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**LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED**

**枋濬國際集團控股有限公司**

(於開曼群島註冊成立之有限公司)

(股份代號：1355)

**截至二零一八年十二月三十一日止年度  
之業績公告**

枋濬國際集團控股有限公司(「本公司」)董事(「董事」)會(「董事會」)欣然宣佈本公司及其附屬公司截至二零一八年十二月三十一日止年度之經審核綜合財務業績(「全年業績」)。本公告載列本公司截至二零一八年十二月三十一日止年度之年度報告(「年報」)全文，年報乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則適用於業績公告及年報之相關內容規定而編製。全年業績已經董事會審核委員會審閱。本公告將刊登於本公司網站([www.legend-strategy.com](http://www.legend-strategy.com))及聯交所網站([www.hkexnews.hk](http://www.hkexnews.hk))。年報將寄發予本公司股東，屆時將亦可於上述網站查閱。

承董事會命

枋濬國際集團控股有限公司

主席

袁富兒

香港，二零一九年三月二十九日

於本公告日期，董事會包括

執行董事：

叶樹生先生

非執行董事：

袁富兒先生(主席)

胡性龍先生

獨立非執行董事：

吳吉林先生

杜宏偉先生

李舟女士

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# Corporate Information

## 公司資料

### DIRECTORS

#### Executive Directors

Mr. Ye Shusheng  
Mr. Huang Yun (Resigned with effect from 6 September 2018)  
Mr. Dai Lifeng (Resigned with effect from 6 September 2018)  
Mr. Min Zhi Dong (Resigned with effect from 1 March 2018)

#### Non-executive Directors

Mr. Yuan Fuer (Chairman)  
(Appointed with effect from 15 August 2018)  
Mr. Hu Xinglong (Appointed with effect from 15 August 2018)  
Mr. Lu Zefeng (Resigned with effect from 6 September 2018)

#### Independent Non-executive Directors

Mr. Wu Jilin (Appointed with effect from 15 August 2018)  
Mr. Du Hongwei (Appointed with effect from 15 August 2018)  
Ms. Li Zhou (Appointed with effect from 15 August 2018)  
Mr. Cheng Chai Fu (Resigned with effect from 6 September 2018)  
Mr. Tso Hon Sai Bosco (Resigned with effect from 6 September 2018)  
Mr. Wong Yiu Kit Ernest (Resigned with effect from 6 September 2018)

### COMPANY SECRETARY

Mr. Chung Tin Yan

### AUTHORISED REPRESENTATIVES

Mr. Ye Shusheng (Appointed with effect from 11 April 2018)  
Mr. Chung Tin Yan  
Mr. Huang Yun (Resigned with effect from 11 April 2018)

### AUDIT COMMITTEE

Mr. Wu Jilin (Chairman) (Appointed with effect from 6 September 2018)  
Mr. Du Hongwei (Appointed with effect from 6 September 2018)  
Ms. Li Zhou (Appointed with effect from 6 September 2018)  
Mr. Wong Yiu Kit Ernest (Chairman)  
(Resigned with effect from 6 September 2018)  
Mr. Cheng Chai Fu (Resigned with effect from 6 September 2018)  
Mr. Tso Hon Sai Bosco (Resigned with effect from 6 September 2018)

### 董事

#### 執行董事

叶樹生先生  
黃雲先生(自二零一八年九月六日起辭任)  
戴立峰先生(自二零一八年九月六日起辭任)  
閔志東先生(自二零一八年三月一日起辭任)

#### 非執行董事

袁富兒先生(主席)  
(自二零一八年八月十五日起獲委任)  
胡性龍先生(自二零一八年八月十五日起獲委任)  
陸澤峰先生(自二零一八年九月六日起辭任)

#### 獨立非執行董事

吳吉林先生(自二零一八年八月十五日起獲委任)  
杜宏偉先生(自二零一八年八月十五日起獲委任)  
李舟女士(自二零一八年八月十五日起獲委任)  
鄭濟富先生(自二零一八年九月六日起辭任)  
曹漢璽先生(自二零一八年九月六日起辭任)  
黃耀傑先生(自二零一八年九月六日起辭任)

### 公司秘書

鍾天昕先生

### 授權代表

叶樹生先生(自二零一八年四月十一日起獲委任)  
鍾天昕先生  
黃雲先生(自二零一八年四月十一日起辭任)

### 審核委員會

吳吉林先生(主席)(自二零一八年九月六日起獲委任)  
杜宏偉先生(自二零一八年九月六日起獲委任)  
李舟女士(自二零一八年九月六日起獲委任)  
黃耀傑先生(主席)  
(自二零一八年九月六日起辭任)  
鄭濟富先生(自二零一八年九月六日起辭任)  
曹漢璽先生(自二零一八年九月六日起辭任)

# Corporate Information

## 公司資料

### NOMINATION COMMITTEE

Ms. Li Zhou (Chairman)  
(Appointed with effect from 6 September 2018)  
Mr. Wu Jilin (Appointed with effect from 6 September 2018)  
Mr. Du Hongwei (Appointed with effect from 6 September 2018)  
Mr. Tso Hon Sai Bosco (Chairman)  
(Resigned with effect from 6 September 2018)  
Mr. Cheng Chai Fu (Resigned with effect from 6 September 2018)  
Mr. Wong Yiu Kit Ernest (Resigned with effect from 6 September 2018)

### REMUNERATION COMMITTEE

Mr. Du Hongwei (Chairman)  
(Appointed with effect from 6 September 2018)  
Mr. Wu Jilin (Appointed with effect from 6 September 2018)  
Ms. Li Zhou (Appointed with effect from 6 September 2018)  
Mr. Cheng Chai Fu (Chairman)  
(Resigned with effect from 6 September 2018)  
Mr. Wong Yiu Kit Ernest (Resigned with effect from 6 September 2018)  
Mr. Tso Hon Sai Bosco (Resigned with effect from 6 September 2018)

### PRINCIPAL BANKS

#### PRC

Industrial Bank Co. Ltd  
Agricultural Bank of China Limited

#### Hong Kong

Hang Seng Bank Limited  
Bank of China (Hong Kong) Limited

### AUDITOR

ZHONGHUI ANDA CPA Limited

### LEGAL ADVISER

Chiu & Partners

### REGISTERED OFFICE

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

### 提名委員會

李舟女士(主席)  
(自二零一八年九月六日起獲委任)  
吳吉林先生(自二零一八年九月六日起獲委任)  
杜宏偉先生(自二零一八年九月六日起獲委任)  
曹漢璽先生(主席)  
(自二零一八年九月六日起辭任)  
鄭濟富先生(自二零一八年九月六日起辭任)  
黃耀傑先生(自二零一八年九月六日起辭任)

### 薪酬委員會

杜宏偉先生(主席)  
(自二零一八年九月六日起獲委任)  
吳吉林先生(自二零一八年九月六日起獲委任)  
李舟女士(自二零一八年九月六日起獲委任)  
鄭濟富先生(主席)  
(自二零一八年九月六日起辭任)  
黃耀傑先生(自二零一八年九月六日起辭任)  
曹漢璽先生(自二零一八年九月六日起辭任)

### 主要往來銀行

#### 中國

興業銀行股份有限公司  
中國農業銀行股份有限公司

#### 香港

恒生銀行有限公司  
中國銀行(香港)有限公司

### 核數師

中匯安達會計師事務所有限公司

### 法律顧問

趙不渝 馬國強律師事務所

### 註冊辦事處

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

## **Corporate Information**

### **公司資料**

#### **HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Suite 1705, 17/F  
World-Wide House  
19 Des Voeux Road Central  
Central  
Hong Kong

#### **THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

#### **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

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

#### **COMPANY'S WEBSITE**

[www.legend-strategy.com](http://www.legend-strategy.com)

#### **STOCK CODE**

1355

#### **總部及香港主要營業地點**

香港  
中環  
德輔道中19號  
環球大廈  
17樓1705室

#### **開曼群島主要股份過戶登記處**

Codan Trust Company (Cayman) Limited  
Cricket Square  
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P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

#### **香港股份過戶登記分處**

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

#### **公司網站**

[www.legend-strategy.com](http://www.legend-strategy.com)

#### **股份代號**

1355

# Chairman's Statement

## 主席報告

On behalf of the board (the "Board") of directors (the "Directors") of Legend Strategy International Holdings Group Company Limited (the "Company" together with its subsidiaries (the "Group")), I am pleased to present the annual results of the Group for the year ended 31 December 2018 (the "Year") in that the Group has reduced its operating loss by over 80%, despite having incurred a non-recurrent corporate expense (professional fees and other expenses related to the mandatory general offer announced on 25 July 2018) during the Year.

### BUSINESS REVIEW

The Group is principally engaged in hotel operations and hotel consultations and management services and other related businesses. During the Year, the Group's performance in hotel operations improved significantly as compared to that of last year, mainly because the opening of the Hazens East Resort in June 2018 increased the number of available rooms of the Group, while effective marketing plans adopted by the Group's sales team also helped improve the performance of hotel operations. As a result, the Group reported a strong growth record in revenue during the Year as compared to that of last year. Furthermore, the management enacted the operation improvement plan and cost saving policy during the Year. These initiatives helped the Group significantly minimize losses during the Year as compared to that of last year.

In 2018, the Group achieved a milestone in its business development. In June 2018, the official opening of the Hazens East Resort which is situated in Xunliaowan of Huizhou and the first resort hotel under the management of the Group, helped expand the Group's scale and business portfolio. Following the completion of the mandatory general offer in respect of the shares of the Company in September 2018, the new management has brought in with their extensive backgrounds and experiences. By formulating effective strategies and taking responsive actions, the Group has realigned its own business development. Under the established strategies, the Group broadened revenue from its major business operations, utilized the network of the new management, and optimized the asset portfolio and resource allocation. While keeping the existing hotel operations in order, the Group focused on improving its operating and service quality. Despite the increased burden and responsibilities on the new management, the Group continued to deepen its system reform under the innovative model, allowing its employees to grow with the Company. Both the financial performance of the Group and the morale of the employees proved the correctness of the development strategy implemented by the Group which increases revenue, narrows losses, and initially delivers noticeable results.

本人謹代表枋濬國際集團控股有限公司(「本公司」)，連同其附屬公司(「本集團」)董事(「董事」)會(「董事會」)欣然呈報本集團截至二零一八年十二月三十一日止年度(「本年度」)之全年業績，其中儘管本集團於本年度使用了一筆非經常性企業開支(與於二零一八年七月二十五日公告提及有關強制性全面要約的專業及其他費用)，本集團的營運虧損已減少超過80%。

### 業務回顧

本集團主要從事酒店營運及提供酒店顧問與酒店管理服務等相關業務。本年度本集團酒店營運之表現較上年度有明顯的改善，主要由於於二零一八年六月開業的合正東部灣度假公寓，令本集團可出租房間增加，另受惠於本集團銷售團隊採取有效的市場方案，令現有酒店業績改善，從而令本集團於年內之收入較上年度有強勁的增長，加上管理層於年內實施的經營改善方案及節約成本政策，均令本集團於年內之虧損較上年度大幅收窄。

二零一八年是本集團發展上具有意義的一年，於二零一八年六月，位於惠州巽寮灣的合正東部灣度假公寓正式開始營業，屬於本集團的第一間管理的渡假酒店，擴張了本集團的規模及版圖，另外，於二零一八年九月，完成就本公司股份的強制性全面要約後，隨著新管理層的加入，帶來了他們豐富的背景及經驗，本集團謀定而後動，整合自身步伐，按照既定戰略深化主營業務收入，善用新管理層的網絡，優化資產組合及資源配置，同時管理好舊有酒店之營運，著力提升經營質量及服務質素，此雖令新管理層承擔的責任增加，但本集團以創新的模式持續深化體制改革，使員工和企業共同成長，無論於集團的財政表現及員工士氣上，都印證了集團發展戰略的正確性，實現了收入提高、虧損收窄，並取得顯著的階段性成效。

# Chairman's Statement

## 主席報告

### PROSPECTS

The Board are confident that the tourism industry in China will remain on a strong growth path and will continue to strive for improvements in the operating results of the Group and to expand our operations. Further, the development of Guangdong-Hong Kong-Macao Greater Bay Area, such as the completion of High Speed Rail (Hong Kong Section), Hong Kong-Zhuhai-Macao Bridge, and other sizeable infrastructure projects, will attract new tourist groups despite an ongoing competitive domestic hotel market, and it is expected that the hotel service market will continue to embrace opportunities in the upcoming year.

On top of consolidating the current business operations, the Group will continue to focus on core businesses by developing the principal businesses related to hotel operations, and commit itself to improving its service standard and profitability. Besides utilizing its current strengths to boost its brand power, the Group will actively tap into the network of the new management for hotel acquisition projects, management contracts and co-operative or joint ventures projects to strengthen its operation scale. In exercising caution over project investments, the Group doubles down its efforts to expand its core business segment. Seizing investment opportunities in the prospective markets, the Group will identify new sources of profitability and growth to safeguard the sustainability of the Group. On the other hand, the Group will continue to ride on the policies in effect during this year to continuously optimize its internal procedures and enhance management efficiency. To further achieve breakthroughs in the development momentum, the Group will facilitate the organic growth of its intrinsic corporate values and enhance its business vitality. The objectives will be to improve revenue, operating profit and the number of rooms under management.

### ACKNOWLEDGMENTS

I, acting on behalf of the Board, express my utmost appreciation to our shareholders, customers, and business partners for their long-term confidence in and support for the Group, as well as my gratitude towards the management and our employees for their commitment and contribution to our growth.

**Yuan Fuer**

*Chairman*

On Behalf of the Board

29 March 2019

### 展望未來

董事會有信心中國旅遊業將繼續保持強勁增長，並將繼續致力改善本集團的經營業績及擴展業務。再者，隨著粵港澳大灣區的發展，如高鐵香港段及港珠澳大橋等大型基建的落成，帶來新的旅客群，預計來年的酒店服務業市場仍會充滿機遇。

本集團在鞏固現有營運的基礎上，繼續推動聚焦主業，發展酒店相關的主營業務並致力提升本集團的服務水平，持續提升盈利能力，利用現有優勢增強品牌影響力，積極善用新管理層的網絡透過收購酒店項目、訂立管理合約及合作或合營項目以增強本集團營運規模，嚴把項目投資關，加大核心業務板塊拓展力度，把握潛在市場投資機會，尋求新的利潤增長點及保障集團的可持續發展，同時本集團亦會繼續乘著本年度已開始的方針，繼續優化內部流程及提升管理效率，促進企業內生式價值增長，增強企業活力，讓集團的發展後勁創造更突破性的結果。目標是改善收益，營運盈利和管理的房間數量。

### 致謝

本人謹代表董事會，向本集團的尊貴股東、客戶以及業務夥伴一直以來對本集團的信任和支支持致以最誠摯的感謝，同時感謝管理層及員工對集團發展全心投入和作出的貢獻。

**袁富兒**

*主席*

代表董事會

二零一九年三月二十九日



# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS AND OPERATIONAL REVIEW

#### Change of Controlling Shareholders

On 18 July 2018, Hehui International Development Limited (“Hehui” or “the Current Controlling Shareholder”) entered into a share purchase agreement with, among others, China Medical Overseas Limited (“China Medical” or “the Former Controlling Shareholder”) to purchase an aggregate of 269,019,010 shares of the Company, representing approximately 60% of the then total issued shares of the Company at that time, for a total cash consideration of HK\$300,000,000 (equivalent to HK\$1.1152 per share).

In August 2018, pursuant to Rule 26.1 of the Code on Takeovers and Mergers (the “Takeovers Code”), Hehui made a mandatory unconditional general cash offer (the “Offer”) to acquire all the issued shares of the Company at an offer price of HK\$1.1152 per offer share.

The Offer was closed on 5 September 2018, whereby Hehui received valid acceptances in respect of a total of 52,561,500 offer shares, representing approximately 11.72% of the then entire issued share capital of the Company at that time. Together with the shares previously purchased from China Medical, Hehui had acquired a total of 321,580,510 shares, representing approximately 71.72% of the then entire issued share capital of the Company at that time.

#### Business and operational review

The Board are pleased with the results of operations for the Year in that the Group has reduced its operating loss by over 80%, despite having incurred a non-recurrent corporate expense (professional fees and other expenses related to the Offer announced on 25 July 2018) during the Year.

The Group is principally engaged in hotel operations and hotel consultations and management services and other related businesses. The Group is also involved in the money lending business. For the year ended 31 December 2018, the Group has 4 leased-and-operated hotels under operation, including the resort hotel located in Huizhou newly acquired during the Year. Other than the money lending business, the financial services and asset management business were discontinued during the year. Revenue from hotel operations during the Year was mainly derived from rental of hotel rooms.

