Directors after review of its recoverable amount and recognised its impairment in profit or loss in prior years.

附註：於截至二零一七年六月三十日止六個月，本集團出售其於一項未上市海外股權投資之全部權益，並錄得淨收益約446,000港元。分類為可供出售金融資產之該項投資賬面值，經董事審核其可收回金額後確認為已出現減值，並已於過往年度於損益內確認其減值。

6. FINANCE COSTS

Interests on:	下列各項之利息：
Bank and other borrowings	銀行及其他借貸
Loans from a related company	來自一間關連公司之貸款
Less: capitalised in properties under development for sale	減：於待售發展中物業資本化

6. 融資成本

Unaudited
未經審核
Six months ended 30 June
截至六月三十日止六個月

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
12,906	14,839
3,607	7,426
16,513	22,265
(12,181)	(7,426)
4,332	14,839

7. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:	除稅前虧損已扣除下列各項：
Depreciation of property, plant and equipment	物業、廠房及設備折舊
Operating lease payments	經營租賃付款
Staff related cost (including Directors' emoluments)	員工相關成本 (包括董事酬金)
after crediting:	經計入：
Gross rental income from investment properties	投資物業租金收入總額
Less: direct operating expenses incurred for:	減：所產生之直接經營開支：
- investment properties generated rental income	- 為產生租金收入之投資物業
- investment properties that did not generate rental income	- 為並無產生租金收入之投資物業

7. 除稅前虧損

Unaudited
未經審核
Six months ended 30 June
截至六月三十日止六個月

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
490	482
954	683
14,240	11,973
14,818	39,072
(4,018)	(5,620)
(183)	(130)
(4,201)	(5,750)
10,617	33,322

8. INCOME TAX EXPENSE

Income tax expense comprises:	所得稅開支包括：
Current tax	本期稅項
– Hong Kong	– 香港
– Overseas	– 海外
Under (over)-provision in prior years	過往年度撥備不足 (超額撥備)
– Hong Kong	– 香港
– Overseas	– 海外
Deferred taxation	遞延稅項

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits generated in Hong Kong for the six months ended 30 June 2017 and 2016.

Taxation on profits have been calculated on the estimated assessable profits for the six months ended 30 June 2017 at the rates of taxation prevailing in the countries/places in which the Group's entities operate.

9. DIVIDENDS

No dividend was paid during the six months ended 30 June 2017 (30 June 2016: Nil). The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017 (30 June 2016: Nil).

8. 所得稅開支

Unaudited
未經審核
Six months ended 30 June
截至六月三十日止六個月

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
-	-
89	50
89	50
-	-
40	(434)
129	(384)
-	613
129	229

由於本集團於截至二零一七年及二零一六年六月三十日止六個月於香港並無估計應課稅溢利，故並無就香港利得稅作出撥備。

溢利之稅項乃就截至二零一七年六月三十日止六個月估計應課稅溢利，按本集團實體經營業務所在國家/地區之現行稅率計算。

9. 股息

於截至二零一七年六月三十日止六個月並無派付任何股息(二零一六年六月三十日：無)。董事不建議就截至二零一七年六月三十日止六個月派發中期股息(二零一六年六月三十日：無)。

10. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the loss attributable to owners of the Company for the six months ended 30 June 2017 of approximately HK\$9,502,000 (30 June 2016: HK\$8,300,000) and the weighted average number of 6,176,819,969 (30 June 2016: 5,516,900,189) ordinary shares in issue during the period.

No dilutive effect to the loss per share as there are no potential ordinary shares in issue for the six months ended 30 June 2017 (30 June 2016: Nil).

11. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired investment properties and property, plant and equipment of approximately HK\$215.4 million (30 June 2016: approximately HK\$294.8 million).

In addition, during the six months ended 30 June 2017, the Group disposed of certain investment properties and property, plant and equipment with an aggregate carrying amount of approximately HK\$19.2 million (30 June 2016: approximately HK\$11.7 million).

The fair values of the investment properties as at 30 June 2017 and 31 December 2016 are based on the valuations carried out by APAC Asset Valuation and Consulting Limited which is member of the Hong Kong Institute of Surveyors and Valuers and is independent qualified professional valuers not connected with the Group.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is the current use.

The fair values of the investment properties are derived from the capitalisation of net income method with due allowance for the reversionary income.

10. 每股虧損

每股基本及攤薄虧損乃根據本公司擁有人應佔截至二零一七年六月三十日止六個月之約9,502,000港元(二零一六年六月三十日: 8,300,000港元)及於期間內已發行普通股加權平均數6,176,819,969股(二零一六年六月三十日: 5,516,900,189股)計算。

由於在截至二零一七年六月三十日止六個月並無已發行潛在普通股(二零一六年六月三十日: 無), 故概無任何攤薄影響。

11. 投資物業以及物業、廠房及設備

於截至二零一七年六月三十日止六個月, 本集團收購投資物業以及物業、廠房及設備約215,400,000港元(二零一六年六月三十日: 約294,800,000港元)。

此外, 於截至二零一七年六月三十日止六個月, 本集團已出售賬面值合共約19,200,000港元(二零一六年六月三十日: 約11,700,000港元)之若干投資物業及物業、廠房及設備。

投資物業於二零一七年六月三十日及二零一六年十二月三十一日之公平值乃基於亞太資產評估及顧問有限公司所進行估值釐定, 其為Hong Kong Institute of Surveyors and Valuers會員且與本集團並無關連之獨立合資格專業估值師。

估計投資物業公平值時, 投資物業最常用及最佳用途為現時用途。

投資物業公平值自收入淨額資本化法得出, 並為復歸收入作出適當撥備。

All of the fair value measurements of the Group's investment properties other than investment properties classified as held for sale were categorised into Level 3 of the fair value hierarchy. There were no transfers in or out of Level 3 of the fair value hierarchy during the six months ended 30 June 2017.

There was no change to the valuation techniques during the six months ended 30 June 2017.

12. PROPERTIES UNDER DEVELOPMENT FOR SALE

Properties under development for sale are all situated in the PRC and carrying value of HK\$4,342,682,000 (31 December 2016: HK\$1,147,114,000) are expected to be realised after twelve months from the end of the reporting period.

13. DEPOSITS PAID FOR LAND ACQUISITIONS

The amount represented deposits paid for land acquisitions arising from the acquisition of land use rights in the PRC. These deposits would be converted into properties under development for sale upon completion of the land acquisition process. Certain land acquisitions with carrying amounts of approximately HK\$1,392,952,000 (31 December 2016: HK\$997,124,000) were completed subsequent to the end of the reporting period.

本集團投資物業(分類為持作出售之投資物業除外)所有公平值計量歸入第三級公平值層級。於截至二零一七年六月三十日止六個月內並無發生轉入或轉出第三級公平值層級之情況。

於截至二零一七年六月三十日止六個月內所用估值技術並無更改。

12. 待售發展中物業

待售發展中物業全部位於中國及賬面值為 4,342,682,000 港元 (二零一六年十二月三十一日: 1,147,114,000 港元)，並預期將於報告期間結算日起十二個月後變現。

13. 已付土地收購按金

有關金額指於中國收購土地使用權而產生之已付土地收購按金。該等按金將於土地收購程序完成後轉換為待售發展中物業。於報告期間結算日後，已完成賬面值約為 1,392,952,000 港元 (二零一六年十二月三十一日: 997,124,000 港元)之若干土地收購。

14. ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS

14. 應收賬款、按金及預付款項

		Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Accounts receivable	應收賬款	9,964	10,124
Prepaid business, value-added and other taxes	預繳營業稅、增值稅及其他稅項	70,293	37,449
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	14,304	6,872
		94,561	54,445
Amounts due from investees	應收投資對象款項	6,437	9,298
Impairment on amounts due from an investee	應收一名投資對象款項減值	(6,346)	(6,346)
		91	2,952
		94,652	57,397

All accounts receivable were aged within 60 days, based on invoice dates, and not impaired.

根據發票日期，全部應收賬款賬齡均為60日內，並無減值。

15. ACCOUNTS PAYABLE, DEPOSITS RECEIVED AND ACCRUALS

Accounts payable	應付賬款
Accrued construction costs	應計建築成本
Rental deposits	租賃按金
Retention deposits and payable	保留金及應付款項
Real estate and other taxes payable	應付房產稅及其他稅項
Other payables and accrual	其他應付款項及應計費用

All accounts payable were aged within one year, based on invoice date.

16. DEPOSITS RECEIVED AND RECEIPT IN ADVANCE FROM PROPERTY BUYERS

Deposits received and receipt in advance from property buyers amounting to HK\$968,438,000 (31 December 2016: HK\$445,570,000) are expected to be released to profit or loss more than twelve months after the end of the reporting period.

17. AMOUNTS DUE TO RELATED COMPANIES

The amounts due to related companies are unsecured, interest-free and repayable on demand.

Ms. Huang Yanping ("Ms. Huang") has the controlling interest over these related companies.

15. 應付賬款、已收按金及應計費用

Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
126	206
146,253	155,099
6,604	2,582
5,215	3,181
2,872	1,820
12,833	11,694
173,903	174,582

根據發票日期，全部應付賬款賬齡均為一年內。

16. 已收及預收物業買家之按金

已收及預收物業買家之按金968,438,000港元(二零一六年十二月三十一日：445,570,000港元)預期將於報告期間結算日後十二個月以後才轉撥至損益賬。

17. 應付關連公司款項

應付關連公司款項為無抵押、免息並按要求償還。

Huang Yanping女士(「Huang女士」)對該等關連公司擁有控股權益。

18. LOANS FROM A RELATED COMPANY

The related company is Henan Zensun Real Estate Co., Ltd. ("Zensun"), in which Ms. Huang has controlling interests.

The loans amounting to HK\$187,795,000 (31 December 2016: HK\$164,516,000) are unsecured, interest bearing at the lower of (i) 4% per annum or (ii) such other interest rate the Group is able to borrow in an amount equal to the relevant loan from a bank or a financial institution at the date of drawdown, except for the amount of HK\$40,292,000 (31 December 2016: HK\$109,535,000) which is repayable in November 2018 and classified under non-current liabilities, the remaining amount is repayable within one year.

The remaining loans amounting to HK\$7,146,408,000 (31 December 2016: HK\$997,124,000) are unsecured, interest-free and repayable two years after the date of drawdown. Those amounts are not repayable within one year based on scheduled repayment dates has been shown under current liabilities as Zensun has discretionary rights to demand immediate repayment.

In the opinion of the Directors, the carrying amounts of the loans approximate their fair values at initial recognition.

18. 來自一間關連公司之貸款

關連公司為河南正商置業有限公司(「正商」)，Huang女士於其中擁有控股權益。

為數187,795,000港元(二零一六年十二月三十一日：164,516,000港元)之貸款為無抵押，按下列較低者計息：(i)年利率4厘或(ii)相等於在提取日期本集團能夠向銀行或金融機構借入有關貸款金額之其他利率。除應於二零一八年十一月償還及分類為非流動負債之40,292,000港元(二零一六年十二月三十一日：109,535,000港元)外，餘下金額須於一年內償還。

餘下為數7,146,408,000港元(二零一六年十二月三十一日：997,124,000港元)之貸款為無抵押、免息及須於提取日後兩年內償還。該等款項根據還款時間表毋須於一年內償還，惟正商有酌情權要求即時還款，故已列作流動負債。

董事認為，該等貸款之賬面值於首次確認時與其公平值相若。

19. SHARE CAPITAL

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
Ordinary shares with no par value: 無面值普通股：			
At 1 January 2016	於二零一六年一月一日	5,381,419,969	557,626
Issue of shares under share subscription	根據股份認購發行股份	<u>795,400,000</u>	<u>159,080</u>
At 30 June 2016, 1 January 2017 and 30 June 2017	於二零一六年 六月三十日、 二零一七年 一月一日及 二零一七年 六月三十日	<u>6,176,819,969</u>	<u>716,706</u>

19. 股本

20. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

20. 資本承擔

於報告期間結算日，本集團承擔如下：

		Unaudited 未經審核 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Contracted for but not provided in respect of:	已訂約但未撥備：		
Acquisitions of land use rights Property development expenditures for properties under development for sale	收購土地使用權 待售發展中物業之 物業發展開支	-	1,356,434
		<u>1,321,668</u>	<u>369,054</u>
		<u>1,321,668</u>	<u>1,725,488</u>

21. CONTINGENT LIABILITIES

- (i) As at 30 June 2017, the Group had contingent liabilities relating to guarantees amounting to approximately RMB454,945,000 (approximately HK\$523,733,000) (31 December 2016: approximately RMB408,400,000 and equivalent to HK\$456,022,000) in respect of mortgage facilities provided by certain banks in connection with the mortgage loans entered into by property buyers of the Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group would be responsible for repaying the outstanding mortgage principals together with accrued interests thereon and any penalties owed by the defaulted buyers to the banks. The Group would be entitled to take over legal title to and possession of the related properties. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the property buyers; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage. In the opinion of the Directors, no provision for the guarantee contracts was recognised in the financial statements for the six months ended 30 June 2017 as the default risk is low.
- (ii) At 30 June 2017, the Group has provided for its proportionate guarantee of S\$2,100,000 (approximately HK\$11,912,000) (31 December 2016: approximately HK\$11,260,000) to a bank in connection with banking facilities granted to an overseas unlisted company, Corporate Residence Pte Ltd, of which 10% interest were previously owned by the Group. Following to the completion of disposal transaction of such entire 10% equity investment during the six months ended 30 June 2017, release of such guarantee was in progress. In the opinion of the Directors, the fair value of the guarantee is insignificant at 30 June 2017 and 31 December 2016 as the possibility of default is remote.