### 業務及營運回顧

#### 控股股東變動

於二零一八年七月十八日，Hehui International Development Limited（「Hehui」或「現任控股股東」）（其中包括）已與中華醫學海外有限公司（「中華醫學」或「前控股股東」）訂立股份購買協議，購買合共269,019,010股本公司股份，相當於本公司當時已發行股份總數約60%，總現金代價為300,000,000港元（相當於每股1.1152港元）。

根據香港公司收購及合併守則（「收購守則」）規則26.1，Hehui於二零一八年八月提出強制性無條件全面現金要約（「要約」），以按要約價每股要約股份1.1152港元收購本公司全部已發行股份要約。

於二零一八年九月五日要約結束，Hehui一共接獲52,561,500股要約股份的有效接納，相當於當時全部已發行股份之約11.72%。連同較早前向中華醫學購買的股份，Hehui一共獲得321,580,510股股份，相當於本公司當時全部已發行股本約71.72%。

#### 業務及營運回顧

董事會欣然呈報本年度本集團之營運業績，其中儘管本集團於本年度使用了一筆非經常性企業開支（與於二零一八年七月二十五日公告提及有關要約的專業及其他費用），本集團的營運虧損已減少超過80%。

本集團主要從事酒店營運及提供酒店顧問與酒店管理服務等相關業務。本集團亦有從事放債人業務。截至二零一八年十二月三十一日止財政年度，本集團擁有四家營運中之租賃經營酒店，包括本年度新收購位於惠州的渡假酒店。除了放債人業務外，其他金融和資產管理業務已於本年度停止。本年度酒店營運之收益主要來自租賃酒店客房。

## Management Discussion and Analysis

### 管理層討論及分析

During the Year, under the strategy implemented by the new management, the Group's financial figures have improved as a whole. With respect to the hotel operation, for the year ended 31 December 2018, the revenue was HK\$45,547,168, representing an increase of approximately 180% as compared with revenue of HK\$16,281,691 for the same period of the last financial year. The increase was mainly attributable to the following two aspects:

#### I. Improvement of existing hotel performance:

We classify hotel customers into three categories: (i) customers introduced by travel agencies, (ii) corporate customers with contractual arrangements and (iii) individual customers. To address all sorts of challenges, our sales team has developed effective market plans, including entering into cooperation agreements with tourism intermediaries and providing more attractive commissions or agency fees to improve incentive for introduction from intermediaries. In addition, we also took the initiative to contact various corporate customers to identify their service needs and proactively provide them with assistance solutions. Indeed, to increase the number of individual customers, we have also developed various loyalty programs such as re-activating the sales of membership cards to consolidate our individual customer base.

Our effective sales and marketing schemes have introduced a new type of customer source for the Group during the Year, exerting positive impacts on sales. In addition, the impact of the renovation works completed in the previous year began to fully manifest itself during the Year, reversing the unsatisfactory performance of the flagship Nanshan Hotel in Shenzhen in past years and providing strong support for the Group's existing hotel business.

Apart from the above, at the end of this year, the Group commences a comprehensive renovation at Baoan Hotel. With reference to the experience at Nanshan Hotel, subsequent to the renovation, room rates, occupancy rate and the hotel's revenue can be boosted and thus improving the performance of Baoan Hotel and providing assurance to the sustainable development of the Group.

於本年度，承蒙新管理層所實施的策略下，本集團的整體財務數據皆有所改善。就酒店營運方面，截至二零一八年十二月三十一日止年度，收益為45,547,168港元，較上個財政年度同期的收益16,281,691港元上升約180%。收益上升的主要原因可以大體分為以下兩個方面：

#### 《一》現有酒店業績改善：

我們把酒店客人分為三種類型，(i)通過旅行社介紹的客戶，(ii)具有合同安排的公司客戶和(iii)個人客戶。為面對各方挑戰，我們的銷售團隊也作出了有效的市場方案包括與新的旅遊中介簽訂合作協議，提供更吸引的佣金或中介費以改善中介介紹的誘因。另外我們也主動與不同的企業客戶聯繫，了解服務需要並主動提供協助方案。當然，為了提升個人客戶的數量，我們也制定了不同提高客戶忠誠的方案，如重新啟動會員卡計劃等，把我們的個人客戶群鞏固起來。

我們有效的銷售及市場方案已於本年度為集團開拓了新的客源，對收益產生了正面的影響。加上本集團於本年度開始全面體現上年度已完成的裝修工程，令過去幾年深圳旗艦南山店未如理想的表現得以逆轉，為集團在現有酒店業務的基石上提供有力的支持。

除此之外，於本年度末，本集團開始於寶安店進行全面裝修。參考南山店的經驗，於裝修後，可增加房價、入住率及分店收益，從而令寶安店的表現改善，保障本集團的可持續發展。

# Management Discussion and Analysis

## 管理層討論及分析

### II. Development of new hotels:

In addition to working on improving existing hotel business, we also studies and analyzes other potential projects and hotel locations and develops various mergers and acquisitions and hotel launch proposals in an attempt to accelerate the Group's development, expand its size, and increase profits so as to reward investors' support. During the Year, the Group successfully developed a new hotel project. As disclosed in the Group's announcement dated 30 April 2018, the Group successfully acquired the resort hotels located in Huizhou to increase the number of available rooms and expand the size of the Group's hotel business. The Group will continue to look for investment and enhancement opportunities, and explore various hotel accommodation and hotel consultations and management services in Mainland China, Hong Kong or overseas to optimize the overall hotel assets structure and improve efficiency.

Indeed, in addition to the above two main reasons, the Group had in place a series of operation improvement schemes during the Year such as enhancing hotel facilities and implementing staff performance programs to improve service quality, customers' satisfaction, and employees' morale in order to increase revenue and improve performance in all aspects.

In addition to frontline operation of hotels, we also took important actions to control back office and other expenses, including reviewing human resource efficiency and making corresponding adjustments, relocating the Hong Kong office to reduce rental space, senior management agreeing to lower their remuneration so as to share the difficulties faced by the Group and successfully obtaining a waiver regarding the interest expense of shareholder borrowings from the Former Controlling Shareholder, so as to maximize the Group's benefits.

### 《二》發展新店：

本集團除了努力在現有酒店業務的基石上打拼外，我們也有著眼研究及分析其他有潛力的項目和開店地點，計劃不同的併購和開店方案，務求令集團可以加快發展，加大規模，加大利潤從而回饋投資者的支持。本集團於本年度成功發展新的酒店項目，誠如本集團二零一八年四月三十日之公告，本集團已經成功收購位於惠州的渡假酒店，令可出租房間數量增加，壯大本集團酒店業務的規模。本集團將繼續尋求投資及優化機會，並於中國內地、香港或海外地區開拓不同的酒店住宿及酒店顧問和管理業務，以優化整體集團資產結構及組合並提升其效益。

當然，除了以上兩個主要原因以外，於本年度本集團還有一系列的經營改善方案如加強酒店配套和實行員工績效方案等，以提高服務質素、客戶的滿意度和員工的士氣，務求在全方位提高收益，改善業績。

在酒店的前線營運以外，我們也就控制後勤和其他支出方面作出了重要舉動，包括檢討人力資源效益並作出相對應的調整，搬遷香港辦公室以減少租用空間、部份管理層願意調低薪酬以共渡難關和成功向前控股股東爭取免收股東借款的利息費用，為求給予集團爭取最佳利益。

## Management Discussion and Analysis

### 管理層討論及分析

The following is an update on the Group's existing hotels:

#### Huizhou Hotel

The Group has successfully acquired two hotels in Huizhou on 30 April 2018 in two separate blocks and has managed these two hotels as a single hotel since its official opening on 1 June 2018. Huizhou Hotel is a hotel situated at Xunliaowan of Huizhou, which is easily accessible as it is located near the Pearl River Delta neighbouring Shenzhen and Hong Kong and has direct flights to other cities in the PRC. Xunliaowan offers our guests the opportunities to enjoy a beach vacation in the region, become a beach bum, spend their days lazing on the sand and take in the sun followed by a dip in the clear waters. Also, with both historic scenic spots and the coast along the Pacific Ocean, Huizhou attracts domestic and foreign tourists to spend their holiday in the region.

The Group looks forward to the increasing number of guests visiting the region which will boost up the performance of Huizhou Hotel in the long run. As reported by Huizhou Airport, the number of guests travelling to Huizhou in 2017 via Huizhou Airport is approximately 960,000 which is 75% more than that in 2016 where the same statistic collected in 2018 shows another strong growth of 96% over 2017 (approximately 1,880,000 guests). In the coming years, with the focusing effort supported by the Huizhou Government in the tourists' areas, especially the strong promotion and development of Greater Bay Area by the PRC Government, it is expected that the growing trend in the number of visiting guests will sustain and develop a stronger base for Huizhou Hotels to enhance popularity and boost performance.

#### Nanshan Hotel

Nanshan Hotel is situated near the Hong Kong-Shenzhen Western Corridor and the Shekou Port. It has five floors and a total GFA of approximately 7,000 sq.m., comprising 189 rooms. As the nearby subway station has been opened since late June 2016, the hotel's accessibility to the airport has been greatly improved and the airport is reachable from the hotel in approximately 30 minutes. Also, Nanshan Hotel is in the proximity of the Coastal City Commercial Area, Shenzhen Book Mall (Nanshan), Shenzhen Bay Sports Centre Stadium and theme parks such as the Window of the World, Overseas Chinese Town Harbour and the Sea World, which provides stable demand for hotel rooms from both business and tourism guests.

以下是我們對集團現有酒店的狀態更新：

#### 惠州店

本集團已於二零一八年四月三十日成功收購位於惠州兩間分別於兩幢大樓的酒店，並自二零一八年六月一日起，該等兩間酒店正式開始營運後將其作為一間酒店管理。惠州店位於惠州巽寮灣，靠近與深圳及香港相鄰的珠江三角洲，並有飛往中國其他城市的直達航班，交通便利。巽寮灣令賓客有機會在該地區享受海灘假日，成為海灘常客，在清澈海水中暢遊後流連沙灘、沐浴陽光。另外，惠州兼具歷史景點及太平洋海岸的景觀，藉此吸引國內外遊客到該區渡假。

本集團期待造訪該地區的旅客數量增長，其將在長期而言提升惠州店表現。根據惠州機場報告，二零一七年透過惠州機場前往惠州的旅客約為960,000人，較二零一六年增加75%，而於二零一八年該統計數據較二零一七年強勁增長96%（約1,880,000名旅客）。未來數年，隨着在惠州政府支持下集中力量提高發展該區旅遊領域，尤其在中國中央政府大力推動大灣區發展下，預計旅客造訪的增長趨勢將持續並為惠州店提高受歡迎程度及提升表現奠定更堅實的基礎。

#### 南山店

南山店地近深港西部通道及蛇口碼頭，擁有五層樓面，總建築面積約7,000平方米，包括189間客房。由於附近地鐵站自二零一六年六月底以來開通，酒店前往機場的交通大幅改善，用大概30分鐘便可大概從酒店抵達機場。此外，南山店鄰近海岸城商業區、深圳書城（南山店）、深圳灣體育中心以及世界之窗、歡樂海岸及海上世界等主題公園，地理位置便利，商業及遊客的酒店客房需求穩定。

## Management Discussion and Analysis

### 管理層討論及分析

Data regarding Nanshan Hotel shows that the hotel renovation completed in 2017 does provide a significant impact on the growth of the hotel performance including increase in number of available rooms, occupancy rate and room rates. During the Year, Nanshan Hotel has a turnaround financial performance, improving from a loss making position to a profit making position when comparing with last year. This gives the Group an extra assurance to keep on implementing our updated sales strategies and operational management which have a proven positive impact on revenue and profit.

#### Luohu Hotel

Luohu Hotel is situated near Huaqiang North Commercial Street and Shenzhen Railway Station. It has one floor and a total GFA of approximately 2,000 sq.m., comprising 78 rooms. The hotel is conveniently located at the financial centre area in the Luohu District, adjoining the World Financial Centre, the Shenzhen Book City, The Mixc, the Citic City Plaza, the Shun Hing Square, the Shenzhen Grand Theatre and the Dongmen Commercial Pedestrian Street. Luohu Hotel also enjoys convenient transport access which allows visitors to reach Luohu Checkpoint, the Shenzhen Conventional & Exhibition Centre and Shenzhen Stadium easily by a short driving distance.

Thanks to the contribution from the Group's sales team and operational team, the revenue of Luohu Hotel has slightly increased during the Year when comparing with last year. The Group commenced Luohu Hotel's small-scale renovation in the second quarter of 2018. This small-scale renovation mainly includes repair of ceilings and walls, and replacement of in-room electrical appliances and bed linens.

Although, the implementation of one-visit-one-week policy by the Hong Kong Government has continuously cast adverse impacts on Luohu Hotel, the prime location of Luohu Hotel provides flexibility in switching its customer base. Luohu Hotel is now shifting its customer base from Hong Kong short-trip visitors to group customers participating in nearby events and exhibitions. Regular exhibitions and recreational functions in the Luohu District create strong demand for hotel rooms and thus, under the strategy implemented by the new management, Luohu Hotel has been able to shift to alternative customer groups by collaborating with exhibition or function organisers.

南山店數據顯示，二零一七年內完成的酒店裝修對提升酒店表現有重大影響，包括提高可出租房間數量、入住率及房價。本年內，南山店的財務表現逆轉，與去年相比扭虧為盈，為集團繼續實施經更新的銷售策略及營運管理提供信心，事實證明，該等銷售策略及營運管理對收益及盈利產生積極影響。

#### 羅湖店

羅湖店位於華強北商業街及深圳火車站附近，擁有一層樓面，總建築面積約2,000平方米，包括78間客房。酒店位於羅湖區金融中心，臨近世界金融中心、深圳書城、萬象城、中信城市廣場、信興廣場地王大廈、深圳大劇院及東門商業步行街，地理位置便利。羅湖店交通亦十分便利，訪客只需很短車程即可抵達羅湖口岸、深圳會展中心及深圳體育場。

受惠於本集團銷售團隊及營運團隊的貢獻，羅湖店收益於年內較去年略有增長。本集團已於二零一八年第二季度開始對羅湖店進行小規模裝修，主要包括修葺天花板及牆，以及替換房內電器及床上用品。

儘管香港政府實施一周一行政策持續對羅湖店產生負面影響，但羅湖店優越的地理位置令其能夠靈活轉換客戶群。羅湖店目前正將客戶群由香港短途訪客轉為參與附近活動及展會的團體客戶。羅湖區定期舉行的展會及文娛活動為酒店客房帶來強大需求，因此，在新管理層所實施的策略下，透過與展會或活動組織者合作，羅湖店已成功轉移至其他客戶群。

## Management Discussion and Analysis

### 管理層討論及分析

#### Baoan Hotel

Baoan Hotel has four floors and a total GFA of approximately 1,700 sq.m., comprising 55 rooms. The hotel is located at a commercial area in the Baoan District and adjoining the Baoan International Airport, the Nantou custom, the Baoan Coach Terminal and the Xixiang Pier. The Group commences a comprehensive renovation to Baoan Hotel in the fourth quarter of 2018 and expects to finish the renovation before the end of the first quarter of 2019. The comprehensive renovation mainly includes hard refurbishment (such as leasehold improvements), soft refurbishment (such as replacement of mattresses and blankets) and replacement of in-room electrical appliances.

The revenue of Baoan Hotel has slightly decreased for the Year since Baoan Hotel is experiencing an adverse operating environment which is mainly due to the aged decoration of the interior. The main competitive disadvantage of Baoan Hotel comparing with new competitors in the surrounding area is the aged decoration of the interior of the hotel. Thus, the comprehensive renovation to be completed in the first quarter of 2019 should solve this issue well, provide support to the Group's sales team and boost both number of guests and revenue effectively.

#### FINANCIAL SERVICES AND ASSET MANAGEMENT BUSINESS

To focus on developing hotel operations and hotel consultations and management services business, the Group has decided to integrate resources and discontinue the development of financial services and asset management business, and therefore has ceased to apply for licences of Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO"). Moreover, as mentioned in the announcement of the Company dated 16 May 2018, the Company has terminated the acquisition of a company licensed to conduct Type 9 (asset management) regulated activities under the SFO. This is aimed to accelerate the development of the core businesses and fully utilize current resources and experience to expand the Company's size. However, for the Group's future development and upgrade of deployment efficiency of the Group's assets, the Group will maintain the money lending business.

#### 寶安店

寶安店擁有四層樓面，總建築面積約1,700平方米，包括55間客房。該酒店位於寶安區商業地段，鄰近寶安國際機場、南頭海關、寶安汽車站及西鄉碼頭。本集團已於二零一八年第四季開始全面裝修寶安店，並預期於二零一九年第一季內完成。全面裝修主要包括硬件裝修（如租賃物業裝修）、軟件裝修（如替換床墊及被子）及替換客房內電器。

寶安店收益於年內略有減少，原因為寶安店正面臨不利營運環境，主要由於內部裝修老化所致。因與周邊地區新開競爭對手相比，寶安店的主要競爭劣勢為內部裝修老化所致，因此，預期於二零一九年第一季完成的全面裝修應解決此問題及為本集團銷售團隊提供後盾，有效提升賓客數量及收益。

#### 金融和資產管理業務

為集中發展酒店營運，酒店顧問及管理服務業務，本集團已決定整合資源，停止發展金融和資產管理業務，有關香港法例第571章證券及期貨條例（「證券及期貨條例」）下第1類（證券交易）、第2類（期貨合約交易）及第4類（就證券提供意見）受規管活動牌照的申請亦已停止。另外，誠如本公司日期為二零一八年五月十六日之公告所述，本公司已停止併購持有證券及期貨條例下第9類（提供資產管理）受規管活動牌的公司。此舉希望能加快發展與本業相關之業務，盡用現有的資源和經驗，擴大公司規模。但為了本集團日後發展和提升資產配置效益，本集團將繼續維持放債人業務。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

The Group has recorded a revenue of HK\$45,547,168, compared with HK\$16,281,691 of last financial year, representing an increase of approximately 180%. Due to the improvement of existing hotel performance and the revenue brought by the newly acquired Huizhou Hotel, the Group recorded a total comprehensive loss of HK\$5,261,582 for the financial year ended 31 December 2018, representing a decrease of HK\$38,131,714 or about 87.9% as compared with the total comprehensive loss of HK\$43,393,296 (restated) for the last financial year.