21. 或然負債

- (i) 於二零一七年六月三十日，本集團就有關本集團物業買家訂立之按揭貸款而由若干銀行提供之按揭融資之擔保擁有或然負債約人民幣 454,945,000 元（約 523,733,000 港元）（二零一六年十二月三十一日：約人民幣 408,400,000 元，相當於 456,022,000 港元）。根據擔保條款，倘該等買家拖欠按揭款項，本集團須負責償還失責買家欠付銀行之未償還按揭本金連同就此之累計利息及任何罰款。本集團將有權接管相關物業之法定業權及擁有權。該等擔保將於以下較早者發生時解除：(i) 物業買家償還按揭貸款；及(ii) 就按揭物業發出物業所有權證並完成取消登記按揭。董事認為，由於違約風險較低，故並無就擔保合約於截至二零一七年六月三十日止六個月之財務報表確認撥備。
- (ii) 於二零一七年六月三十日，本集團已就一間海外非上市公司 Corporate Residence Pte Ltd（本集團先前擁有當中 10% 權益）所獲銀行融資按比例向一間銀行提供 2,100,000 新加坡元（約 11,912,000 港元）（二零一六年十二月三十一日：約 11,260,000 港元）之擔保。於截至二零一七年六月三十日止六個月完成出售有關全部 10% 股權投資交易後，該按比例擔保正進行解除程序。董事認為，由於違約之可能性極低，擔保之公平值於二零一七年六月三十日及二零一六年十二月三十一日並不重大。

22. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2017, the Group had the following transactions with related companies:

Related company 關連公司	Notes 附註	Transactions 交易
Zensun 正商	1	Interest expenses (capitalised in properties under development for sale) 利息開支(於待售發展中 物業資本化)
Relevant members of Henan Zensun Corporate Development Company Limited (the "Zensun Development Group") 河南正商企業發展有限責任 公司(「正商發展集團」)之 有關成員公司	1, 2	Construction cost (capitalised in properties under development for sale) 建築成本(於待售發展中 物業資本化)

Notes:

- Zensun and Zensun Development Group are the entities controlled by ultimate controlling party of the Company and together with its spouse.
- The above related party transaction constitute continuing connected transactions as defined under chapter 14A of the Listing Rules.

Balances with related parties are set out in the condensed consolidated statement of financial position, and details of terms are set out in Notes 17 and 18 to the condensed consolidated financial statements.

The Group is licensed by Zensun, which Ms. Huang has controlling interests, to use the trademark of "Zensun", "正商", on a royalty-free basis until July 2020.

Save as disclosed elsewhere in the condensed consolidated financial statements, no transaction has been entered into with Directors (being the key management personnel) during the six months ended 30 June 2017 other than the emoluments paid to them (being key management personnel compensation) (30 June 2016: Nil).

22. 關連人士交易

於截至二零一七年六月三十日止六個月，本集團與關連公司進行下列交易：

Unaudited
未經審核
Six months ended 30 June
截至六月三十日止六個月

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
3,607	7,426
86,827	46,065

附註：

- 正商及正商發展集團為由本公司最終控股方連同其配偶控制之實體。
- 上述關連人士交易構成上市規則第14A章所界定之持續關連交易。

與關連人士之結餘載列於簡明綜合財務狀況報表，而條款詳情則載於簡明綜合財務報表附註17及18。

本集團獲正商(Huang女士於其中擁有控股權益)許可按免專利費基準使用「Zensun」及「正商」商標至二零二零年七月。

除本簡明綜合財務報表內其他部分所披露者外，於截至二零一七年六月三十日止六個月並無與董事(即主要管理人員)進行任何交易，惟向彼等支付作為主要管理人員報酬之酬金除外(二零一六年六月三十日：無)。

23. EVENTS AFTER THE REPORTING DATE

On 5 July 2017, the Group has made a successful bid for the land parcel in an auction held by Land and Resources Bureau of Zhengzhou City through listing for sale process for transfer of state-owned land use rights at a consideration of RMB2,205.0 million (approximately HK\$2,538.4 million). Further information in respect of the acquisition is available in the Company's announcement dated 5 July 2017.

23. 報告期後事項

於二零一七年七月五日，本集團於鄭州市國土資源局就轉讓國有土地使用權所舉辦之掛牌出售程序中以代價人民幣 2,205,000,000 元（約 2,538,400,000 港元）成功投得一地塊。有關該收購事項之進一步資料，可參閱本公司日期為二零一七年七月五日之公佈。

MANAGEMENT DISCUSSION AND ANALYSIS INTERIM RESULTS AND DIVIDEND

For the six months ended 30 June 2017, the Group recorded a turnover of approximately HK\$38.0 million, representing a decrease of approximately 10% as compared to a turnover of approximately HK\$42.4 million in the corresponding period of 2016. The decrease was a result of the combined net effect attributable to the completion of share offering in the New York Stock Exchange in the U.S. and deemed disposal of our previous subsidiary, GMR in July 2016 ("Completion of GMR Offering"), primarily reflected by (i) the decrease in rental income due to the de-consolidation of GMR; and partially compensated by (ii) the increase in property management income from providing REIT management services to GMR and the increase in dividend income from the securities trading and investment in GMR.

For the six months ended 30 June 2017, the loss attributable to owners of the Company increased to approximately HK\$9.5 million. The increase was the net effects of (i) decrease in other gains and losses due to the gain from one-off disposal transaction of an associate during the first half of 2016; (ii) increase in sales and marketing expenses for property development in the PRC; and partially set-off by (iii) exclusion of the loss from GMR after the Completion of GMR Offering.

The basic loss per share for the six months ended 30 June 2017 was HK0.15 cents (30 June 2016: HK0.15 cents).

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2017 (30 June 2016: Nil).

BUSINESS REVIEW

Property Development

During the six months ended 30 June 2017, the Group successfully bid land use rights of two land parcels in Beijing, the PRC in public auction held by PRC governmental body through listing-for-sale process. The handover of these two land parcels are expected to be completed before the fourth quarter of 2017. The Group persists continuing effort to expand its land reserve to complement the strategy in expanding its business operation in Henan Province and other first and second tier cities in the PRC. As at 30 June 2017, the Group had six property projects under development and two proposed property development projects with an aggregate estimated GFA of approximately 1.5 million square meters in the PRC.