The following table shows the key information of the total of the Group's leased-and-operated hotels for the financial years ended 31 December 2017 and 2018 respectively.

### 財務回顧

本集團錄得收益45,547,168港元，較上個財政年度之16,281,691港元增加約180%。由於現有酒店業績改善及新收購惠州酒店所帶來的收益增加，本集團於截至二零一八年十二月三十一日止財政年度錄得全面虧損總額5,261,582港元，較上個財政年度之全面虧損總額43,393,296港元（經重列）下降38,131,714港元或近乎87.9%。

下表載列本集團全部租賃經營酒店分別於截至二零一七年及二零一八年十二月三十一日止財政年度之主要資料。

		Year ended 31 December 截至十二月三十一日止年度		
		2018 二零一八年	2017 二零一七年	% change 百分比變動
Total	總計			
Total available room nights	總可出租客房晚數	<b>185,438</b>	103,929	78.4%
Average occupancy rate	平均入住率	<b>72.43%</b>	70.87%	2.2%
ARR (RMB)*	平均房租(人民幣元)*	<b>296.7</b>	200.7	47.8%
RevPAR (RMB)#	平均每間客房收入(人民幣元)#	<b>214.9</b>	142.2	51.1%

\* ARR: the total room revenue of all hotels divided by the total occupied room nights

\* 平均房租：所有酒店之總客房收入除以總入住客房晚數

# RevPAR: the total room revenue of all hotels divided by the total available room nights

# 平均每間客房收入：所有酒店之總客房收入除以總可出租客房晚數

## Management Discussion and Analysis

### 管理層討論及分析

#### Operating Costs

The total operating costs decreased by HK\$4,300,687, or approximately 7.7%, from HK\$55,891,454 (restated) for the same period of last year to HK\$51,590,767 for the financial year ended 31 December 2018. The Group has adopted cost saving measures to lower the operating expenses and employee benefit expenses. Depreciation of right-of-use assets increased by HK\$2,765,817, or approximately 22.3%, due to the rental expenses incurred by the Huizhou Hotel that is newly acquired during the Year. Depreciation of property, plant and equipment increased by HK\$975,243, or approximately 20.4% due to the depreciation of leasehold improvements upon completion of renovation projects of Nanshan Hotel.

#### 經營成本

截至二零一八年十二月三十一日止財政年度，總經營成本由去年同期之55,891,454港元（經重列）減少4,300,687港元或約7.7%至51,590,767港元。本集團已採取成本節省措施以減少經營開支及僱員福利開支。使用權資產折舊增加2,765,817港元或約22.3%，此乃由於於年內收購的惠州店之租賃費所致。而物業、廠房及設備折舊增加975,243港元或約20.4%，主要由於完成南山店翻新工程的租賃物業裝修項目折舊所致。

		Year ended 31 December		
		截至十二月三十一日止年度		
		2018	2017	% change
		二零一八年	二零一七年	百分比變動
			(Restated)	
			(經重列)	
Depreciation of right-of-use assets	使用權資產折舊	<b>15,195,590</b>	12,429,773	22.3%
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>5,749,225</b>	4,773,982	20.4%
Employee benefit expenses	僱員福利開支	<b>16,117,216</b>	21,604,443	(25.4%)
Utilities	公用設施	<b>3,001,903</b>	1,202,004	150%
Other operating expenses	其他營運開支	<b>11,526,833</b>	13,481,252	(14.5%)
Amortisation of other asset	其他資產攤銷	-	2,400,000	(100%)
		<b>51,590,767</b>	55,891,454	

#### FINANCE COST

The finance costs decreased by HK\$6,998,260 as compared with the last financial year. The finance costs of last year mainly represented the interest expenses for the convertible bonds while the finance costs of this year mainly represented the finance lease cost and the interest expenses for the shareholder's borrowings. During the Year, the Company successfully obtain a waiver regarding the interests of shareholder borrowings from the Former Controlling Shareholder.

#### 融資成本

融資成本較上一財政年度減少6,998,260港元，上年度融資成本主要包括可換股債券利息，而本年度融資成本則主要包括租賃融資成本及股東借款利息開支。於本年度，本公司成功向前控股股東爭取免收股東借款的利息費用。



# Management Discussion and Analysis

## 管理層討論及分析

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2018, the Group mainly financed its operations and expansion with its own working capital generated internally, Former Controlling Shareholder's borrowings of a principal amount of HK\$13,800,000 which were unsecured and interest-free and would be repayable in 2020 and Current Controlling Shareholder's borrowings of a principal amount of HK\$10,000,000 which was unsecured and interest-free and repayable on demand.

As at 31 December 2018, the Group had bank balances and cash of HK\$27,649,893 (31 December 2017: HK\$7,877,594). Gearing ratio is calculated as the amount of interest-bearing borrowings divided by total equity. The gearing ratio as of 31 December 2018 was not applicable (31 December 2017: 76.5%).

### SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As mentioned in the Company's announcements dated 21 April 2016 and 20 October 2016 respectively, during 2016, the Group has entered into a memorandum of understanding in relation to the proposed acquisition of 51%-interests in a hotel located in Sichuan Province, the PRC. The Group has made the first deposit payment of approximately HK\$23,988,000 in mid-May 2016. During the Year, the negotiation on the proposed acquisition has been terminated. No legally binding agreement has been entered into in terms of the proposed acquisition. The Group also demanded refund and the deposit was refunded in February 2018.

Moreover, as mentioned in the Company's announcement dated 30 April 2018, the Company acquired the operating company of two lease-and-operate resort hotels in Huizhou during the Year. The Company has been managing and operating the two hotels collectively as one single hotel since its official opening on 1 June 2018.

### 流動資金、財務資源及資本結構

於二零一八年十二月三十一日，本集團主要以其內部產生之本身營運資金、前控股股東借款（本金額13,800,000港元，無抵押、免息並須於二零二零年償還）及現任控股股東借款（本金額10,000,000港元，無抵押、免息並須按要求隨時償還）為其營運及擴展撥付資金。

於二零一八年十二月三十一日，本集團之銀行結餘及現金為27,649,893港元（二零一七年十二月三十一日：7,877,594港元）。資本負債比率乃按附息借貸除以總權益計算。截至二零一八年十二月三十一日之資本負債比率為不適用（二零一七年十二月三十一日：76.5%）。

### 所持重大投資、附屬公司、聯營公司及合資公司之重大收購或出售以及未來重大投資或資本資產計劃

誠如本公司日期分別為二零一六年四月二十一日及二零一六年十月二十日之公告所述，本集團已於二零一六年訂立一份諒解備忘錄，內容有關建議收購一間位於中國四川省之酒店的51%權益。本集團已於二零一六年五月中旬支付首筆按金約23,988,000港元。本年內，本集團已停止就建議收購進行磋商，本集團就該建議收購並未訂立任何具有法律約束力的協議。並且，本集團亦要求退回按金，款項已於二零一八年二月退回。

此外，誠如本公司日期為二零一八年四月三十日之公告所述，本公司已於本年度收購一間經營兩間位於惠州租賃經營的渡假酒店的公司，並自二零一八年六月一日起，該兩間酒店正式開始營運後將其作為一間酒店管理。

## Management Discussion and Analysis

### 管理層討論及分析

On 8 August 2017, ZhongHua Financial Holdings Limited (the “Vendor”) as vendor, the Group as purchaser and a guarantor had entered into a sale and purchase agreement (the “S&P Agreement”) in relation to the sale and purchase of the entire issued share capital of ZhongHua Finance Assets Management Co., Limited, a company licensed to conduct Type 9 (asset management) regulated activities under the SFO (the “Transaction”). As disclosed in the announcement of the Company dated 16 May 2018, given that the conditions for completion under the S&P Agreement have not been met or waived or varied and a new agreement has yet to be reached, the Vendor and the Group have mutually agreed not to proceed with the Transaction.

Save as disclosed above, during the year ended 31 December 2018, there was no significant investment held or material acquisition or disposal of subsidiaries, associates and joint ventures by the Company, and the Company had no future plan for material investments or capital assets.

### FOREIGN EXCHANGE RISK

As at 31 December 2018, the Group’s majority of the assets and liabilities, and revenue and expenses were denominated in Renminbi and Hong Kong Dollar. The Group had no significant exposure to fluctuations in exchange rates under foreign exchange contracts, interest, currency swaps or other financial derivatives.

### CAPITAL STRUCTURE

The total number of the issued shares of the Company was 448,363,708 as at 31 December 2018 (2017: 448,363,708 shares).

### DIVIDENDS

The Directors do not recommend payment of any dividend for the year ended 31 December 2018 (2017: Nil).

於二零一七年八月八日，中華金融控股有限公司（「賣方」）作為賣方及本集團作為買方及擔保人訂立買賣協議（「買賣協議」），內容有關買賣中華金融資產管理有限公司（一間持有牌照可從事證券及期貨條例下第9類（提供資產管理）受規管活動之公司）之全部已發行股本（「交易」）。誠如二零一八年五月十六日之公告所述，由於該買賣協議中的條件尚未達成或獲豁免或更改，而並未有新協議達成，因此賣方與本集團雙方同意不會繼續此交易。

除上文所披露者外，截至二零一八年十二月三十一日止年度，本公司概無持有重大投資、附屬公司、聯營公司或合資公司之重大收購或出售，本公司並無未來重大投資或資本資產計劃。

### 外匯風險

於二零一八年十二月三十一日，本集團大部分資產、負債、收益及開支乃以人民幣及港元計值。本集團概無因外匯合約、利率、貨幣掉期或其他金融衍生工具而面臨任何因外匯變動而帶來的風險。

### 資本結構

截至二零一八年十二月三十一日，本公司已發行股份總數為448,363,708股（二零一七年：448,363,708股）。

### 股息

董事不建議就截至二零一八年十二月三十一日止年度派付任何股息（二零一七年：無）。

# Management Discussion and Analysis

## 管理層討論及分析

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at 29 March 2019, being the latest practicable date prior to the issue of this annual report for the purpose of ascertaining information contained herein (the "Latest Practicable Date").

### EMPLOYEE AND REMUNERATION POLICIES

The Group had 92 employees as at 31 December 2018 (31 December 2017: 56 employees). Remuneration is determined with reference to market terms and performance, qualifications and experience of individual employee. Discretionary bonuses based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to retirement scheme. Regarding the determination of emoluments payable to Directors, the basis has been set out in the "Corporate Governance Report" of this Annual Report.

### CHARGES ON ASSETS

As at 31 December 2018, the Group did not have any charges on its assets (2017: Nil).

### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2018, the Group has outstanding capital commitments mainly related to the renovation of Baoan Hotel which is not provided for in the Group's financial statements, among which HK\$3,636,559 (2017: Nil) commitments were contracted for. As at 31 December 2018, the Group had no material contingent liabilities (2017: Nil).

### 足夠公眾持股量

根據本公司可查閱之公開資料及據董事所知，本公司已發行股本總額之至少25%於二零一九年三月二十九日(即本年報發行前就確定本年報所載資料的最後實際可行日期(「最後實際可行日期」))乃由公眾持有。

### 僱員及薪酬政策

於二零一八年十二月三十一日，本集團擁有92名僱員(二零一七年十二月三十一日：56名僱員)。薪酬乃參考市場條款與個別僱員之表現、資歷及經驗釐定。本集團亦向僱員支付基於個人表現之酌情花紅，以表揚及獎勵彼等作出之貢獻。其他福利包括退休計劃供款。有關釐定應付董事酬金，基準已載於本年報「企業管治報告」。

### 資產抵押

於二零一八年十二月三十一日，本集團並無任何資產抵押(二零一七年：無)。

### 資本承擔及或然負債

於二零一八年十二月三十一日，本集團的資本承擔主要關於寶安店的裝修工程款，有關項目並未於本集團財務報表撥備，當中3,636,559港元(二零一七年：無)為已訂約。於二零一八年十二月三十一日，本集團並無重大或然負債(二零一七年：無)。

## Management Discussion and Analysis 管理層討論及分析

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

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the year ended 31 December 2018.

Neither the Company nor any of its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercised any conversion or subscription rights under any convertible securities, options, warrants or similar rights during the year ended 31 December 2018.

### NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

There is no non-adjusting event after the reporting period which would have material impact to the Group.

### COMPLIANCE CONFIRMATION

The Board of Directors confirms that throughout the Year, the Group has conformed in all material respects with all the requirements under relevant statutes, rules, standards, codes, licences in respect of its operation, financial reporting, or disclosures in Hong Kong or other applicable jurisdictions.

### ENVIRONMENTAL PROTECTION AND STAKEHOLDERS' RIGHTS

The Group recognises and respects: (i) the importance of environmental protection; (ii) the lawful rights of stakeholders, broadly to be categorised as employees, customers, suppliers, members of communities, and (iii) corporate social responsibilities of the Group as a member of the society. A specific report on these issues is covered in the "Environmental, Social and Governance Report" of this Annual Report.

### 購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於截至二零一八年十二月三十一日止年度概無購買、出售或贖回本公司任何上市證券。

於截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司概無發行或授出任何可換股證券、購股權、認股權證或類似權利或根據任何可換股證券、購股權、認股權證或類似權利行使任何換股權或認購權。

### 報告期後未調整事項

概無任何對本集團造成重大影響的報告期後未調整事項。

### 遵例確認

董事會確認，於本年度，本集團已就其營運、財務報告或披露而在所有重大方面均符合於香港或其他適用司法管轄區的相關法規、規則、準則、守則、牌照下的所有規定。

### 環保與利益相關者權利

本集團明白並尊重：(i)環保極為重要；(ii)持份者（廣義而言涵蓋僱員、客戶、供應商、社區成員）的合法權利；及(iii)本集團身為社會一分子所肩負的企業社會責任。有關上述事宜的特定報告乃載於本年報中的「環境、社會及管治報告」。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層之履歷詳情

The following set forth the biographical details of the Directors and the members of the senior management of the Company as at the Latest Practicable Date.

### EXECUTIVE DIRECTOR

#### Ye Shusheng

**Mr. Ye Shusheng (“Mr. Ye”)**, aged 44, was appointed as an executive Director of the Company and the chief executive officer of the Company with effect from 15 December 2017. Mr. Ye graduated with a master’s degree in applied economics from Xian Jiaotong University of China in 2004.

Mr. Ye worked as the vice head of the Shenzhen Metro Group Company Limited, the deputy finance controller of Shenzhen Tempus Global Travel Holding Limited, a company listed on the Shenzhen Stock Exchange (the “SZSE”) (SZSE stock code: 300178), the vice president and the financial controller of Tempus Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (stock code: 6880) and a director of Suzhou China Create Special Material Company Limited (蘇州中科創新型材料股份有限公司), a company listed on the SZSE (SZSE stock code: 002290).

以下載列於最後實際可行日期本公司董事及高級管理層成員的履歷詳情。

### 執行董事

#### 叶樹生

叶樹生先生(「叶先生」)，44歲，自二零一七年十二月十五日起獲委任為本公司執行董事及行政總裁。叶先生於二零零四年畢業於中國西安交通大學應用經濟學專業並取得碩士學位。

叶先生曾任深圳市地鐵集團有限公司擔任副部長、深圳市騰邦國際商業服務股份有限公司(深圳證券交易所(「深交所」)上市公司(深交所股份代號：300178))的財務副總監、騰邦控股有限公司(香港聯合交易所有限公司上市公司(股份代號：6880))的副總裁兼財務總監及蘇州中科創新型材料股份有限公司(深交所上市公司(深交所股份代號：002290))的董事。

## Biographical Details of Directors and Senior Management 董事及高級管理層之履歷詳情

### NON-EXECUTIVE DIRECTORS

#### Yuan Fuer

**Mr. Yuan Fuer (“Mr. Yuan”)**, aged 56, was appointed as a non-executive Director of the Company with effect from 15 August 2018 and the Chairman of the Group with effect from 6 September 2018. Mr. Yuan graduated from Jiangxi Public Medical School in medical studies. Mr. Yuan, a businessman with over 18 years of experience in property development and investment business in the PRC, founded Shenzhen Hazens Real Estate Group Company Limited (“Shenzhen Hazens”) in 1996. Apart from property development and investment in the PRC, Shenzhen Hazens expanded into other businesses including financial business, medical business, and hotel and tourism business. Mr. Yuan is the ultimate beneficial controlling shareholder of Shenzhen Hazens. Mr. Yuan is also the sole director and the ultimate beneficial owner of Hehui, the Current Controlling Shareholder. Mr. Yuan is a brother-in-law of Mr. Hu Xinglong, a non-executive Director of the Company.

#### Hu Xinglong

**Mr. Hu Xinglong (“Mr. Hu”)**, aged 54, was appointed as a non-executive Director of the Company with effect from 15 August 2018. Mr. Hu holds a Master’s Degree in Business Administration from China Europe International Business School. Mr. Hu is a brother-in-law of Mr. Yuan. Mr. Hu has been the vice president of Shenzhen Hazens since October 2016, and the chairman and the general manager of Shenzhen Hazens Property Service Company Limited from October 2016 to April 2017. Furthermore, he had also served as an audit manager, finance manager and chief accountant of FIYTA Holdings Limited, a company listed on the Shenzhen Stock Exchange (SZSE Stock Code: 000026) from June 1997 to October 2016. Mr. Hu was certified as Certified Public Accountant by the Chinese Institute of Certified Public Accountants in 1993 and Certified Internal Auditor by the Institute of Internal Auditors in 1999.