管理層討論及分析

中期業績及股息

於截至二零一七年六月三十日止六個月，本集團錄得營業額約38,000,000港元，較二零一六年同期之營業額約42,400,000港元減少約10%。該減少是由於在二零一六年七月於美國紐約證券交易所完成股份發售及視作出售本公司前附屬公司GMR（「GMR發售完成」）之綜合淨影響所致，當中主要因素為：(i)取消將GMR綜合入賬導致租金收入減少；及部分由(ii)向GMR提供房地產投資信託管理服務之物業管理收入增幅及於GMR之證券買賣及投資所得股息收入增幅補償。

於截至二零一七年六月三十日止六個月，本公司擁有人應佔虧損增加至約9,500,000港元。該增加是由於下列淨影響所致：(i)二零一六年上半年進行一次性出售一間聯營公司交易所得收益導致其他收益及虧損減少；(ii)中國物業發展之銷售及市場推廣開支增加，而部分被(iii) GMR發售完成後撤除GMR虧損所抵銷。

於截至二零一七年六月三十日止六個月，每股基本虧損為0.15港仙（二零一六年六月三十日：0.15港仙）。

董事會不建議派付截至二零一七年六月三十日止六個月之中期股息（二零一六年六月三十日：無）。

業務回顧

物業發展

於截至二零一七年六月三十日止六個月，本集團在中國政府機關舉辦之公開拍賣掛牌出售程序中在中國北京成功投得兩幅地塊之土地使用權。該兩幅地塊預期將於二零一七年第四季度前完成交付。本集團持續努力擴大土地儲備，以補足其擴大中國河南省及其他一、二線城市業務營運之策略。於二零一七年六月三十日，本集團於中國共有六個發展中物業項目及兩個擬物業發展項目，估計總建築面積約為1,500,000平方米。

Hotel Operations

Revenue for the hotel operation division declined approximately 7% to approximately HK\$2.7 million during the six months ended 30 June 2017, contributing to a segment loss of approximately HK\$1.0 million compared to approximately HK\$0.9 million over the corresponding period of 2016.

Securities Trading and Investment

During the six months ended 30 June 2017, revenue from the Group's securities business significantly raised to approximately HK\$8.4 million, and recorded a segment gain of HK\$10.3 million as compared to revenue of approximately HK\$0.3 million with a segment loss of approximately HK\$0.9 million over the corresponding period of 2016. The significant increment was due to the dividend income from investment in GMR after Completion of GMR Offering and its increase in fair value as financial assets at fair value through profit or loss during the period.

Property Investment and Management in the USA on AHR and GMR

During the six months ended 30 June 2017, the property investment and management in the USA on AHR and GMR through the 85%-owned REIT management arm of the Group contributed revenue of approximately HK\$17.2 million (30 June 2016: HK\$30.9 million) and operating loss of approximately HK\$8.1 million (30 June 2016: HK\$7.6 million) to the Group. The decrease of segment revenue was attributable to the decrease in rental income from GMR after the Completion of GMR Offering in July 2016.

Property Investment other than AHR and GMR

During the six months ended 30 June 2017, the property investment other than AHR and GMR divisions contributed segment revenue of approximately HK\$7.4 million and operating profit of approximately HK\$2.7 million, as compared with the segment revenue of approximately HK\$8.2 million and operating profit of approximately HK\$1.8 million over the corresponding period of 2016. The segment profit was improved as a result of the decrease in fair value loss of investment properties of approximately HK\$0.6 million during the period as compared to approximately HK\$1.5 million over the corresponding period of 2016.

酒店業務

截至二零一七年六月三十日止六個月，酒店業務分部之收益減少約7%至約2,700,000港元，分部虧損約為1,000,000港元，而二零一六年同期約為900,000港元。

證券買賣及投資

於截至二零一七年六月三十日止六個月，本集團證券業務之收益大幅增加至約8,400,000港元，並錄得分部收益約10,300,000港元，而二零一六年同期收益約為300,000港元，分部虧損約為900,000港元。大幅增長是由於GMR發售完成後對GMR之投資產生之股息收入以及於期內按其公平值計入損益之金融資產之公平值增幅所致。

於美國AHR及GMR之物業投資及管理

於截至二零一七年六月三十日止六個月，透過本集團擁有85%權益之房地產投資信託管理分支為美國AHR及GMR進行之物業投資及管理為本集團貢獻收益約17,200,000港元(二零一六年六月三十日：30,900,000港元)及經營虧損約8,100,000港元(二零一六年六月三十日：7,600,000港元)。分部收益下跌歸因於二零一六年七月GMR發售完成後減少GMR所得租金收入。

AHR及GMR以外之物業投資

於截至二零一七年六月三十日止六個月，AHR及GMR分部以外之物業投資貢獻分部收益約7,400,000港元及經營溢利約2,700,000港元，而二零一六年同期之分部收益則約為8,200,000港元及經營溢利約為1,800,000港元。與二零一六年同期約1,500,000港元之投資物業公平值虧損相比，期內投資物業公平值虧損下降至約600,000港元，導致分部溢利有所改善。

Other Investment

During the six months ended 30 June 2017, the Group disposed of its entire interest in an unlisted overseas equity investment for a consideration of approximately HK\$0.5 million. In prior years, such equity investment were previously classified as available-for-sale financial assets, and subsequently thereafter recorded an impairment loss in profit and loss after the review of its recoverable amounts by reference to the expected future cash inflows. The disposal transaction completed during the period therefore resulted a net gain of approximately HK\$0.5 million.

FINANCIAL REVIEW**Liquidity and Capital Resources***Cash Position*

As at 30 June 2017, the carrying amount of the Group's cash and bank balances including pledged bank deposits and restricted bank balances was approximately HK\$338.1 million (31 December 2016: approximately HK\$270.7 million), representing an increase of approximately 25%. The total cash and bank balances were mainly denominated in Hong Kong dollars, Renminbi, US dollars, Singapore dollars and Japanese Yen.

As at 30 June 2017, certain bank balances of the Group were pledged to certain banks and financial institution as securities for the banking facilities granted to the Group and also the mortgage loan facilities granted to the property buyers of the Group. The total pledged bank deposits was approximately HK\$17.7 million as at 30 June 2017 (31 December 2016: approximately HK\$12.8 million).

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

The capital structure of the Group consists of net debt, which includes bank and other borrowings, amounts due to related companies and loans from a related company, net of bank balances and cash, restricted bank balances and pledged bank deposits, and equity attributable to owner of the Company, comprising issued share capital and reserves. As at 30 June 2017, the total equity of the Group was approximately HK\$1,178.2 million (31 December 2016: HK\$1,157.0 million).

其他投資

於截至二零一七年六月三十日止六個月，本集團出售非上市海外股本投資之全部權益，代價約為500,000港元。於過往年度，該等股本投資先前獲分類為可供出售金融資產，其後於參考預計未來現金流入審閱其可回收金額後，於損益錄得減值虧損。期內完成出售交易因而產生收益淨額約500,000港元。

財務回顧**流動資金及資金來源***現金狀況*

於二零一七年六月三十日，本集團之現金及銀行結餘包括已抵押銀行存款及受限制銀行結餘增加約25%至約338,100,000港元（二零一六年十二月三十一日：約270,700,000港元）。現金及銀行結餘總額主要以港元、人民幣、美元、新加坡元及日圓列值。

於二零一七年六月三十日，本集團若干銀行結餘已抵押予若干銀行及一間金融機構，作為本集團獲授銀行融資及本集團物業買家獲授按揭貸款融資之抵押。於二零一七年六月三十日，已抵押銀行存款合共約為17,700,000港元（二零一六年十二月三十一日：約12,800,000港元）。

本集團資產之資本架構、借貸及押記

本集團資本架構包括負債淨額，即包括銀行及其他借貸、應付關連公司款項及來自一間關連公司貸款，減銀行結餘及現金、受限制銀行結餘及已抵押銀行存款及本公司擁有人應佔股權，包括已發行股本及儲備。於二零一七年六月三十日，本集團之權益總額約為1,178,200,000港元（二零一六年十二月三十一日：1,157,000,000港元）。

As at 30 June 2017, the Group's aggregate borrowings including bank and other borrowings, loans from a related company and amounts due to related companies amounted to approximately HK\$10,301.4 million (31 December 2016: HK\$1,444.0 million), of which approximately HK\$9,732.4 million (31 December 2016: HK\$1,287.1 million) are repayable within 1 year or on demand, approximately HK\$569.0 million (31 December 2016: HK\$156.9 million) are repayable after 1 year. The aggregate borrowings were mainly denominated in Renminbi, US dollars, Singapore dollars and Hong Kong dollars.

As at 30 June 2017, certain bank facilities granted to the Group together the mortgage loan facilities granted to the property buyers of the Group were secured by certain plant and equipment, investment properties, properties under development for sale and bank deposits with total carrying values of approximately HK\$1,784.7 million (31 December 2016: HK\$514.7 million). In addition, shares of certain subsidiaries of the Group are pledged to secure certain banking facilities granted to the Group as at 30 June 2017.

The Group's bank and other borrowings carried various floating interest rates linking up with international lending rates, including Hong Kong Interbank Offered Rate, Singapore Dollar Swap Offered Rate, Singapore Interbank Offered Rate, London Interbank Offered Rate and the base lending rate of the People's Bank of China. The Group's interest rate risk is mainly driven from the bank and other borrowings with floating interest rates. As at 30 June 2017, loans from a related company amounting to approximately HK\$187.8 million (31 December 2016: HK\$164.5 million) carried at a fixed interest rate at the lower of (i) 4% per annum or (ii) such other interest rate the Group is able to borrow in an amount equal to the relevant loan from a bank or a financial institution at the date of drawdown.

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

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

於二零一七年六月三十日，本集團借借貸總額包括銀行及其他借貸、來自一間關連公司之貸款及應付關連公司款項約10,301,400,000港元(二零一六年十二月三十一日：1,444,000,000港元)，其中約9,732,400,000港元(二零一六年十二月三十一日：1,287,100,000港元)須於一年內或按要求償還，而約569,000,000港元(二零一六年十二月三十一日：156,900,000港元)須於一年後償還。借貸總額主要以人民幣、美元、新加坡元及港元列值。

於二零一七年六月三十日，授予本集團之若干銀行融資連同授予本集團物業買家之按揭貸款融資已由賬面總值約1,784,700,000港元(二零一六年十二月三十一日：514,700,000港元)之若干廠房及設備、投資物業、待售發展中物業及銀行存款作抵押。此外，於二零一七年六月三十日，本集團若干附屬公司之股份已抵押，以獲授本集團若干銀行融資。

本集團銀行及其他借貸附有與香港銀行同業拆息、新加坡元掉期利率、新加坡銀行同業拆息、倫敦銀行同業拆息及中國人民銀行貸款基準利率等國際貸款利率掛鈎之多項浮動利率之銀行及其他借貸。本集團之利率風險主要來自浮動利率。於二零一七年六月三十日，來自一間關連公司之貸款約187,800,000港元(二零一六年十二月三十一日：164,500,000港元)按下列較低者之固定利率計息：(i)年利率4厘或(ii)在提取日期本集團能夠向銀行或金融機構借入相等於有關貸款金額之其他利率。

本集團並無使用任何金融工具作對沖用途。

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

Key Financial Ratios

As at 30 June 2017, the Group recorded a current ratio of 1.1 (31 December 2016: 1.3) and a gearing ratio of approximately 75.8% (31 December 2016: 31.7%). Gearing ratio is defined as the ratio of total borrowings less cash and bank balances, restricted bank balances and pledged bank deposits to total assets. The increase in gearing ratio was primarily attributable to the increase in loans from a related company and amounts due to related companies for the expansion in property development operation in the PRC during the six months ended 30 June 2017.

Capital Commitments

As at 30 June 2017, the capital commitments of the Group in connection with the property development expenditures for properties under development for sale were HK\$1,321.7 million (31 December 2016: HK\$369.1 million). The Group did not have outstanding land premium resulting from land acquisitions (31 December 2016: HK\$1,356.4 million).

Contingent Liabilities

As at 30 June 2017, the Group had contingent liabilities relating to guarantees amounting to approximately RMB454.9 million (approximately HK\$523.7 million) in respect of mortgage facilities provided by certain banks in connection with the mortgage loans entered into by property buyers of the Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group would be responsible for repaying the outstanding mortgage principals together with the accrued interest thereon and any penalties owed by the defaulted buyers to the banks. The Group would be entitled to take over legal title to and possession of the related properties. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the property buyers; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage. In the opinion of the Directors, no provision for the guarantee contracts was recognised in the financial statements for the six months ended 30 June 2017 as the default risk is low.

主要財務比率

於二零一七年六月三十日，本集團錄得流動比率為1.1(二零一六年十二月三十一日：1.3)，資產負債比率則為約75.8%(二零一六年十二月三十一日：31.7%)。資產負債比率定義為借貸總額減現金及銀行結餘、受限制銀行結餘及已抵押銀行存款相對資產總值之比率。資產負債比率增加主要歸因於截至二零一七年六月三十日止六個月就擴充中國物業發展業務而產生來自一間關連公司之貸款及應付關連公司款項有所增加。

資本承擔

於二零一七年六月三十日，本集團有關待售發展中物業之物業發展開支之資本承擔為1,321,700,000港元(二零一六年十二月三十一日：369,100,000港元)。本集團並無由土地收購所產生之未償還土地溢價(二零一六年十二月三十一日：1,356,400,000港元)。

或然負債

於二零一七年六月三十日，本集團就有關本集團物業買家訂立之按揭貸款而由若干銀行提供之按揭融資之擔保擁有或然負債約人民幣454,900,000元(約523,700,000港元)。根據擔保條款，倘該等買家拖欠按揭款項，本集團須負責償還失責買家欠付銀行之未償還按揭本金連同就此之累計利息及任何罰款。本集團將有權接管相關物業之法定業權及擁有權。該等擔保將於以下較早者發生時解除：(i)物業買家償還按揭貸款；及(ii)就按揭物業發出物業所有權證並完成取消登記按揭。董事認為，由於違約風險較低，故並無就擔保合約於截至二零一七年六月三十日止六個月之財務報表確認撥備。

In addition, as at 30 June 2017, the Group has provided for its proportionate guarantee of S\$2.1 million (approximately HK\$11.9 million) to a bank in connection with banking facilities granted to an overseas unlisted company, Corporate Residence Pte Ltd, of which 10% interest were previously owned by the Group. Following to the completion of disposal transaction of such entire 10% equity investment during the six months ended 30 June 2017, release of such proportionate guarantee was in progress.