### 非執行董事

#### 袁富兒

袁富兒先生(「袁先生」)，56歲，自二零一八年八月十五日起獲委任為本公司非執行董事，並自二零一八年九月六日起獲委任為本集團主席。袁先生於江西醫學院畢業，主修醫學。袁先生為商人，在中國之物業發展及投資業務積逾18年經驗，彼於一九九六年成立深圳市合正房地產集團有限公司(「深圳合正」)。除中國之物業發展及投資外，深圳合正已擴展至其他業務，包括金融業務、醫學業務及酒店及旅遊業務。袁先生為深圳合正之最終實益控股股東。袁先生亦為Hehui(現任控股股東)之唯一董事及最終實益擁有人。袁先生為胡性龍先生(本公司一位非執行董事)之姻親。

#### 胡性龍

胡性龍先生(「胡先生」)，54歲，自二零一八年八月十五日起獲委任為本公司非執行董事。胡先生持有中歐國際工商學院頒授之工商管理碩士學位。胡先生為袁先生的姻親。胡先生由二零一六年十月起擔任深圳合正之副總裁及由二零一六年十月至二零一七年四月擔任深圳市合正物業服務有限公司之主席及總經理。此外，彼由一九九七年六月至二零一六年十月擔任飛亞達(集團)股份有限公司之審計經理、財務經理及總會計師，該公司於深交所上市(深交所股份代號：000026)。胡先生分別於一九九三年及一九九九年成為中國註冊會計師協會之註冊會計師及國際內部審計師協會之國際註冊內部審計師。

## Biographical Details of Directors and Senior Management 董事及高級管理層之履歷詳情

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### Wu Jilin

**Mr. Wu Jilin (“Mr. Wu”)**, aged 51, was appointed as an independent non-executive Director of the Company with effect from 15 August 2018. Mr. Wu holds a Master’s Degree in Accounting from Jiangxi University of Finance and Economics. Mr. Wu was an executive partner of Shenzhen Lianchuang Lixin Certified Public Accountants since January 2005 and is an adjunct professor of Accounting Faculty and a tutor of part-time master students at Jiangxi University of Finance and Economics since November 2015 and September 2016 respectively. He is a member of the Society of Chinese Accountants and Auditors since 2013.

#### Du Hongwei

**Mr. Du Hongwei (“Mr. Du”)**, aged 51, was appointed as an independent non-executive Director of the Company with effect from 15 August 2018. Mr. Du holds a Master’s Degree in Economics from Fudan University. Mr. Du was the vice president, chief financial officer and joint company secretary of Sunshine 100 China Holdings Ltd (Stock Code: 2608) from December 2013 to July 2016, January 2014 to March 2016 and June 2014 to March 2016, respectively. Mr. Du was the general manager of Tianjin Yufeng Equity Investment Management Company Limited from September 2009 to May 2012. Mr. Du was a director of Sichuan Dikang Sci & Tech Pharmaceutical Industry Co., Ltd. (now known as Sichuan Languang Development Co., Ltd.), a company listed on the Shanghai Stock Exchange (Shanghai Stock Exchange Stock Code: 600466) from November 2007 to October 2008.

### 獨立非執行董事

#### 吳吉林

吳吉林先生(「吳先生」)，51歲，自二零一八年八月十五日起獲委任為本公司獨立非執行董事。吳先生持有江西財經大學頒授之會計碩士學位。吳先生由二零零五年一月起擔任深圳聯創立信會計師事務所之執行合夥人，並分別由二零一五年十一月及二零一六年九月起為江西財經大學會計學院客座教授及兼讀碩士學生的導師。彼由二零一三年起成為香港華人會計師公會之成員。

#### 杜宏偉

杜宏偉先生(「杜先生」)，51歲，自二零一八年八月十五日起獲委任為本公司獨立非執行董事。杜先生持有復旦大學頒授之經濟學碩士學位。由二零一三年十二月至二零一六年七月、二零一四年一月至二零一六年三月及二零一四年六月至二零一六年三月，擔任陽光100中國控股有限公司(股份代號：2608)之副總裁、首席財務官及聯席公司秘書。杜先生由二零零九年九月至二零一二年五月擔任天津裕豐股權投資有限公司之總經理。杜先生由二零零七年十一月至二零零八年十月擔任四川迪康科技藥業股份有限公司(現稱為四川藍光發展股份有限公司)之董事，該公司於上海證券交易所上市(上海證券交易所股份代號：600466)。

## Biographical Details of Directors and Senior Management 董事及高級管理層之履歷詳情

### Li Zhou

**Ms. Li Zhou (“Ms. Li”)**, aged 45, was appointed as an independent non-executive Director of the Company with effect from 15 August 2018. Ms. Li holds a PhD Degree in Applied Economics from Xian Jiaotong University. Ms. Li was certified as a certified hospitality educator from America Hotel & Lodging Educational Institute in 2008 and a consultant psychologist (Grade 2) by Occupational Skill Testing Authority of the Ministry of Human Resources and Social Security in 2011. She was an international visiting scholar of School of Business, the George Washington University from 2009 to 2010 and a visiting scholar of the University of Hawaii from 2016 to 2017. Ms. Li was qualified as a teacher for higher education to teach management course by the Department of Education of Guangdong province in 2003. Ms. Li was appointed as Professor by Jinan University with effect from 1 October 2018.

## COMPANY SECRETARY

### Chung Tin Yan

**Mr. Chung Tin Yan (“Mr. Chung”)**, aged 35, was appointed as the financial controller and the company secretary of the Company with effect from 13 February 2017. Mr. Chung graduated from the Hong Kong Polytechnic University with a degree of bachelor of arts in accountancy in 2005. He has over 12 years of experience in corporate finance, investment, auditing and accounting. Prior to joining the Company, Mr. Chung held various senior positions in the management team of the Chief Operating Officer with Hutchison Telecommunications Hong Kong Holdings Limited (stock code: 0215). He has also worked as an audit manager at Deloitte Touche Tohmatsu. Mr. Chung also has extensive experience in fund raising activities in Hong Kong and in the United States.

## SENIOR MANAGEMENT

Various businesses of the Group are respectively under the direct responsibility of the Executive Director and the Chief Executive Officer, as named above.

Only the Executive Director and the Chief Executive Officer is regarded as member of the Group’s senior management.

### 李舟

**李舟女士(「李女士」)**，45歲，自二零一八年八月十五日起獲委任為本公司獨立非執行董事。李女士持有西安交通大學頒授之應用經濟學博士學位。李女士於二零零八年成為美國飯店協會之高級註冊教育導師及於二零一一年成為中國人力資源和社會保障部職業技能鑑定中心認定的心理諮詢師(二級)。彼由二零零九年至二零一零年於喬治華盛頓大學商學院擔任訪問學者及由二零一六年至二零一七年於夏威夷大學擔任訪問學者。李女士於二零零三年獲廣東省教育部認定具有高等學校教師資格，可教授管理課程。李女士於二零一八年十月一日起，獲暨南大學委任為教授。

## 公司秘書

### 鍾天昕

**鍾天昕先生(「鍾先生」)**，35歲，自二零一七年二月十三日起獲委任為本公司的財務總監及公司秘書。鍾先生於二零零五年畢業於香港理工大學並取得會計學文學士學位。彼擁有超過12年企業財務、投資、審計及會計方面的經驗。在加入本公司前，鍾先生曾於和記電訊香港控股有限公司(股份代號：0215)首席營運官之管理團隊擔任要職。彼亦曾於德勤會計師事務所任職審計經理。鍾先生亦在香港和美國的集資活動方面有豐富的經驗。

## 高級管理層

本集團各項業務分別由公司名列於上文的執行董事及行政總裁直接負責。

僅執行董事及行政總裁被視為本集團的高級管理人員。



# Corporate Governance Report

## 企業管治報告

The Company is committed to ensuring a high standard of corporate governance in the interests of the shareholders and devotes considerable effort to maintain high level of business ethics and corporate governance practices.

### CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) throughout the financial year ended 31 December 2018, except for certain deviations as specified with considered reasons for such deviations as explained below. The Board will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

### CORPORATE GOVERNANCE STRUCTURE

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Company and its subsidiaries (collectively the “Group”). At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are 3 board committees, namely the audit committee, the remuneration committee and the nomination committee. All these committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Group had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”) as its own code of conduct for securities transactions by Directors and relevant employees who, because of office or employment, are likely to be in possession of unpublished inside information in relation to the Company’s securities. The Company had made specific enquiry to all the directors (the “Directors”) and such-relevant employees and they confirmed compliance with the Model Code throughout the period from 1 January 2018 to 31 December 2018. No incident of non-compliance was noted by the Company during this period.

本公司致力推行高標準之企業管治，以保障股東權益，並盡力維持高水準的商業操守及企業管治常規。

### 企業管治常規

於截至二零一八年十二月三十一日止財政年度，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則及企業管治報告（「企業管治守則」），惟下文解釋之若干已闡明原因之偏離除外。董事會將繼續不時檢討及更新該等常規，以確保符合法律及商業準則。

### 企業管治架構

董事會主要負責本公司及其附屬公司（統稱「本集團」）之策略制定、表現監控及風險管理。同時，董事會亦有責任提升本集團企業管治常規效力。董事會轄下有三個董事委員會，即審核委員會、薪酬委員會及提名委員會。所有該等委員會均根據彼等各自之職權範圍履行其各自職責，並協助董事會監督高級管理層之若干職能。

### 遵守進行證券交易之標準守則

本集團已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」）作為其董事（「董事」）及有關僱員（因職務或職位而可能取得有關本公司證券之尚未發佈內幕消息）進行證券交易的操守守則。本公司已向全體董事及該等有關僱員作出具體查詢，而彼等已確認於二零一八年一月一日至二零一八年十二月三十一日期間內一直遵守標準守則。本公司於該期間內並無發現任何不合規的事宜。

# Corporate Governance Report

## 企業管治報告

### BOARD OF DIRECTORS

As at the Latest Practicable Date, the Board comprises six Directors as follows:

#### **Executive Director**

Mr. Ye Shusheng

#### **Non-executive Directors**

Mr. Yuan Fuer (Chairman)

(Appointed with effect from 15 August 2018)

Mr. Hu Xinglong

(Appointed with effect from 15 August 2018)

#### **Independent Non-executive Directors**

Mr. Wu Jilin

(Appointed with effect from 15 August 2018)

Mr. Du Hongwei

(Appointed with effect from 15 August 2018)

Ms. Li Zhou

(Appointed with effect from 15 August 2018)

List of directors and their roles and functions are available on the websites of Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Biographical details of the Directors as at the Latest Practicable Date are set out in the section of "Biographical Details of Directors and Senior Management" on pages 19 to 22. Mr. Yuan Fuer, a non-executive Director and the Chairman of the Company, is a brother-in-law of Mr. Hu Xinglong, a non-executive Director of the Company. Save for the aforementioned relationship, there are no family or other material relationships among members of the Board.

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Apart from the regular board meetings of the Year, the Board also meets on other occasions when a Board-level decision on a particular matter is required.

During the year ended 31 December 2018, management provided all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail.

### 董事會

於最後實際可行日期，董事會由以下六名董事組成：

#### **執行董事**

叶樹生先生

#### **非執行董事**

袁富兒先生(主席)

(自二零一八年八月十五日起獲委任)

胡性龍先生

(自二零一八年八月十五日起獲委任)

#### **獨立非執行董事**

吳吉林先生

(自二零一八年八月十五日起獲委任)

杜宏偉先生

(自二零一八年八月十五日起獲委任)

李舟女士

(自二零一八年八月十五日起獲委任)

董事名單及彼等之職責及職能於本公司及香港聯合交易所有限公司(「聯交所」)網站可供查閱。各董事於最後實際可行日期，履歷詳情載於第19至22頁「董事及高級管理層之履歷詳情」一節。本公司非執行董事及主席袁富兒先生為本公司非執行董事胡性龍先生的姻親，除上述關係外，董事會成員之間概無親屬或其他重大關係。

董事會定期舉行會議，以檢討及通過財務及經營業績以及審議及批准本公司總體策略及政策。除年內之董事會例會外，董事會亦會就需由董事會層面作出決定的特別事項於其他時候舉行會議。

截至二零一八年十二月三十一日止年度，管理層每月向董事會全體成員提供最新資料，當中載列詳盡內容，以公正及易於理解的角度評估本公司的表現、狀況及前景。

## Corporate Governance Report 企業管治報告

Day-to-day operational responsibilities are specifically delegated by the Board to the management under the leadership of the chief executive officer. Major matters include implementation of the strategies and decisions approved by the Board and the management assumes full responsibility to the Board for operations of the Group.

According to code provision A.1.3 of the CG Code, a notice of at least 14 days should be given for a regular board meeting to give all directors an opportunity to attend. Due to the practical scheduling issues and with no objections from any Director, a shorter reasonable notice was given to the Directors for a number of regular meetings held in 2018.

Meanwhile, according to code provision A.6.7 of the CG Code, independent non-executive Directors and non-executive Directors should attend general meetings. At the annual general meeting held on 20 April 2018, all the then independent non-executive Directors and the then non-executive Director were presented to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

The Company will arrange to furnish all Directors with appropriate information on all general meetings and take all reasonable measures to arrange the schedule that all Directors can attend the general meetings in order to develop a balanced understanding of the views of shareholders.

The Board will continue to review the corporate governance status of the Company from time to time and make any necessary changes to comply with the CG Code.

董事會特別授權管理層在行政總裁的領導下，履行日常營運責任。主要事務包括執行經董事會批准的策略及決定，且管理層就本集團的業務營運向董事會承擔全部責任。

根據企業管治守則之守則條文A.1.3條，董事會定期會議須於會議召開前不少於十四日發出通知，以讓全體董事有機會出席。由於實際安排關係且並無任何董事反對，本公司曾就二零一八年舉行之多次常規會議向董事發出提前時間較短的合理通知。

同時，根據企業管治守則之守則條文A.6.7，全體獨立非執行董事及非執行董事須出席股東大會。於二零一八年四月二十日舉行之股東週年大會上，全體當時的獨立非執行董事及當時的非執行董事均已出席該大會，以使董事會對本公司股東之意見有公正的了解。

本公司將安排向全體董事提供所有股東大會之適用資料，並採取一切合理措施以安排時間表，確保全體董事能夠出席股東大會以對股東意見有公正的了解。

董事會將繼續不時檢討本公司的企業管治情況，並作出任何必要變動以符合企業管治守則。

# Corporate Governance Report

## 企業管治報告

The attendance record of each Director at Board meetings, audit committee meetings, remuneration committee meetings, nomination committee meetings and general meetings during the year ended 31 December 2018 is set out in the following table:

各董事於截至二零一八年十二月三十一日止年度有關董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東大會之出席記錄載於下表：

Name of directors 董事姓名	Board Meetings 董事會會議 (attendance/total no. of meetings held) (出席次數/ 舉行會議總次數)	Audit Committee Meetings 審核委員會會議 (attendance/total no. of meetings held) (出席次數/ 舉行會議總次數)	Remuneration Committee Meetings 薪酬委員會會議 (attendance/total no. of meetings held) (出席次數/ 舉行會議總次數)	Nomination Committee Meetings 提名委員會會議 (attendance/total no. of meetings held) (出席次數/ 舉行會議總次數)	General Meetings 股東大會 (attendance/total no. of meetings held) (出席次數/ 舉行會議總次數)
<b>Executive Directors 執行董事</b>					
Mr. Ye Shusheng 葉樹生先生	15/16	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Huang Yun (Resigned with effect from 6 September 2018) 黃雲先生 (自二零一八年九月六日起辭任)	14/15	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Dai Lifeng (Resigned with effect from 6 September 2018) 戴立峰先生 (自二零一八年九月六日起辭任)	13/15	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Min Zhi Dong (Resigned with effect from 1 March 2018) 閔志東先生 (自二零一八年三月一日起辭任)	0/2	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
<b>Non-executive Directors 非執行董事</b>					
Mr. Yuan Fuer (Chairman) (Appointed with effect from 15 August 2018) 袁富兒先生(主席) (自二零一八年八月十五日起獲委任)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Hu Xinglong (Appointed with effect from 15 August 2018) 胡性龍先生(自二零一八年八月十五日起獲委任)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Lu Zefeng (Resigned with effect from 6 September 2018) 陸澤峰先生 (自二零一八年九月六日起辭任)	14/15	N/A 不適用	N/A 不適用	N/A 不適用	1/1
<b>Independent Non-executive Directors 獨立非執行董事</b>					
Mr. Wu Jilin (Appointed with effect from 15 August 2018) 吳吉林先生 (自二零一八年八月十五日起獲委任)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Du Hongwei (Appointed with effect from 15 August 2018) 杜宏偉先生 (自二零一八年八月十五日起獲委任)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Ms. Li Zhou (Appointed with effect from 15 August 2018) 李舟女士 (自二零一八年八月十五日起獲委任)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Tso Hon Sai Bosco (Resigned with effect from 6 September 2018) 曹漢璽先生 (自二零一八年九月六日起辭任)	10/15	2/2	4/5	6/7	1/1
Mr. Cheng Chai Fu (Resigned with effect from 6 September 2018) 鄭濟富先生 (自二零一八年九月六日起辭任)	15/15	2/2	5/5	7/7	1/1
Mr. Wong Yiu Kit Ernest (Resigned with effect from 6 September 2018) 黃耀傑先生 (自二零一八年九月六日起辭任)	15/15	2/2	5/5	7/7	1/1

## Corporate Governance Report 企業管治報告

All Directors were provided with details of agenda items for decisions making with reasonable notice and invited to raise any matters in the agenda of Board Meeting. Directors have access to the advice and services of the company secretary who is responsible for ensuring that the Board procedures are complied with and advising the Board on compliance matters. Minutes of Board meetings and meetings of the Board committees are kept by the company secretary and are opened for inspection as requested by the Directors. During the Year, the Board was given sufficient time to review and approve minutes of Board meetings and meetings of Board Committees. The Directors were also provided with access to independent professional advice, where necessary, in carrying out their obligations as the Directors of the Company, at the expense of the Company. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

All Directors assume the responsibilities to the shareholders of the Company for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor the Company's overall financial position. The Board updates shareholders on the operations and financial position of the Group through, interim and annual results announcements as well as the publication of timely announcements of other matters as prescribed by the relevant rules and regulations.