Foreign Exchange Exposure

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

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

- (a) On 14 February 2017 (U.S. time), American Senior Housing REIT, Inc, an indirect 98.82% owned subsidiary of the Company, has entered into two agreements with two independent third parties, CBC Oxford McKinney, LLC and Oxford Derby Memory Care, LLC to acquire two senior housing communities in the U.S., namely, the Oxford Grand McKinney and the Glen Garr House, at a consideration of US\$17.1 million and US\$10.5 million, respectively. The acquisitions were completed in April 2017.
- (b) On 27 April 2017, the Group has been successful in bidding of land use rights of two land parcels in Beijing, the PRC through listing for sale process in the public auction held by Land and Resources Committee of Beijing Municipal Bureau of Land and Resources for transfer of state-owned land use rights at a consideration of RMB2,890.0 million and RMB1,210.0 million, respectively. The handover of these two land parcels are expected to be completed before the fourth quarter of 2017.

另外，於二零一七年六月三十日，本集團已就一間海外非上市公司 Corporate Residence Pte Ltd (本集團先前擁有當中 10% 權益) 所獲銀行融資按比例向一間銀行提供 2,100,000 新加坡元 (約 11,900,000 港元) 之擔保。於截至二零一七年六月三十日止六個月完成出售有關全部 10% 股權投資交易後，該按比例擔保正進行解除程序。

外匯風險

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

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

- (a) 於二零一七年二月十四日 (美國時間)，本公司間接擁有 98.82% 權益之附屬公司 American Senior Housing REIT, Inc. 與兩名獨立第三方 CBC Oxford McKinney, LLC 及 Oxford Derby Memory Care, LLC 訂立兩份協議，以收購美國兩套長者住房院舍 (即 Oxford Grand McKinney 及 Glen Garr House)，代價分別為 17,100,000 美元及 10,500,000 美元。收購已於二零一七年四月完成。
- (b) 於二零一七年四月二十七日，本集團分別以代價人民幣 2,890,000,000 元及人民幣 1,210,000,000 元，成功於北京市國土資源局國土資源委員會就轉讓國有土地使用權所舉辦之公開拍賣掛牌出售程序中投得中國北京市兩幅地塊之土地使用權。該兩幅地塊預期將於二零一七年第四季度前完成交付。

Employee and Remuneration Policy

Remuneration packages are generally structured with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance-related bonuses. The Company has continued to receive Good MPF Employer Award for 2016-17 issued by Mandatory Provident Fund Authority in recognition of its compliance with employer's statutory obligations and provision of better retirement protection for employees. Moreover, two new awards, namely "e-Contribution Award" and "Support for MPF Management Award" have been received for 2016-17 from Mandatory Provident Fund Authority by the Company which has adopted electronic means for MPF Administration, and has striven to encourage employees to actively manage their MPF. The Company adopted a share option scheme on 28 August 2013 and share options may also be granted to eligible employees of the Group. Total staff related costs, including Directors' emoluments during the six months ended 30 June 2017, amounted to approximately HK\$14.2 million (30 June 2016: HK\$12.0 million).

As at 30 June 2017, the Group had 52 employees.

Outlook and Prospects

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

The PRC

Based on the current construction progress and the delivery schedule projected by the Group, one of the property projects under development, namely Zensun Xinghan Garden, is expected to be completed in the fourth quarter of 2017. It will be the first completed property project of the Group, which is the important move for the Group's property development operation. Revenue from the sale of properties are expected to be recognised upon its completion and delivery of the completed properties.

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

僱員及薪酬政策

薪酬待遇一般參考現行市場條款及個人資歷制定。薪金及工資一般會每年根據表現評估及其他相關因素檢討。除薪金外，本集團另有其他員工福利，包括強積金、醫療保險及表現掛鈎花紅。本公司再度獲得強制性公積金計劃管理局頒發二零一六至一七年度「積金好僱主」獎，以嘉許其履行僱主之法定責任及為僱員提供更佳退休保障。此外，本公司獲得強制性公積金計劃管理局頒發兩項新設獎項，包括二零一六至一七年度「積金供款電子化獎」及「推動積金管理獎」，以表揚其採用電子方式處理強積金行政事宜及致力鼓勵僱員積極管理其強積金。本公司已於二零一三年八月二十八日採納購股權計劃，而本集團亦可向合資格僱員授出購股權。截至二零一七年六月三十日止六個月，員工相關成本總額（包括董事酬金）約為14,200,000港元（二零一六年六月三十日：12,000,000港元）。

於二零一七年六月三十日，本集團聘用52名僱員。

前景及展望

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

中國

基於當前建設進展及本集團預期之交付時間表，其中一個在建物業項目正商興漢花園預期將於二零一七年第四季度完成。有關項目將為本集團首個完成之物業項目，實屬本集團物業發展業務之重要一步。銷售物業之收益預計將於已竣工業業完成及交付時確認。

本集團持續成功投得地塊有助其於中國實施業務營運擴張策略。因此，董事會於未來幾年將繼續專注競投中國河南省鄭州市及其他一、二線城市其他可選擇地塊之土地使用權。

In view of the above positive development in land acquisitions and the ongoing property development projects, the Group's needs on construction work for properties development is expected to increase substantially in the near future. In this regard, the Company entered into the Supplemental Agreement with Zensun Development during the six months ended 30 June 2017 in relation to the Master Services Agreement to extend the terms up to 31 December 2019 for construction work services to be agreed in Definitive Agreement(s) to be provided by Zensun Development Group. Thereafter, the Annual Caps under the Master Services Agreement as amended by the Supplemental Agreement for the three financial years ending 31 December 2019 have been approved for increment during the period. Further information in respect of the Supplemental Agreement to the Master Services Agreement and revision of Annual Caps, is available in the Company's circular dated 26 April 2017.

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

The U.S.

As at the date of this report, the Group has 12.0% equity interest in a NYSE-listed REIT, GMR and 99% equity interest in an USA OTC listed REIT, AHR, both are operated and managed by IAM, the 85%-owned REIT management arm of the Group, led by a specialised team of highly experienced professionals with deep knowledge in the USA real estate market.

鑒於上述土地收購及持續物業發展項目之積極發展，本集團對物業發展建設工程之需求預期於短期內大幅增加。就此，本公司於截至二零一七年六月三十日止六個月與正商發展就主服務協議訂立補充協議，將最終協議中同意由正商發展集團提供建設工程服務之期限延長至二零一九年十二月三十一日。其後，項下截至二零一九年十二月三十一日止三個財政年度經補充協議修訂之主服務協議年度上限已獲批准於該期間增加。有關主服務協議補充協議及年度上限修訂之進一步資料，可於本公司日期為二零一七年四月二十六日之通函中查閱。

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

美國

於本報告日期，本集團當前擁有一項於紐約證券交易所上市之房地產投資信託GMR 12.0%股權及一項於美國場外交易上市之房地產投資信託AHR 99%股權，均由IAM經營及管理，而IAM為本集團擁有85%權益之房地產投資信託管理分支，由具備深厚美國房地產市場知識之資深專業團隊帶領。

1. **GMR**
After the Completion of GMR Offering in July 2016, the Group has continued providing REIT management services and receiving recurring management fees directly to and from GMR pursuant to the revised management agreement between GMR and IAM. In June 2017, GMR have announced the commencement of its second underwritten public offering of 3.5 million shares of its common stock, plus additional of 0.5 million shares of common stock to cover over-allotments. It is expected that future fund raising of GMR will further increase its capital base which in return increase the management fee income to be received from GMR.
2. **AHR**
AHR was listed on the OTC in 2010. AHR is currently 99%-controlled by the Company and owns a portfolio of single-family rentals primarily in Texas, Florida, Georgia and North Carolina. With the Group's strategy in seeking for higher-than-average annualised yield, the Group revisits the current properties portfolio of AHR and diversifies its investment from single family housing to senior housing communities in order to seize the potential opportunity for the current strong demand on retirement communities and elderly care industries in the USA. During the six months ended 30 June 2017, two senior housing communities in USA, namely, the Oxford Grand McKinney and the Glen Carr House were acquired at a total consideration of US\$27.6 million and resulted in the expansion of the AHR properties portfolio. AHR is proactively accelerating its acquisition pipeline in respect of facilities in elderly care industries in the USA in order to assist future capital fund raising in potential international stock exchange for migration listing.

Other operations

The Group remains cautious on Singapore property market and does not expect to make a material investment in this market in the foreseeable future. For the non-core Japan hotel business, while the Group is seeking potential buyers to dispose the hotels or operation to enable the Group to deploy its resources in the most efficient way, it is actively seeking ways to enhance its overall profitability with a view to enabling the operations to be self-sustainable.

Overall

The Company will make use of the Group's financial, human and technological resources to enhance its portfolio, asset base and brand image.

1. **GMR**
於二零一六年七月GMR發售完成後，根據GMR與IAM訂立之經修訂管理協議，本集團繼續直接向GMR提供房地產投資信託管理服務並收取經常性管理費。於二零一七年六月，GMR宣佈開展其第二次包銷公開發售3,500,000股普通股，另加額外500,000股普通股以應付超額配股。預期GMR未來進行集資活動將進一步提升其資本基礎，從而提高將向GMR收取之管理費收入。
2. **AHR**
AHR於二零一零年在場外交易上市。AHR目前由本公司控制99%權益，主要於德克薩斯州、佛羅里達州、喬治亞州及北卡羅萊納州擁有單棟出租單位組合。本集團之策略為尋求高於平均年度收益，為把握美國當前退休群體及安老行業產生之強勁需求之潛在機會，本集團已重新審視當前AHR之物業投資組合，並將投資從單棟出租單位分散至長者住房社區。於截至二零一七年六月三十日止六個月，本集團已按總代價27,600,000美元收購美國兩套長者住房院舍(即Oxford Grand McKinney及Glen Carr House)，以擴大AHR物業投資組合。AHR目前正積極加快有關美國安老行業設施之收購計劃，以助於未來進行潛在國際證券交易所轉板上市之資本集資。

其他業務

本集團對新加坡物業市場仍保持謹慎態度，且不預期在可見將來作出重大投資。在非核心日本酒店業務方面，本集團在尋覓潛在買家以出售酒店或營運，使本集團能以最有效方式配置資源，同時積極尋求方法加強其整體盈利能力，達至自負盈虧。

概述

本公司將善用本集團之財務、人力及技術資源，以加強其投資組合、資產基礎及品牌形象。

OTHER INFORMATION**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS**

As at 30 June 2017, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which: (a) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 of the Listing Rules are as follows:

Long positions

(a) Ordinary Shares of the Company

Name of Director	Capacity in which interests are held	Number of Shares held	Approximate percentage of the issued share capital of the Company
董事姓名	權益持有者身份	所持股份數目	約佔本公司已發行股本之百分比
Mr. Zhang Jingguo 張敬國先生	Interest of spouse (Note 1) 配偶權益(附註1)	3,579,612,209	57.95
Ms. Huang Huang女士	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	3,579,612,209	57.95

Notes:

- (1) Mr. Zhang Jingguo (chairman, chief executive officer and executive Director of the Company) is the spouse of Ms. Huang, he is deemed to be interested in 3,579,612,209 Shares under the SFO.
- (2) As at 30 June 2017, these shares are owned by Joy Town Inc., which is wholly owned by Ms. Huang.

其他資料

董事及主要行政人員於股份及本公司及相關聯法團之相關股份以及債券之權益及淡倉

於二零一七年六月三十日，董事及本公司主要行政人員於本公司之股份(「股份」)、本公司或其任何相關法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之相關股份及債券中，擁有：(a)根據證券及期貨條例第XV部第7及第8分部已知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例該等條文被當作或視作擁有之權益或淡倉)；(b)根據證券及期貨條例第352條須登記於該條所述登記冊之任何權益或淡倉；或(c)根據上市規則附錄十所載上市公司董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益或淡倉如下：

好倉

(a) 本公司之普通股

附註：

- (1) 張敬國先生(本公司主席、行政總裁兼執行董事)為Huang女士之配偶，根據證券及期貨條例彼被視作於3,579,612,209股股份中擁有權益。
- (2) 於二零一七年六月三十日，該等股份由Huang女士全資擁有之Joy Town Inc.擁有。

Long positions

(b) Ordinary shares of associated corporation

好倉

(b) 相聯法團之普通股

Name of Director	Name of associated corporation	Capacity in which the interests are held	Number of shares held	Approximate percentage of the issued share capital of the associated corporation 約佔相聯法團已發行股本之百分比
董事姓名	相聯法團名稱	權益持有者身份	所持股份數目	已發行股本之百分比
Ms. Huang Huang女士	Joy Town Inc.	Beneficial owner 實益擁有人	1	100

Save as disclosed, as at 30 June 2017, none of the Directors, chief executive of the Company or their respective associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which: (a) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules.