The Company has three independent non-executive Directors, at least one of whom has appropriate financial management expertise, in compliance with the Listing Rules. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

According to the Company's Articles of Association, newly appointed Directors shall hold office until the next following general meeting and shall be eligible for re-election at that meeting. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

During the financial year ended 31 December 2018, the Company had arranged appropriate insurance cover in respect of legal action against the Directors.

全體董事均獲合理通知以獲得各項議程之詳細資料以便作出決定並受邀於董事會會議議程上提出任何事項。董事均可獲得公司秘書提供之意見及服務，公司秘書負責確保遵守董事會程序及就合規事宜向董事會提供意見。董事會會議及董事委員會之會議記錄由公司秘書保管並可應董事要求提供查閱。年內，董事會已獲充足時間審閱及確認董事會會議及董事委員會之會議記錄。董事在履行彼等作為本公司董事之義務時，如有需要亦可獲提供獨立專業意見，費用由本公司承擔。被視為於建議交易或將予討論事項中涉及利益衝突或擁有重大利益的董事，不得計入該次會議之法定人數，並須就相關決議案放棄投票。

全體董事就本公司穩健發展與成功向本公司股東負責。彼等知悉彼等應以誠信態度及在符合本公司最佳利益之情況下履行職務。

董事會有責任保存完備之會計記錄，以便董事監察本公司整體財務狀況。董事會透過中期及全年業績公告以及根據有關規則及規例之規定就其他事項適時刊發之公告，向股東提供本集團營運及財務狀況之最新資料。

本公司擁有三名獨立非執行董事，且為符合上市規則，其中至少一名獨立非執行董事具備適當之財務管理專業知識。本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性作出的年度確認。本公司認為，全體獨立非執行董事均符合上市規則第3.13條所載獨立性指引，且根據指引條款屬獨立人士。

根據本公司之組織章程細則，最近獲委任之董事將任職至下屆股東大會為止，並於該大會上合資格膺選連任。每名董事(包括擁有特定任期之董事)須至少每三年輪值退任一次。

於截至二零一八年十二月三十一止財政年度，本公司已安排適當保險，使董事面對法律訴訟時有所保障。

# Corporate Governance Report

## 企業管治報告

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision of A.2.1. of the CG Code, the roles of the chairman of the Company (the “Chairman”) and the chief executive officer of the Company (the “Chief Executive Officer”) should be separated and should not be performed by the same individual. The roles of Chairman and Chief Executive Officer should be separated to ensure a clear division between the Chairman’s responsibility to manage the Board and the Chief Executive Officer’s responsibility to manage the Company’s business. The separation ensures a balance of power and authority so that power is not concentrated.

During the year ended 31 December 2018, Mr. Ye Shusheng is the Chief Executive Officer of the Group and his role is to oversee the overall management of the Company. From 1 January 2018 to 5 September 2018, no individual was appointed as the Chairman. The role of the Chairman has been performed collectively by all executive Directors of the Company.

The Board considers this arrangement allows contributions from all Directors with different expertise and is beneficial to the continuity and implementation of the Company’s policy and strategies and in the interest of the shareholders of the Company as a whole.

Effective from 6 September 2018, Mr. Yuan Fuer was appointed as the Chairman of the Group, the roles of the Chairman and the Chief Executive Officer are segregated thereafter. The Chairman’s main role is to lead the Board in discharging its powers and duties, while the Chief Executive Officer’s main role is to lead the management of the Company for undertaking all the responsibilities delegated by the Board and managing the overall operation of the Group.

### 主席及行政總裁

根據企業管治守則之守則條文第A.2.1.條，本公司主席（「主席」）與本公司行政總裁（「行政總裁」）之角色應有區分，不應由一人同時兼任。將主席與行政總裁之角色劃分，可確保主席管理董事會之責任與行政總裁管理本公司業務之責任得到清晰分工。該劃分將確保權力及授權分佈均衡，令權力不會集中於任何個人。

截至二零一八年十二月三十一日止年度，叶樹生先生已獲委任為本集團行政總裁及彼責任為監察本公司全體管理層。由二零一八年一月一日至二零一八年九月五日，概無其他人士獲委任為主席。主席職責由本公司全體執行董事共同覆行。

董事會認為該項安排可使各董事發揮各自所長，為公司作出貢獻，有利於本公司政策及策略的連貫性及執行，符合本公司股東的整體利益。

由二零一八年九月六日起，袁富兒先生已獲委任為本集團主席，在此之後主席與行政總裁之角色是區分的。主席之主要角色為領導董事會執行其權力及履行其職責而行政總裁之主要角色為領導本公司管理層承擔由董事會授權之所有責任及管理本集團之整體運作。

# Corporate Governance Report

## 企業管治報告

### NON-EXECUTIVE DIRECTORS

Under the code provision A.4.1 of the CG Code, all the non-executive Directors should be appointed for a specific term, subject to re-election. Each of the non-executive Director and independent non-executive Directors has entered into a service contract with the Company for a specific term of three years but subject to termination in certain circumstance as stipulated in the relevant service contracts. At each annual general meeting, one third of the Directors for the time being (if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every one year or three years. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.

### CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties and has adopted the written terms of reference on its corporate governance functions. 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 continuous professional development of the 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 (if any) applicable to employees and the Directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Since 2018 and up to the date of this report, the Board has performed the corporate governance duties in accordance with its terms of reference.

### 非執行董事

根據企業管治守則之守則條文第A.4.1條，所有非執行董事之委任應有特定任期，並須接受重選。各非執行董事及獨立非執行董事已與本公司訂立三年特定任期之服務合約，惟該等合約可於有關服務合約所訂明之若干情況下予以終止。在每屆股東週年大會上，當時三分之一的董事（若其人數並非三的倍數，則以當時最接近但不少於三分之一的人數）將輪值退任，前提是各董事須至少每年或每三年在股東週年大會上退任一次。任何獲委任以填補臨時空缺的董事的任期須直至彼獲委任後首屆股東大會並於該會上重選，而現有董事會中任何增任董事的任期僅至本公司下屆股東週年大會為止，隨後符合資格可膺選連任。

### 企業管治職能

董事會負責履行企業管治職責，並已採納其企業管治職能之書面職權範圍。董事會有關企業管治職能之職責包括：

- (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層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守則及合規手冊(如有)；及
- (v) 檢討本公司對企業管治守則之遵守情況及在企業管治報告之披露。

由二零一八年及直至本報告日期，董事會已根據其職權範圍履行企業管治職責。

# Corporate Governance Report 企業管治報告

## BOARD DIVERSITY POLICY

During the year ended 31 December 2018, the Board adopted a board diversity policy (the “Board Diversity Policy”) setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

### Measurable objectives

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

### Implementation and monitoring

The Nomination Committee reviewed the Board’s composition under diversified perspectives, and monitored the implementation of the Board Diversity Policy annually.

As at the date of this report, the Board’s composition under diversified perspectives was summarized as follows:

## 董事會成員多元化政策

於截至二零一八年十二月三十一日止年度，董事會已採納董事會成員多元化政策（「多元化政策」），其中載有實現董事會成員多元化之方法。本公司認為可透過多方面考慮實現董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任將用人唯才，並在考慮候選人時以客觀準則充分顧及董事會成員多元化的裨益。

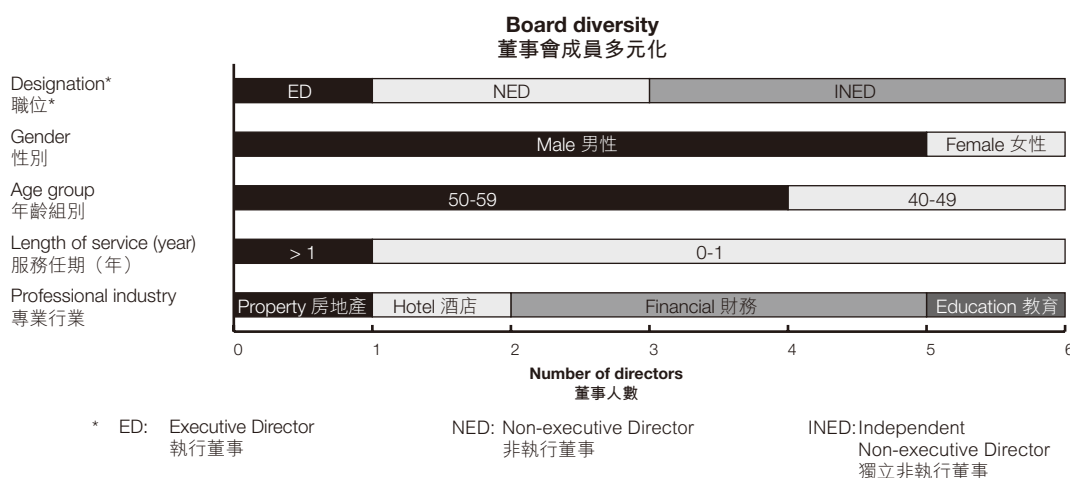
### 可計量目標

候選人的甄選將基於一系列多元化角度，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終決定將按所選候選人的優點及其將為董事會帶來的貢獻而作出。

### 執行及監察

提名委員會按多元化的角度檢討董事會的組成，並每年監察董事會成員多元化政策的執行。

於本報告日期，董事會在主要多元化層面的組成概述如下：



The Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the objectives of Board Diversity Policy.

提名委員會已檢討董事會成員多元化政策，以確保其行之有效，並認為本集團已達致董事會成員多元化政策的目標。



# Corporate Governance Report

## 企業管治報告

### REMUNERATION COMMITTEE

A remuneration committee of the Board was set up on 22 June 2011 (the “Remuneration Committee”) to oversee the remuneration policy and structure for all Directors and senior management. The terms of reference is available on the websites of the Company and the Stock Exchange.

The primary objectives of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure of the Directors and the senior management and determining the remuneration packages of all Directors and senior management. The Remuneration Committee is also responsible for ensuring that no Director or any of his associates will participate in deciding his/her own remuneration, which will be determined with reference to the performance of the individual and the Company as well as market practice and conditions. Members are provided with sufficient resources, including but not limited to, the access to independent professional advice, where necessary, in carrying out their obligations, at the expense of the Company.

The Remuneration Committee held five meetings during the year ended 31 December 2018 for reviewing the remuneration package of the Directors and the senior management, assessing performance of Directors, approving the terms of Directors’ service contracts and making recommendations to the Board as to the remuneration packages of individual Directors and senior management.

The Remuneration Committee comprises three members as at the date of this report namely:

Mr. Du Hongwei (Chairman)  
(Appointed with effect from 6 September 2018)

Mr. Wu Jilin (Appointed with effect from 6 September 2018)

Ms. Li Zhou (Appointed with effect from 6 September 2018)

All of the current members are independent non-executive Directors.

### 薪酬委員會

本公司已於二零一一年六月二十二日成立董事會薪酬委員會(「薪酬委員會」)，以監察全體董事及高級管理層之薪酬政策及架構。有關職權範圍於本公司及聯交所網站可供查閱。

薪酬委員會之主要任務包括就董事及高級管理層之薪酬政策及架構向董事會作出推薦建議，以及釐定全體董事及高級管理層之薪酬方案。薪酬委員會亦負責確保概無董事或其任何聯繫人將參與決定其自身薪酬。有關薪酬將參考個人表現及本公司業績以及市場慣例及狀況釐定。各成員獲提供充足資源(包括但不限於在必要時獲得獨立專業建議)以履行彼等之責任，費用由本公司承擔。

薪酬委員會於截至二零一八年十二月三十一日止年度舉行五次會議以檢討各董事及高級管理層之薪酬方案、評估董事之表現、批准董事服務合約之條款及就個別董事及高級管理層之薪酬方案向董事會作出推薦建議。

於本報告日期，薪酬委員會由以下三名成員組成：

杜宏偉先生(主席)  
(自二零一八年九月六日起獲委任)

吳吉林先生(自二零一八年九月六日起獲委任)

李舟女士(自二零一八年九月六日起獲委任)

全體現任成員均為獨立非執行董事。

## Corporate Governance Report 企業管治報告

In addition, pursuant to the code provision B.1.5 of the CG Code, an analysis of annual remuneration payable to the members of the senior management by band for the year ended 31 December 2018 is set out below:

此外，根據企業管治守則守則條文第B.1.5條，應付高級管理層成員截至二零一八年十二月三十一日止年度之年度薪酬按薪酬等級分析載列如下：

		<b>2018</b> 二零一八年 <b>Number of</b> <b>persons</b> 人數	2017 二零一七年 Number of persons 人數
Above HK\$1,000,000	1,000,000港元以上	<b>1</b>	5
HK\$Nil to HK\$1,000,000	零港元至1,000,000港元	<b>14</b>	9

### NOMINATION COMMITTEE

The Company has established a nomination committee of the Board on 22 June 2011 (the “Nomination Committee”) for making recommendations to the Board on appointment of the Directors and succession planning of the Directors.

The principal duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of the Directors, assessing the independence of the independent non-executive Directors and reviewing the Board Diversity Policy. Members are provided with access to independent professional advice, where necessary, in carrying their obligations at the expense of the Company.

For the policy of nomination of directors of the Company (the “Nomination Policy”), the Nomination Committee of the Company shall first discuss the nomination of candidates for new Directors, examine the qualification of these candidates, and then recommend such candidates to the Board. The Board shall determine whether the appointment of such candidates should be proposed for election at the general meetings. The major criteria considered by the Nomination Committee and the Board are the candidates’ educational backgrounds, experience in the industry, their proposed commitment to the Company and achieving the goal of diversity of the Board. Regarding the nomination of independent non-executive Directors, the Nomination Committee will also particularly consider the independence of such candidates taking into account the independence guidelines set out in Rules 3.13 of the Listing Rules.

### 提名委員會

本公司已於二零一一年六月二十二日成立董事會提名委員會(「提名委員會」)，以就委任董事及董事的繼任人選規劃向董事會作出推薦建議。

提名委員會之主要職責包括檢討董事會組成、就董事委任及繼任人選規劃向董事會作出推薦建議、評估獨立非執行董事之獨立性以及檢討多元化政策。各成員在必要時獲提供獨立專業建議，以履行彼等之責任，費用由本公司承擔。

關於本公司對於董事的提名政策(「提名政策」)，本公司提名委員會首先商議新董事的提名人選，對董事候選人進行資格審查，再向董事會推薦有關候選人。董事會決定是否將委任有關候選人的事宜提交股東大會選舉。提名委員會及董事會所考慮的主要標準為有關候選人的教育背景、行業經驗、其擬對本公司的投入程度以及董事會成員多元化目標的達成情況。就提名獨立非執行董事而言，提名委員會亦會特別就上市規則3.13條訂立獨立性的指引考慮有關候選人的獨立性。

## Corporate Governance Report 企業管治報告

During the financial year ended 31 December 2018, the Nomination Committee held seven meetings. The members reviewed the current composition of the Board and discussed about the Board structure to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company pursuant to its terms of reference (available on the websites of the Company the Stock Exchange), the Nomination Policy and the Board Diversity Policy.

During the year ended 31 December 2018, the Company appointed two non-executive Directors namely Mr. Yuan Fuer and Mr. Hu Xinglong and three independent non-executive Directors namely Mr. Wu Jilin, Mr. Du Hongwei and Ms. Li Zhou. The Nomination Committee has reviewed the appointed Directors' background, including but not limited to independence, gender, age, cultural and education background, professional experience, skills and knowledge. The Nomination Committee considered current Board composition has achieved the objectives of the Board Diversity Policy.

In accordance with the Company's Articles of Association, Mr. Yuan Fuer, Mr. Hu Xinglong, Mr. Wu Jilin, Mr. Du Hongwei and Ms. Li Zhou shall retire and are eligible to offer themselves for re-election at the forthcoming annual general meeting.

The Nomination Committee recommended the re-appointment of the Directors standing for re-election at the forthcoming annual general meeting of the Company.

The Nomination Committee comprises three members as at the date of this report namely:

Ms. Li Zhou (Chairman)  
(Appointed with effect from 6 September 2018)

Mr. Wu Jilin (Appointed with effect from 6 September 2018)

Mr. Du Hongwei (Appointed with effect from 6 September 2018)

All of the current members are independent non-executive Directors.

提名委員會於截至二零一八年十二月三十一日止財政年度舉行七次會議。提名委員會成員檢討董事會之現時組成並討論調整董事會之架構，確保董事會根據其職權範圍(於本公司及聯交所網站可供查閱)、提名政策及多元化政策在適合本公司業務需要之專業知識、技能及經驗各方面取得平衡。

於截至二零一八年十二月三十一日止年度，本公司委任兩名非執行董事(即袁富兒先生及胡性龍先生)及三名獨立非執行董事(即吳吉林先生、杜宏偉先生及李舟女士)。提名委員會已審閱獲委任董事的背景，包括但不限於獨立性、性別、年齡、文化及教育背景、專業經驗、技能及知識。提名委員會認為董事會現時的組成已達致多元化政策的目標。

根據本公司之組織章程細則，袁富兒先生、胡性龍先生、吳吉林先生、杜宏偉先生及李舟女士須於應屆股東週年大會上退任並合資格膺選連任。

提名委員會建議於本公司應屆股東週年大會上重新委任待重選之董事。

於本報告日期，提名委員會由以下三名成員組成：

李舟女士(主席)  
(自二零一八年九月六日起獲委任)

吳吉林先生(自二零一八年九月六日起獲委任)

杜宏偉先生(自二零一八年九月六日起獲委任)

全體現任成員均為獨立非執行董事。

# Corporate Governance Report

## 企業管治報告

### AUDIT COMMITTEE

The Company has established an audit committee of the Board on 22 June 2011 (the "Audit Committee") with written terms of reference (available on the websites of the Company and the Stock Exchange) that set out the authorities and duties of the Audit Committee adopted by the Board. The Audit Committee performs, amongst others, the following functions:

- reviewing the financial information of the Group;
- reviewing the relationship with and the terms of appointment of the external auditors; and
- overseeing the Company's financial reporting system, internal control system and risk management system.

The Audit Committee is given sufficient resources to oversee the internal control system of the Group, reports to the Board on any material issues, and makes recommendations to the Board. During the year under review, the Audit Committee reviewed the Group's annual results and annual report for the year ended 31 December 2017, and the interim results and interim report for the six months ended 30 June 2018, the accounting principles and policies adopted by the Group, the financial reporting and compliance procedures, the Company's internal control and risk management systems and processes, the effectiveness of Company's internal audit function and the re-appointment of the external auditors.

The Audit Committee held two meetings during the year ended 31 December 2018.

The Audit Committee comprises three members as at the date of this report namely:

Mr. Wu Jilin (Chairman)  
(Appointed with effect from 6 September 2018)

Mr. Du Hongwei (Appointed with effect from 6 September 2018)

Ms. Li Zhou (Appointed with effect from 6 September 2018)

All the members are independent non-executive Directors. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

### 審核委員會

本公司已於二零一一年六月二十二日成立董事會審核委員會(「審核委員會」)，其書面職權範圍(於本公司及聯交所網站可供查閱)載有董事會所採納之審核委員會之權力及職責。審核委員會履行(其中包括)以下職能：

- 審閱本集團財務資料；
- 檢討與外聘核數師的關係及其委任年期；及
- 監察本公司之財務申報系統、內部監控系統及風險管理系統。

審核委員會具有充足資源監督本集團之內部監控系統、向董事會報告任何重大問題，並向董事會作出推薦建議。於回顧年度，審核委員會已審閱本集團截至二零一七年十二月三十一日止年度之全年業績及年報及截至二零一八年六月三十日止六個月的中期業績及中期報告、本集團採納之會計原則及政策、財務申報及合規程序、本公司之內部監控及風險管理系統及流程、本公司內部審核職能的效能，以及外聘核數師之續聘。

審核委員會於截至二零一八年十二月三十一日止年度舉行兩次會議。

於本報告日期，審核委員會由以下三名成員組成：

吳吉林先生(主席)  
(自二零一八年九月六日起獲委任)

杜宏偉先生(自二零一八年九月六日起獲委任)

李舟女士(自二零一八年九月六日起獲委任)

全體成員均為獨立非執行董事。概無審核委員會成員為本公司現任外聘核數師之前合夥人。

# Corporate Governance Report

## 企業管治報告

### INTERNAL CONTROLS AND RISK MANAGEMENT

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 objectives, maintaining sound systems of risk management and internal controls and reviewing their effectiveness to safeguard interests of the Group as a whole. However, such systems are designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure to achieve business objectives of the Group, they can only provide reasonable assurance but not absolute assurance against material misstatement or loss.

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group. This process includes enhancing the systems of risk management and internal control in view of the changes to the business environment or regulatory guidelines.

Management assists the Board in the implementation of the Group's policies, procedures and controls by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks. The adequacy and effectiveness of the systems of risk management and internal controls of the Group are annually reviewed by the Board. The review covers all material controls including financial, operational and compliance controls as well as the process for the identification, evaluation and management of the significant risks faced by the Company and the Group. The Board also reviews the adequacy of resources, employees' qualifications and experience, their training programs, and budget of the Group's accounting, internal audit and financial reporting functions. The Board has conducted and completed such review in respect of the year ended 31 December 2018 and considers the risk management and internal control systems of the Group effective and adequate.

### 內部監控及風險管理

董事會負責整體評估及確定為達致本集團策略目標而願意承擔風險的性質及程度，以及維持風險管理及內部監控的穩健系統，並檢討該等系統對保障本集團整體利益的有效性。然而，該等系統僅可將本集團風險控制在可接受範圍內，而無法消除不能達致本集團業務目標的風險，且僅可提供合理保證而非絕對保證不會出現重大失實陳述或損失。

董事會已建立程序，以持續地識別、評估及管理本集團所面對的重大風險。程序包括針對營商環境或監管指引的變更而不時加強風險管理及內部監控系統。

管理層透過識別及評估所面對的風險，協助董事會執行本集團的政策及程序以及監控並參與設計、運作及監察合適的內部監控措施，以減少及控制此等風險。董事會每年檢討本集團的風險管理及內部監控系統是否充足及有效。檢討範圍涵蓋所有重大監控，包括財務、營運及合規監控，以及本公司及本集團所面對的重大風險的識別、評估及管理的過程。董事會亦檢討資源的充足性、本集團負責會計、內部審核及財務報告職能僱員的資格及經驗及彼等的培訓計劃及預算。董事會已進行及完成就截至二零一八年十二月三十一日止年度的有關審閱，認為本集團的風險管理及內部監控系統有效及充足。

# Corporate Governance Report

## 企業管治報告

### HANDLING AND DISSEMINATION OF INSIDE INFORMATION

For the purposes of handling and disseminating inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), the Company has in place a policy on handling and dissemination of inside information ("Policy") which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to price the listed securities of the Company with the latest available information. This Policy also provides guidelines to staff of the Company to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information. Dissemination of inside information of the Company shall be conducted by publishing the relevant information on the websites of the Stock Exchange and the Company, according to the requirements of the Listing Rules.

### EXTERNAL AUDITOR AND AUDITORS' REMUNERATION

The statement of the external auditor of the Company on their reporting responsibilities and opinion on the Group's financial statements for the year ended 31 December 2018 is set out in the section headed "Independent Auditor's Report" in this annual report.

The Audit Committee is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company.

During the year ended 31 December 2018, the Group has incurred an aggregate fee of approximately HK\$1,475,000 to the external auditor and its affiliate. Among such fee, the amount of approximately HK\$1,280,000 was paid for the final audit purposes including interim review and other review engagements and HK\$195,000 was paid to its affiliate for non-audit purposes, the non-audit services mainly consist of consulting services in relation to the environmental, social and governance reporting, risk assessment and review on financing reporting procedures and internal control system.

### 處理及發佈內幕消息

就根據上市規則及香港法例第571章證券及期貨條例處理及發佈內幕消息而言，本公司已訂立處理及發佈內幕消息的政策（「政策」），當中載有處理及發佈內幕消息的程序及內部監控，使內幕消息得以適時處理及發佈，而不會導致任何人士在證券交易上處於佔優的地位，亦讓市場有時間定出能反映最新現有實況的本公司上市證券價格。該政策亦為本公司員工提供指引，確保設有適當措施以預防本公司違反法定披露規定。該政策亦載有適當的內部監控及匯報制度，以識別及評估潛在的內幕消息。根據上市規則規定，本公司內幕消息之發佈方法乃於聯交所及本公司網站刊載相關消息。

### 外聘核數師及核數師酬金

本公司外聘核數師有關其申報責任的聲明及對於本集團截至二零一八年十二月三十一日止年度之財務報表的意見，載於本年報「獨立核數師報告」一節。

審核委員會負責考慮外聘核數師之委聘及審查外聘核數師進行之任何非核數工作，包括有關非核數工作會否對本公司構成任何潛在重大不利影響。

於截至二零一八年十二月三十一日止年度，本集團已產生支付予外聘核數師及其聯屬公司的費用總額約1,475,000港元。有關費用中，約1,280,000港元為年度審核、中期審閱及其他審閱項目費用及195,000港元為作非審核用途之費用支付予其聯屬公司。非審核服務主要包括有關環境、社會及管治報告、風險評估及有關財務申報程序及內部監控系統審閱之諮詢服務。

# Corporate Governance Report

## 企業管治報告

### DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial year which gives a true and fair view. In preparing the financial statements, appropriate accounting policies and standards are selected and applied consistently.

### COMPANY SECRETARY

The company secretary is responsible for ensuring that the Board procedures are followed and facilitating communications among the Directors as well as with shareholders and management.

During 2018, Mr. Chung Tin Yan ("Mr. Chung") has attended relevant professional training to update his skills and knowledge. He met the training requirements as required under Rule 3.29 of the Listing Rules.

### INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhance investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and the public.

The Company updates its shareholders on its latest business developments and financial performance through its annual and interim reports.

The website of the Company ([www.legend-strategy.com](http://www.legend-strategy.com)) has provided an effective communication platform to the public and the shareholders.

### SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENT

The Company has not made any change to its constitutional documents during the year ended 31 December 2018. A consolidated version of the Company's constitutional documents is available on the Company's website and the website of the Stock Exchange.

### 董事對財務報表應負的責任

董事負責就各財政年度編製真實兼公平地反映意見之財務報表。在編製財務報表時，董事選擇及貫徹地應用適當之會計政策及準則。

### 公司秘書

公司秘書負責確保遵守董事會程序及促進董事之間以及與股東及管理層的溝通。

於二零一八年期間，鍾天昕先生（「鍾先生」）已出席相關專業培訓以提升其技能及知識。彼符合上市規則第3.29條所要求之培訓規定。

### 投資者關係

本公司相信，維持高透明度是鞏固投資者關係的關鍵。本公司致力奉行向其股東及大眾公開及適時披露公司資料的政策。

本公司透過其年度及中期報告向其股東提供其最新的業務發展及財務表現資料。

本公司的網站([www.legend-strategy.com](http://www.legend-strategy.com))為大眾及股東提供一個有效的溝通平台。

### 章程文件之重大變動

於截至二零一八年十二月三十一日止年度，本公司並無對其章程文件作出任何變動。本公司章程文件之綜合版本可於本公司網站及聯交所網站查閱。

# Corporate Governance Report

## 企業管治報告

### INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has continuously provided relevant training materials to the Directors. Directors participated in continuous development relating to their roles, functions and duties of a listed company director or further enhancement of their professional development by the way of attending training courses or reading relevant materials. All Directors had provided the Company their training records for the year under review. The Directors and officers are indemnified under a Directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

### 入職指引及持續專業發展

每名新委任之董事均於首次獲委任時獲提供正式、全面及度身制訂的入職指引，確保新委任之董事可適當掌握本公司之業務及營運，並充分了解其於上市規則及相關法規項下之責任與義務。

本公司鼓勵全體董事參與持續專業發展，以發展及更新彼等之知識及技能。本公司持續向董事提供有關培訓材料。董事透過參加培訓課程或閱讀有關材料，參與與上市公司董事之角色、職能及職責或進一步增強彼等專業發展相關之持續發展。全體董事已向本公司提供彼等於回顧年度之培訓記錄。董事及高級職員於擔任本公司董事及高級職員期間，因彼等履行其職責而引致之任何責任均受到董事及高級職員責任保險之彌償，惟倘證實董事及高級職員存在任何欺詐、失職或失信行為，則彼等將不獲彌償。

<b>Directors</b> <b>董事</b>	<b>Attending Seminar(s)</b>  出席講座	<b>Reading regulatory updates</b>  閱讀監管規定 的最新資料
Mr. Ye Shusheng	✓	✓
Mr. Yuan Fuer	✓	✓
Mr. Hu Xinglong	✓	✓
Mr. Wu Jilin	✓	✓
Mr. Du Hongwei	✓	✓
Ms. Li Zhou	✓	✓



# Corporate Governance Report

## 企業管治報告

### DIVIDEND AND DIVIDEND POLICY

The Group did not declare nor pay any dividends to shareholders of the Group during the Year.

The payment and the amount of any dividends, if paid, will depend on the results of operations, cash flows, financial condition, statutory and regulatory restrictions on the payment of dividends by the Group, future prospects and other factors that the Directors may consider relevant. Holders of the shares will be entitled to receive such dividends pro rata according to the amounts paid up or credited as paid up on the shares. The declaration of payment and amount of dividends will be subject to the Directors' discretion.

Dividends may be paid only out of the Group's distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits will not be able to be reinvested in the Group's operations. There can be no assurance that the Directors will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Group in the future.

### SHAREHOLDER COMMUNICATION

The Company has adopted a shareholders communication policy with objectives to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner. The Company would review the shareholders communication policy on a regular basis.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives, including annual general meeting, annual report, various notices, announcements and circulars. Procedures for demanding a poll have been included in circulars accompanying notice convening a general meeting and such procedures have been read out by the chairman of the general meeting. The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its shareholders. The Company shall provide shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable shareholders to make an informed decision on the proposed resolution(s). At the annual general meeting held on 20 April 2018 (the "2018 AGM"), a separate resolution was proposed by the chairman of the meeting in respect of each separate issue, including re-election of the Directors.

### 股息及股息政策

於本年度，本集團並沒有向集團股東宣告或支付任何股息。

任何股息的派付及金額(若有)將取決於經營業績、現金流量、財務狀況、集團股息派付的法定及法規限制、未來前景及董事認為相關的其他因素。股份持有人將獲根據就股份繳付或入賬列為繳足的股款按比例收取此等股息。宣告股息的派付及金額將根據董事酌情處理。

股息可根據相關法例的允許下從集團應佔溢利內派付。倘溢利獲分派為股息，則該部分溢利將不可重新投資於集團的業務經營上。無法確保董事將可按董事局任何計劃所定的金額宣派或派付股息。過往配發股息的記錄不應視為參考或基準作釐定集團日後可能宣告或派付股息的水平。

### 與股東之溝通

本公司已採納與股東溝通之政策，旨在向股東提供有關本公司的詳細資料，使彼等能在知情的情況下行使彼等身為股東的權利。本公司將定期檢討股東溝通政策。

本公司使用多種溝通渠道，以確保股東及時獲悉主要業務須知，包括股東週年大會、年報、各項通告、公告及通函。以投票方式表決之程序已載入隨附召開股東大會通告的通函內，而股東大會主席已於會上宣讀有關程序。本公司的股東週年大會及其他股東大會為本公司與其股東溝通的主要平台。本公司應按照上市規則及時向股東提供在股東大會上提呈的決議案的相關資料。所提供的資料應是合理所需的資料，以便股東能夠就提呈的決議案作出知情決定。於二零一八年四月二十日舉行之股東週年大會(「二零一八年股東週年大會」)上，會議主席就各項獨立事宜(包括重選董事)提呈獨立決議案。

## Corporate Governance Report 企業管治報告

At the 2018 AGM, the executive Directors, the chairmen of the Audit, Remuneration and Nomination Committees and representatives from the auditor of the Company, ZhongHui Anda CPA Limited, were present for questions from shareholders. There was one general meeting held during the year ended 31 December 2018.

### PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, shareholders are requested to follow article 58 of the Articles of Association of the Company, general meetings shall be convened on the written requisition of any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary to the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to convene such meeting the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

於二零一八年股東週年大會上，執行董事、審核委員會、薪酬委員會及提名委員會各自之主席以及本公司核數師中匯安達會計師事務所有限公司之代表均已出席回答股東之提問。截至二零一八年十二月三十一日止年度內，本公司共舉行一次股東大會。

### 股東召開股東特別大會的程序

開曼群島公司法(二零一二年修訂本)並無條文允許股東於股東大會上提呈新決議案。然而，股東須遵從本公司組織章程細則第58條細則，即任何一位或以上於提請要求當日持有不少於本公司繳足股本(賦予權利在本公司股東大會上投票)十分之一的股東，可隨時向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求所指明的任何事項；有關大會須於提請該要求後兩(2)個月內舉行。倘提請後二十一(21)日內董事會未有召開有關大會，則提請要求的人士可自行以相同方式召開大會，而本公司須向提請要求的人士補償其因董事會未有召開大會而產生的所有合理開支。

# Corporate Governance Report

## 企業管治報告

### PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

The provisions for a shareholder to propose a person for election as a Director of the Company are laid down under article 85 of the Company's Articles of Association. No person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as a Director, signed by a shareholder (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at the head office or at the registration office. The minimum length of the period during which such notices are given shall be at least seven (7) days and the period for lodgment of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. Detailed procedures for shareholders to propose a person for election as a Director are available on the Company's website.

### PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSAL

If a shareholder wishes to make any proposal at any general meeting of the Company, the shareholder should deposit a written notice of the proposal to the company secretary of the Company within 7 days commencing from the date of the notice of the general meeting of the Company (or such other period as may be determined and announced by the Director from time to time).