除上文披露者外，於二零一七年六月三十日，董事、本公司主要行政人員或彼等各自之任何聯繫人士概無於股份、本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之相關股份及債券中，擁有：(a)根據證券及期貨條例第XV部第7及第8分部已知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例該等條文被當作或視作擁有之權益或淡倉)；(b)根據證券及期貨條例第352條須登記於該條所述登記冊之任何權益或淡倉；或(c)根據上市規則附錄十所載標準守則須知會本公司及聯交所之權益或淡倉。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2017, according to the register of interest in Shares and underlying Shares and short positions kept by the Company pursuant to Section 336 of Part XV of the SFO and so far as is known to or can be ascertained after reasonable enquiries by the Directors, the persons (other than the Directors or chief executive of the Company) who were directly or indirectly interested in 5% or more in the Shares and underlying Shares of the Company are as follows:

Long positions

(a) Ordinary Shares of the Company

Name	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company
名稱	權益性質	所持股份數目	約佔本公司已發行股本百分比
Joy Town Inc.	Beneficial owner (Note 1) 實益擁有人(附註1)	3,579,612,209	57.95
Chan Heng Fai 陳恒輝	Beneficial owner (Note 2) 實益擁有人(附註2)	322,580,166	5.22
Chan Yoke Keow 陳玉嬌	Beneficial owner (Note 2) 實益擁有人(附註2)	322,580,166	5.22

Notes:

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

Save as disclosed above, as at 30 June 2017, no person other than the Directors whose interests are set out in the section headed "Directors' and chief executives' interests and short positions in Shares and underlying Shares and debentures of the Company and associated corporation" above, had registered an interest of 5% or more in the issued share capital of the Company, and short positions in the Shares and underlying Shares that was required to be recorded in the register of interest pursuant to Section 336 of Part XV of the SFO.

主要股東

於二零一七年六月三十日，根據本公司遵照證券及期貨條例第XV部第336條存置之股份及相關股份權益及淡倉登記冊，以及據董事目前所知或於作出合理查詢後確定，下列人士(董事或本公司主要行政人員除外)直接或間接擁有本公司股份及相關股份5%或以上權益：

好倉

(a) 本公司之普通股

Name	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company
名稱	權益性質	所持股份數目	約佔本公司已發行股本百分比
Joy Town Inc.	Beneficial owner (Note 1) 實益擁有人(附註1)	3,579,612,209	57.95
Chan Heng Fai 陳恒輝	Beneficial owner (Note 2) 實益擁有人(附註2)	322,580,166	5.22
Chan Yoke Keow 陳玉嬌	Beneficial owner (Note 2) 實益擁有人(附註2)	322,580,166	5.22

附註：

- (1) Huang女士為Joy Town Inc.之唯一董事兼股東。
- (2) 該等股份由陳恒輝及陳玉嬌擁有。陳恒輝為陳玉嬌之配偶，彼等被視作於彼此所持有之股份中擁有權益。

除上文披露者外，於二零一七年六月三十日，除名下權益載於上文「董事及主要行政人員於股份及本公司及相聯法團之相關股份以及債券之權益及淡倉」一節之董事外，概無任何人士登記擁有本公司已發行股本5%或以上權益及須根據證券及期貨條例第XV部第336條記入權益登記冊之股份及相關股份之淡倉。

CHANGE OF PARTICULARS OF THE DIRECTORS

Dr. Liu Qiao, an independent non-executive Director was appointed as an independent non-executive director of CSC Financial Co. Ltd. (stock code: 6066), the shares of which are listed on the Stock Exchange on 9 December 2016. Save as disclosed, there are no change of particulars of the Directors or chief executives of the Company as required under the Listing Rules.

SHARE OPTION SCHEME

The Company adopted a share option scheme for the purpose of providing incentives and rewards for the contribution or potential contribution of the eligible participants to the Group. During the six months ended 30 June 2017, no share option was granted, exercised, cancelled or lapsed under the share option scheme and there was no outstanding share option under the share option scheme as at 30 June 2017.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all code provisions ("Code Provisions") and, where applicable, the recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2017, save for the deviations which are explained below:

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

Pursuant to code provision C.2.5 of the CG Code, the Group should have an internal audit function. The Company conducted an annual review on the need for setting up an internal audit department. Given the Group's simple operating structure, it was decided that the Board would be directly responsible and review on the adequacy and effectiveness of the risk management and internal control systems of the Group. Review on the risk management and internal control systems of the Group, including the analysis and appraisal of its adequacy and effectiveness, are conducted in an ongoing basis.

董事資料變動

獨立非執行董事劉俏博士獲委任為中信建投證券股份有限公司(股份代號: 6066, 其股份於二零一六年十二月九日在聯交所上市)之獨立非執行董事。除上文披露者外, 董事或本公司主要行政人員根據上市規則之規定所須資料出現變動。

購股權計劃

本公司已採納一項購股權計劃, 藉以向合資格人士對本集團作出之貢獻及可能作出之貢獻給予鼓勵或獎勵。於截至二零一七年六月三十日止六個月, 並無購股權已根據購股權計劃授出、行使、註銷或失效, 而於二零一七年六月三十日, 概無購股權尚未行使。

購買、出售或贖回本公司上市證券

本公司及其任何附屬公司於截至二零一七年六月三十日止六個月概無購買、出售或贖回本公司任何上市證券。

企業管治常規守則

本公司已於截至二零一七年六月三十日止六個月採納上市規則附錄十四所載之原則, 並已遵守當中所載企業管治守則(「企業管治守則」)之所有守則條文(「守則條文」)及(如適用)建議最佳常規, 惟下文所述之偏離除外:

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

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

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. The Company has made specific enquiry with all the Directors and, all the Directors confirmed that they have fully complied with the required standards set out in the Model Code during the six months ended 30 June 2017.

AUDIT COMMITTEE

The Audit Committee is primarily responsible to assist the Board in reviewing and monitoring the financial reporting process, risk management and internal control systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The Audit Committee comprises three independent non-executive Directors, namely Mr. Liu Da, Dr. Liu Qiao and Mr. Ma Yuntao.

The Audit Committee has reviewed with the management of the Company, the accounting principles and practices adopted by the Group and discussed, among other things, financial reporting matters including a review of the unaudited condensed consolidated results for the six months ended 30 June 2017 of the Group.

ACKNOWLEDGEMENT

We would like to thank the management and all of our staff for their hard work and dedication, as well as our shareholders for their continuous support to the Group.

By Order of the Board

Zhang Jingguo

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 25 August 2017

遵守董事進行證券交易之標準守則

本公司已採納載於上市規則附錄十之標準守則，作為董事於本公司進行證券交易之行為守則。本公司已向全體董事作出具體查詢，全體董事確認於截至二零一七年六月三十日止六個月一直全面遵守標準守則所載之規定準則。

審核委員會

審核委員會主要負責協助董事會審閱及監察本集團之財務報告程序、風險管理及內部監控系統，監督審核程序並履行董事會可能不時賦予之其他職務及責任。審核委員會由三名獨立非執行董事劉達先生、劉俏博士及馬運強先生組成。

審核委員會已聯同本公司管理層審閱本集團採納之會計原則及慣例，並討論(其中包括)財務報告事宜，包括審閱本集團截至二零一七年六月三十日止六個月之未經審核簡明綜合業績。

鳴謝

我們謹此向管理人員及全體員工努力不懈、盡心全意為本集團效力，以及股東一直對本集團之鼎力支持，致以衷心謝意。

承董事會命

主席、行政總裁兼執行董事

張敬國

香港，二零一七年八月二十五日

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