### PROCEDURES FOR SENDING ENQUIRIES TO THE BOARD

Shareholders may send written enquiries to the Company, for the attention of the company secretary, by email: info@lsih.com.hk, or mail to Suite 1705, 17/F, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong.

### 股東提名人選參選為董事的程序

有關股東提名人選參選為本公司董事的規定載列於本公司組織章程細則第85條細則。除非獲董事會推薦參選，否則任何人士(將於大會上退任之董事除外)應無資格在任何股東大會上參選董事職位，除非本公司總辦事處或註冊辦事處收到一份由正式合資格出席大會並可於會上投票的一名股東(被提名參選董事之人士除外)所簽署，表明彼擬提名該人士參選為董事之書面通知，及收到一份由該被提名人士所簽署，表示其願意接受推選之書面通知。作出該等通知的期間必須不少於七(7)天，提交該等通知之期間須由不早於指定進行該推選之股東大會通告寄發翌日起計，及不遲於該股東大會舉行日期前七(7)天結束。股東提名人選參選為董事的程序詳情於本公司網站刊載。

### 股東提出建議的程序

倘股東欲於本公司任何股東大會上提呈任何建議，股東須自本公司股東大會通告日期起計七日內(或由董事不時決定及公佈的其他期間)向本公司的公司秘書就有關建議遞交書面通知。

### 向董事會發出查詢的程序

股東可透過以下方式向本公司(註明公司秘書為收件人)發出書面查詢：發電郵至 info@lsih.com.hk，或郵寄至香港中環德輔道中19號環球大廈17樓1705室。

# Corporate Governance Report

## 企業管治報告

### INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling shareholders, investors as well as the public to make rational and informed decisions.

### CONCLUSION

The Company believes that good corporate governance could ensure an effective distribution of the resources and shareholders' interests. The senior management will continue endeavors in maintaining, enhancing and increasing the Group's corporate governance level and quality.

### 資料披露

本公司遵從上市規則披露資料，及根據相關法律及法規向公眾定期刊發報告及公告。本公司盡力確保及時披露資料，而有關資料為公正、準確、真實及完整，務求使股東、投資者及公眾能作出合理知情決定。

### 總結

本公司堅信良好的企業管治可保證資源之有效分配及保障股東權益。高級管理層將繼續致力維持、加強及提升本集團之企業管治水平及質素。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### PRINCIPLES

The Group hereby presents this Environmental, Social and Governance report (“ESG report”) for the year ended 31 December 2018, in order to comply with the requirements set forth in Environmental, Social and Governance (“ESG”) Reporting Guide (“ESG Guide”) of the Listing Rules. This covers the environmental and social performance of the core business of the Group in the PRC during the period from 1 January 2018 to 31 December 2018.

The Board is responsible for our ESG strategy and reporting including evaluating and determining the ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. We have engaged Zhonghui Anda Risk Services Limited to identify relevant ESG issues and to assess their materiality to the business as well as the stakeholders, through reviewing the Group’s operations and holding internal discussions. The management has provided a confirmation to the Board on the effectiveness of the ESG risk management and internal control systems. Pursuant to the general disclosure requirements of the ESG Guide, disclosures relating to the material ESG issues identified have been included in this ESG Report which aims to provide a balanced representation of the Group’s ESG performance in the environmental and social areas, and covers the Group’s operations.

This report comprises the review of environmental, social and governance areas, which sets out the Group’s policies and practices as well as certain major subsidiaries of the Company’s policies and practices in respect of three environmental aspects and eight social aspects in accordance with ESG Reporting Guide of the Listing Rules for the Year. This report is designed to allow the Company’s stakeholders, such as shareholders, governments and regulatory bodies, employees, customers, suppliers and society and the public to have comprehensive understanding of the long-term sustainability information of the Group. The Group seeks to balance the views and interests of these stakeholders through constructive conversation with a view to set the course for long term prosperity.

The Group is principally engaged in hotel operations and hotel consultations and management services and other related businesses. For the Year, the Group operates four leased-and-operated hotels. The four hotels are located at Nanshan Road (the “Nanshan Hotel”), Luohu District (the “Luohu Hotel”) and Baoan District (the “Baoan Hotel”) in Shenzhen as well as Huizhou District (the “Huizhou Hotel”) in Huizhou of the People’s Republic of China (the “PRC”) (collectively, the “Four Hotels”). The Four Hotels have 694 rooms in total. In addition, certain green renovations of the Four Hotels have been completed in the Year in order to attract more guests and boost the revenue of the Group.

### 原則

為符合上市規則環境、社會及管治(「環境、社會及管治」)報告指引(「環境、社會及管治指引」)所載的規定，本集團謹此呈列截至二零一八年十二月三十一日止年度之本環境、社會及管治報告(「環境、社會及管治報告」)。本報告涵蓋本集團於二零一八年一月一日至二零一八年十二月三十一日期間於中國核心業務的環境及社會表現。

董事會負責我們的環境、社會及管治策略及報告，包括評估及確定環境、社會及管治相關風險，並確保已設有適當及有效的環境、社會及管治風險管理及內部監控系統。我們已委聘中匯安達風險管理有限公司透過檢討本集團的營運及舉行內部討論，以識別相關環境、社會及管治事宜及評估有關事宜對我們的業務及持份者的重要性。管理層已對環境、社會及管治風險管理及內部監控系統的有效性向董事會作出確認。根據環境、社會及管治指引的一般披露規定，有關已識別重大環境、社會及管治事宜的披露事項已載入本環境、社會及管治報告，旨在以平衡的原則呈列本集團營運中的環境、社會及管治之表現。

本報告包括對環境、社會和管治領域的審閱，其中列出了本年度本集團以及某些主要子公司，按上市規則環境、社會及管治指引中，關於三個環境方面和八個社會方面的政策和做法。本報告旨在讓本公司的持份者，如股東，政府及監管機構，僱員，客戶，供應商，社會及公眾全面了解本集團的長期可持續發展信息。本集團力求通過建設性對話平衡這些持份者的觀點和利益，以為本集團的長期繁榮奠定基礎。

本集團主要從事酒店營運及提供酒店顧問與酒店管理服務等相關業務。於本年度，本集團經營四間租賃經營酒店。這四間酒店分別位於中華人民共和國(「中國」)深圳市南山區(「南山店」)、羅湖區(「羅湖店」)及寶安區(「寶安店」)以及位於惠州市惠州區(「惠州店」)(統稱「四間酒店」)。這四間酒店共有694間客房。此外，本年度本集團已完成四間酒店的若干綠化裝修，以吸引更多客人及增加本集團的收益。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### STAKEHOLDER ENGAGEMENT

Stakeholder engagement plays a core role in the sustainability of the Group. The Group fully appreciates the needs to build both online and offline communication channels and to provide stakeholders with timely reports on strategic planning and performance of the Group in order to establish a continuing communication mechanism with the stakeholders. In addition, the Group consults the stakeholders on their recommendations and propositions to ensure its business practices can meet the expectations of the stakeholders.

The stakeholders include the shareholders, governments and regulatory bodies, employees, customers, suppliers and society and the public. The Group discusses with the stakeholders through various channels for their expectations and relevant feedback of the Group as below:

### 持份者參與

持份者參與在本集團的可持續發展中擔當核心角色。本集團深明需要搭建線上及線下溝通渠道，並及時向持份者提供有關本集團戰略規劃及表現的報告，藉以與持份者建立長效溝通機制。此外，本集團向持份者徵求建議及提議，以確保其業務實踐符合持份者之期望。

持份者包括股東、政府及監管機構、僱員、客戶、供應商以及社會及公眾。本集團透過多種渠道與持份者討論其期望，而本集團的相關反饋如下：

Stakeholder 持份者	Expectations 期望	Communication and feedback 溝通及反饋
Shareholders 股東	<ul style="list-style-type: none"> <li>Financial results</li> <li>財務業績</li> <li>Corporate transparency</li> <li>企業透明度</li> <li>Sound risk control</li> <li>完善的風險控制</li> </ul>	<ul style="list-style-type: none"> <li>Improving profitability</li> <li>提高盈利能力</li> <li>Regular information disclosures</li> <li>定期信息披露</li> <li>Optimising risk management and internal control</li> <li>優化風險管理及內部控制</li> </ul>
Governments and regulatory bodies 政府及監管機構	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>遵守法例及規例</li> <li>Tax payment in accordance with laws</li> <li>依法納稅</li> </ul>	<ul style="list-style-type: none"> <li>Compliance operation</li> <li>合規經營</li> <li>Tax payment in full and on time</li> <li>按時足額納稅</li> </ul>
Employees 僱員	<ul style="list-style-type: none"> <li>Career development platform</li> <li>職業發展平台</li> <li>Salary and benefits</li> <li>薪金及福利</li> <li>Safe working environment</li> <li>安全的工作環境</li> </ul>	<ul style="list-style-type: none"> <li>Promotion mechanism</li> <li>晉升機制</li> <li>Competitive salary and employee benefits</li> <li>具競爭力的薪金及僱員福利</li> <li>Providing trainings for employees and strengthen their safety awareness</li> <li>提供僱員培訓及加強安全意識</li> </ul>

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Stakeholder 持份者	Expectations 期望	Communication and feedback 溝通及反饋
Customers 客戶	<ul style="list-style-type: none"> <li>Logistics and delivery service standards</li> <li>物流及交付服務水準</li> <li>Customer information security</li> <li>客戶信息安全</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of level of customers' satisfaction through enquiry and questionnaire</li> <li>以查詢及問卷形式監測客戶滿意度</li> <li>Customer privacy protection</li> <li>客戶私隱保護</li> </ul>
Suppliers 供應商	<ul style="list-style-type: none"> <li>Business ethics and credibility</li> <li>商業道德及信譽</li> </ul>	<ul style="list-style-type: none"> <li>Performing the contracts according to law</li> <li>依法履約</li> </ul>
Society and the public 社會及公眾	<ul style="list-style-type: none"> <li>Environmental protection</li> <li>環境保護</li> <li>Employment opportunities</li> <li>就業機會</li> </ul>	<ul style="list-style-type: none"> <li>Putting into use environmental protections and energy saving equipments</li> <li>將環保節能設備投入使用</li> <li>Providing employment opportunities</li> <li>提供就業機會</li> </ul>

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### EMISSIONS

As stated above, the Group is principally engaged in hotel operations and hotel consultations and management services and other related businesses and hence the emissions relating to air, greenhouse gases emissions and discharge into the water and land, as well as generation of hazardous and non-hazardous waste are minimal in the Year.

During the Year, the major greenhouse gases emissions of the Four Hotels were the greenhouse gases generated by the electricity consumption and the waste paper disposal at landfills. In order to minimise the energy consumption and waste paper of the Four Hotels, various sustainable development measures have been enforced to address environmental responsibilities within normal operating procedures, including but not limited to (i) compact fluorescent lamp were installed as much as possible in the Four Hotels as at 31 December 2018; (ii) switch on and off sensors were installed in the corridors; (iii) staff were encouraged to switch off the electronic devices, lights and air-conditioners after the use of a room or leaving office for a period of time such as lunch hour; (iv) air-conditioners with low efficiency or malfunction were replaced in the Year; (v) refrigerators were kept away from sunlight; and (vi) staff were encouraged to print only when necessary and use recycle papers in first priority for printing so far as practicable.

### Greenhouse Gases (“GHG”) Emissions from Operations

### 排放物

誠如上文所示，本集團主要從事酒店營運及提供酒店顧問與酒店管理服務等相關業務，因此於本年度並無重大空氣排放物、溫室氣體排放、向水及土地的排污以及產生有害及無害廢物。

於本年度，四間酒店的主要溫室氣體排放來自電力消耗及堆填區棄置的廢紙。為盡量減少四間酒店的能源消耗及廢紙，本集團已採取若干可持續發展措施，在日常經營過程中承擔環境責任，包括但不限於(i)於二零一八年十二月三十一日於四間酒店盡可能安裝節能燈；(ii)於走廊安裝開關感應器；(iii)鼓勵員工在使用房間後或離開辦公室一段時間(如午餐時段)時關閉電子設備、燈源及空調；(iv)於本年度更換低效或出現故障的空調；(v)冰箱遠離日光放置；及(vi)鼓勵員工僅於必要時打印並在切實可行範圍內優先使用再生紙打印。

### 營運產生的溫室氣體(「溫室氣體」)排放

Indicator 指標	Unit 單位	2018 二零一八年	2017 二零一七年
GHG emissions (Scope 1) 溫室氣體排放(範圍1)	Kilogram of Carbon dioxide equivalent ("Kg of CO <sub>2e</sub> ") 二氧化碳公斤等量(「二氧化碳公斤等量」)	N/A 不適用	N/A 不適用
GHG emissions (Scope 2)** 溫室氣體排放(範圍2)**	Kg of CO <sub>2e</sub> 二氧化碳公斤等量	524,883	262,933
GHG emissions (Scope 3)# 溫室氣體排放(範圍3)#	Kg of CO <sub>2e</sub> 二氧化碳公斤等量	57,792	16,756
Total# 總額#	Kg of CO <sub>2e</sub> 二氧化碳公斤等量	582,675	279,689
Hotel gross floor area# 酒店建築面積#	Square meter ("M <sup>2</sup> ") 平方米(「平方米」)	35,956	11,056
GHG intensity 溫室氣體密度	Kg of CO <sub>2e</sub> /M <sup>2</sup> 二氧化碳公斤等量/平方米	16.2	25.3

# As Huizhou Hotel started operation since June 2018, the figures in 2018 were greater than 2017.

\* The emission factor is sourced from the China Southern Power Grid in 2017. The figures are calculated in accordance with the "Reporting Guidance on Environmental KPIs".

# 因惠州店於二零一八年六月開業，二零一八年錄得之數據比二零一七年為高。

\* 排放因素乃來自二零一七年中國南方電網。數據乃根據「環保關鍵績效指標報告指引」計算。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Environmental performance from operations

### 營運產生的環境表現

Indicator 指標	Unit 單位	2018 二零一八年	2017 二零一七年
Hazardous waste produced 有害廢物產生	Ton 噸	N/A 不適用	N/A 不適用
Intensity 密度	Ton/M <sup>2</sup> 噸／平方米	N/A 不適用	N/A 不適用
Non-hazardous waste produced 非有害廢物產生	Ton 噸	25.7	28.2
Intensity 密度	Ton/M <sup>2</sup> 噸／平方米	0.001	0.003

No hazardous waste is generated from the operations of hotel business, hotel consultations and management services and other related businesses. Non-hazardous waste generated from the operations in the Four Hotels are mainly office and hotel room consumables. The hotel staff has promoted separation of waste such as cartons and plastic bottles, which are placed in certain areas assigned to recycled suppliers for collection. For the hotel consumables such as cans and used plastic bottles of water, the building management offices of landlords have separated them from other waste for recycling purposes.

酒店營運、提供酒店顧問及酒店管理服務等相關業務經營並無產生任何有害廢物。四間酒店經營產生的無害廢物主要為辦公室及酒店客房的消耗品。酒店員工推行廢物分類，如紙箱及塑料瓶存放在分配予回收供應商的若干區域以便回收。就易拉罐及已用飲用水塑料瓶等酒店消耗品而言，業主樓宇管理辦事處已進行分類以便回收再用。

#### Compliance with relevant laws and regulations

#### 遵守相關法律及法規

The Group is not aware of any non-compliance with the Environmental Protection Law of the People's Republic of China and other applicable laws and regulations that has an impact relating to air and greenhouse gases emissions, discharges into water and land, generation of hazardous and non-hazardous waste of the Group in the Year.

本集團並不知悉任何不遵守中華人民共和國環境保護法及相關法律及法規而具有有關本年度本集團空氣及溫室氣體排放、向水及土地的排污及產生有害及無害廢物的影響。

No fines or non-monetary sanctions for non-compliance with relevant laws and regulations had been reported in the Year.

本年度並無呈報就不遵守相關法律及法規的罰款或非貨幣處罰。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### USE OF RESOURCES

The Group is committed to minimising the impact of business activities on the environment and supporting environmental protection programs. In particular, a number of initiatives, which are designed to conserve resources, were introduced to promote employee awareness of the need to achieve efficient utilisation of resources.

As mentioned in the above “Emissions” section, the Group has a series of policies and procedures to minimise the electricity used by the employees in the Four Hotels. In order to increase the electricity consumption efficiency, a number of new air-conditioners and the compact fluorescent lamp were installed in the Year. Other than above, solar water heaters and heat pumps have been installed in Nanshan Hotel to generate daily hot water supply in order to reduce gas or electricity consumption. In addition, shower sprinklers with low water pressure were installed in all bathrooms of the Four Hotels to reduce water consumption and water intensity.

### Relevant Consumptions from Operation

Indicator 指標	Unit 單位	2018 二零一八年	2017 二零一七年
<b>Energy Consumption</b>			
能源消耗			
Electricity consumption <sup>#</sup> 電力消耗 <sup>#</sup>	kWh 千瓦時	2,119,884	856,182
Electricity consumption intensity 電力消耗密度	kWh/M <sup>2</sup> 千瓦時／平方米	59.0	77.4
<b>Water Consumption</b>			
水耗			
Water consumption <sup>#</sup> 水耗 <sup>#</sup>	Cubic metre (“M <sup>3</sup> ”) 立方米	81,522	22,916
Water consumption intensity 水耗密度	M <sup>3</sup> /M <sup>2</sup> 立方米／平方米	2.3	2.1

<sup>#</sup> As Huizhou Hotel started operation since June 2018, the figures in 2018 were greater than 2017.

As the Group is principally engaged in hotel operations and hotel consultations and management services and other related businesses, no packaging material was used in the Year.

### 資源使用

本集團致力減低業務活動對環境的影響，以及支持環境保護項目，並推出各種節約資源的措施，提高員工對需要有效利用資源的意識。

誠如上文「排放物」一節所述，本集團於四間酒店設有多項政策及程序以減少僱員用電量。為提高用電能效，於本年度共安裝多台新空調及節能燈。除上述以外，南山店亦已安裝太陽能熱水器及熱水泵，以滿足日常熱水供應，減少燃氣及電力消耗。此外，我們亦已於四間酒店的全部浴室安裝較低水壓的淋浴噴頭，藉此減少水耗及水密度。

### 營運產生的相關消耗

<sup>#</sup> 因惠州店於二零一八年六月開業，二零一八年錄得之數據比二零一七年為高。

由於本集團主要從事酒店營運及提供酒店顧問與酒店管理服務等相關業務，於本年度並無使用包裝材料。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Regarding the hotel operations, the Group closely monitors the level of energy consumption and greenhouse gases emissions of its hotels. Every year, the Four Hotels are required to set their respective energy and carbon reduction targets, and come up with feasible measures to achieve them. The details and results achieved are listed as follows:

就本集團酒店經營而言，本集團密切監測其酒店的能源消耗及溫室氣體排放水平。四間酒店每年均須訂立彼等各自的能源及碳減排目標，並制定可行措施以達成目標。所達至的詳情及結果載列如下：

Projects	Details and results achieved
項目	所達至的詳情及結果
Compact fluorescent lamp 慳電膽	Lightings in the Four Hotels have been installed compact fluorescent lamps which have saved up much electricity as compared with incandescent light lamp. 四間酒店已安裝慳電膽照明裝置，相比非慳電膽節省更多電力。
Shower heads 蓮蓬頭	Using water savings shower heads in the bathroom of the Four Hotels, consumption of water is saved after installation. 於四間酒店浴室使用省水蓮蓬頭，安裝後能節省用水。
Solar water heaters and heat pumps 太陽能熱水器及電熱泵	Solar water heaters and heat pumps have been installed in Nanshan Hotel to generate daily hot water supply in order to reduce gas or electricity consumption. The consumption of electricity is saved in the Nanshan Hotel for water heating. 已於南山店安裝太陽能熱水器及電熱泵產生每日熱水供應，以減少氣體或電力消耗。南山店於節省熱水供應方面預期可減少電力消耗。
Air-conditioners 空調	A number of new air-conditioners have been upgrading from old air-conditioners in the Year, the relevant consumption of electricity would be reduced. 於年內，已將若干舊空調升級至新空調，相關電力消耗能相應減少。
Non-Hazardous Waste 非有害廢物	Non-hazardous waste from the Four Hotels include packaging materials of hotel guest supplies, paper for office use and kitchen waste from restaurants of hotels. The hotels made their best effort to minimising the impact on the environment by using biodegradable material for packaging materials of hotel guest supplies. The hotels promoted separation of waste such as cartons and plastic bottles, which are placed in certain areas assigned to recycled suppliers for collection. 四間酒店的非有害廢物包括酒店房客用品包裝物料、辦公室用紙及酒店餐廳廚餘廢物。酒店透過酒店房客用品包裝物料採用可生物降解物料，盡量減少環境影響。酒店推動廢物(如紙箱及塑膠瓶)分類，放置於分派予回收供應商的若干區域供其收集。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### THE ENVIRONMENT AND NATURAL RESOURCES 環境及天然資源

The Group always raise energy-saving awareness among the staff of the Four Hotels, reminding them to switch off all lighting and electronic devices after use. On the other hand, hotel guests are encouraged energy reduction by providing energy-saving tips in hotel lobbies and written reminders in guest rooms.

The impact on the environment and natural resources from the hotel operations of the Group in PRC is minimal in the Year.

本集團亦提升四間酒店員工對節能的意識，提醒員工於使用後關閉所有燈光及電子設備。另一方面，透過於酒店大堂提供節能建議及於酒店房間提供書面節能提示，鼓勵酒店住客節約能源。

本年度，本集團於中國的酒店經營對環境及自然資源造成的影響極為微弱。

### EMPLOYMENT 僱傭

The Group places a significant emphasis on developing human capital and provides competitive remuneration and welfare packages. Promotion opportunities and salary adjustments are benchmarked against individual performance. Employees are entitled to benefits such as annual leave, sick leave, maternity leave, marriage leave, funeral leave and medical coverage in accordance with local regulations.

本集團高度重視發展人力資本並提供具競爭力的薪酬及福利組合，且會根據員工個人表現提供晉升機遇及作出薪資調整。僱員可根據當地法規享有年假、病假、產假、婚假、喪假以及醫療保險等多種福利。

Distribution of work force classified by difference catalogues as follows:

按不同類別分類的勞動力分佈如下：

Social Performance 社會表現	Unit 單位	2018 二零一八年	2017 二零一七年
<b>By Gender</b> 按性別劃分			
Male 男性	People 人	28 (33%)	7 (18%)
Female 女性	People 人	58 (67%)	33 (82%)
<b>Total</b> 總計	People 人	86 (100%)	40 (100%)
<b>By Age Group</b> 按年齡組別劃分			
Under 30 years old 30歲以下	People 人	41 (48%)	13 (33%)
30 – 50 years old 30至50歲	People 人	36 (42%)	24 (60%)
Over 50 years old 50歲以上	People 人	9 (10%)	3 (7%)
<b>Total</b> 總計	People 人	86 (100%)	40 (100%)

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group places emphasis on equal opportunities for all personnel in respect of hiring, pay rates, training and development, promotion and other terms of employment. The Group is committed to providing a working environment which is free from any form of discrimination on the basis of ethnicity, gender, religion, age, disability or sexual orientation.

The Group has a wide diversity of cultures including the employees with different genders, ages, skills, educational backgrounds, industry experiences and other qualifications in order to achieve the most suitable composition and balance.

The Group has enhanced its employee handbook with effect from January 2015 which is applicable for the Four Hotels. Such employee handbook is developed in accordance with the Labour Law of PRC and has been distributed to all employees since they commence working for the Group.

The remuneration and position of the employees of the hotel operations will be adjusted which are based on the results of individual working performance and efficiency. Staff bonus is based on the performance appraisal and operating results.

Treatment of employee's misconduct must be fair and reasonable in all of the circumstances. Misconduct may lead to a warning and even a dismissal. Any acts of misconduct are to be reported to the human and administration department. In the Year, no incident of serious misconduct was identified.

Employees' wages, overtime payments and related benefits are made not less than the local government's minimum requirements. The normal working hours for general employees are normally 8 hours a day and 40 hours a week. Integrated computation of working hours is implemented with reference to the requirements of the PRC Labour Law.

### Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Payment of Wages Tentative Provisions and other applicable laws and regulations that has a significant impact relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare on the Group in the Year.

No non-compliance with law that resulted in significant fines or sanctions had been reported in the Year.

本集團注重在招聘、薪酬比率、培訓及發展、晉升及其他就業待遇方面為全體職員提供平等機遇。本集團致力提供一個不存在種族、性別、宗教、年齡、殘疾或性取向等任何歧視的工作環境。

本集團文化架構多元，聘有不同性別、年齡、技能、教育背景、行業經驗及其他質素的員工，並就此達致最適合之結構和平衡。

本集團已更新其員工手冊，該手冊自二零一五年一月起生效，適用於本集團經營的全部四間酒店的全體僱員。該員工手冊乃根據中國勞動法編製，並已於各員工入職本集團時向其作出分派。

酒店經營僱員薪酬及狀況將根據個人工作表現及效率結果進行調整。員工花紅乃基於表現評估及經營業績。

僱員如有不當行為，於所有情況下均須本著公平合理的態度對待，一經發現，將給予警告，甚至予以解僱。任何不當行為將上報人力及行政部門。本年度，並無發現情節嚴重的不當行為。

僱員薪資、加班工資及相關福利不得少於當地政府的最低規定。一般僱員的正常工作時間通常為每天8小時，每週40小時。工作時間乃經參考中國勞動法規定綜合計算。

### 遵守相關法律及法規

本集團並不知悉任何不遵守中華人民共和國勞動法、中華人民共和國勞動合同法、工資支付暫行條例及相關法律及法規而具有有關本年度本集團賠償及解僱、招聘及晉升、工作時數、休息時間、平等機會、多元化、反歧視及其他權益及福利的影響。

本年度並不知悉呈報導致重大罰款或處罰的法律不合規。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### HEALTH AND SAFETY

The Group adopts non-discriminatory employment practices and provides a healthy and safe workplace. All employees are strictly required to follow the operating procedures, which include but not limited to (i) pay attention to whether there is a dangerous work situation, if found, should immediately report to the superior; (ii) use both hands to handle the carts; (iii) use a ladder or chair to take items from a height or ask for colleagues to help; (iv) erase the slippery or oily working areas immediately in order to prevent slipping; (v) do not use damaged machines or appliances to avoid accidents; (vi) maintain a variety of tools and safety equipment; and (vii) strictly enforce the industry norms and professional operation.

Smoking is prohibited in all indoor areas of the Four Hotels. First aid, fire extinguishing, evacuation, leakage and escape exercises are regularly performed. Two fire drills were conducted in the Year for the Four Hotels.

For electrical works, the Four Hotels have employed electrical technicians who have valid licences granted by relevant government officials.

### Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Law of the People's Republic of China on Work Safety, Regulations on Work-Related Injury Insurance of the People's Republic of China and other applicable laws and regulations that has a significant impact on the Group relating to provide a safety working environment and protecting employees from occupational hazards in the Year.

No non-compliance with law that resulted in significant fines or sanctions had been reported in the Year.

### DEVELOPMENT AND TRAINING

The Group has been committed to providing on-the-job training of its employees in order to enhance their knowledge and skills. All employees are encouraged to enhance their skills and knowledge at every opportunity in order to perform their current job more efficiently and effectively and to be better prepared for career opportunities which may arise. During the Year, quarterly training courses were provided to the employees including but not limited to customer check-in and check-out procedures, room services techniques, disinfection techniques for hotel rooms, fire safety, handling customers' complaint, handling of items left by customers and so on. The employees participated actively in the training courses. For certain external training courses recommended by the Group, such fees of training course are borne by the Group in accordance with the specific guidelines of reimbursement stated in the employee handbook.

### 健康與安全

本集團採用非歧視僱傭常規並提供健康安全的工作場所。所有僱員均須嚴格遵守經營程序，包括但不限於(i)留意工作中是否存在危險情況，一經發現，應立即向上級部門報告；(ii)雙手推車；(iii)利用梯子或椅子從高處拿取物件或請求同事幫助；(iv)即時清除濕滑或油膩工作區域，防止滑倒；(v)禁止使用損壞機器或電器，避免事故發生；(vi)維持各種工具及安全設備；及(vii)嚴格執行行業規範及專業操作。

四間酒店所有室內區域禁止吸煙。定期安排急救、消防、疏散、洩漏及逃生演習。四間酒店於本年度進行兩次消防操練。

電器工程方面，四間酒店已僱用電器技術人員，彼等均獲相關政府部門授予有效許可證。

### 遵守相關法律及法規

本集團並不知悉任何不遵守中華人民共和國安全生產法、中華人民共和國工傷保險條例及相關法律及法規而具有有關於本年度本集團提供安全工作環保及保護僱員免受職業傷害的重大影響。

本年度並無呈報導致重大罰款或處罰的法律不合規。

### 發展及培訓

本集團承諾為其僱員提供在職培訓，以提高彼等的知識和技能。本集團鼓勵所有僱員抓緊每一個機會提升技能及知識，以更有效及高效執行當前的工作，及做好準備迎接職業機遇。於本年度，本集團向其僱員提供季度培訓課程，包括但不限於客戶入住和退房程序，客房服務技巧，酒店客房消毒技術，消防安全，客戶投訴處理，客戶遺漏物品處理等。僱員積極參與培訓課程。有關本集團建議的若干外部培訓課程，該等培訓課程的費用則由本集團根據僱員手冊中所述的具體補償指引承擔。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

For recreation activities, the Group often organises a variety of physical and mental health or sports activities, such as various sports competitions, outdoor picnic and employees' birthday party.

### LABOUR STANDARDS

The Group fully understands that the exploitation of child and forced labour are universally condemned, and therefore take the responsibility against child and forced labour very seriously. The Group complies with all laws and regulations against child labour and forced labour strictly for the Four Hotels.

For entry registration, all employees must present valid documents and copies to the Group as follows: (i) identity card, academic proof such as diploma or degree certificate, title certificate, vocational qualification certificate, English grade certificate; (ii) social security card; (iii) medical or health certificate; (iv) recent photos; and (v) other relevant information and documents required by the Group. The above procedures can ensure no child labour will be employed in the hotel operations.

All Employees are entitled to have sick leave, injury leave and maternity leave with medical proof in accordance with the Labour Law of PRC. In addition, all employees work normally 8 hours daily and are not encouraged to work overtime. But if overtime work is required, the relevant employees and superior will agree mutually in written form. The compensation for overtime work is in accordance with the provisions of Labour Law of PRC.

### Compliance with relevant laws and regulations

The Group is not aware of any non-compliance with the Labour Law of the People's Republic of China, Provisions on the Prohibition of Using Child Labour, Protection of Minors of the People's Republic of China and other applicable laws and regulations relating to preventing child or forced labour on the Group in the Year.

No non-compliance with law that resulted in significant fines or sanctions had been reported in the Year.

### SUPPLY CHAIN MANAGEMENT

The Group has set up strict supply chain management system to ensure high quality of service to our hotel customers. Specific attentions have been paid to promote the health and safety consumables and services of the Four Hotels.

娛樂活動方面，本集團經常組織各種身心健康活動或體育活動，例如各種體育比賽、戶外野餐及僱員生日會等。

### 勞工準則

本集團深知僱用童工及強制勞工嚴重違反普世價值觀，因此竭力反對一切僱用童工及強制勞工的行為。本集團的四間酒店遵守禁用童工及強制勞工的所有法律及法規。

為進行登記，所有僱員須向本集團提交以下有效文件及副本：(i)身份證、文憑或學位證書等學歷證明、職稱證書、職業資格證書、英語等級證書；(ii)社會保險卡；(iii)醫療或健康證明；(iv)近期相片；及(v)本集團所需之其他相關資料及文件。上述程序可確保在酒店營運不會僱用童工。

根據中國勞動法，所有員工有權享有帶有醫療證明的病假、工傷假及產假。此外，所有員工每天正常工作8小時，不鼓勵加班。倘需要加班工作，相關僱員及上司將雙方書面同意。加班補償符合中國勞動法的規定。

### 遵守相關法律及法規

本集團並不知悉任何不遵守有關本年度本集團防止童工及強制勞工的中華人民共和國勞動法、禁止使用童工規定、中華人民共和國未成年人保護法及相關法律及法規。

本年度並無呈報導致重大罰款或處罰的法律不合規。

### 供應鏈管理

本集團已建立嚴格的供應鏈管理系統，確保向酒店客戶提供高質量的服務，並特別注重加強四間酒店的衛生及消耗品的安全性，並提升服務質量。

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

The Group adheres to the principle of transparency and implements the values of honesty, integrity and fairness in the supply chain management. When selecting suppliers, the Group takes into account the factors such as quality of services and products, past performance and reputation of the suppliers. When dealing with suppliers of goods and services, the approval procedures are in place to ensure that supplier engagements are monitored and approved by the appropriate level of management. The Group expects major suppliers to observe the same environmental, social, health and safety and governance policies in their operating practices as those adopted by the Group.

The major suppliers for hotel operations are supply of bottles of water, washing of bed linings and pest control. For drinking water provided to customers, the Group places orders to acquire bottles of water from a well-known brand which has a series of green production procedures. For washing of bed linings, the Group requires the supplier to provide hygiene licence and environmental protection certificate prior to placing any order. For pest control, the Group requires the supplier to use pest control materials or consumables which fulfil the required standards of local laws and regulations.

### PRODUCT RESPONSIBILITY

A high priority for the Group is to ensure customer satisfaction in terms of our products and services. Strenuous efforts are made to ensure compliance with the laws and regulations relating to product health and safety, advertising, labelling and privacy matters of the jurisdictions in which we operate. The Group requires its employees to comply with applicable governmental and regulatory laws, rules, codes and regulations.

The Group deals with lots of private and confidential information of its hotel customers. Hence, the Group has set up strict code of conduct requirements for their employees. In addition, the employees are required to maintain all reasonable methods to safeguard the information of the Group and the customers as stated in employee handbook and working practices.

As mentioned above, smoking is prohibited in all indoor areas of the Four Hotels. First aid, fire extinguishing, evacuation, leakage and escape exercises are regularly performed. Daily hotel room cleaning services and regular hygiene inspection are maintained from time to time. If a customer complains on initially assigned hotel room, the front line staff will arrange another hotel room until it is satisfied by the customer.

在供應鏈管理方面，本集團秉持透明、誠實、正直及公平的原則。本集團在甄選供應商時會考慮多項因素，如服務及產品質素、過往表現及供應商聲譽。本集團在採用貨品及服務供應商時執行審批程序以確保供應商委聘受到適當的管理層監控與審批。本集團要求主要供應商於其經營常規中在環境、社會、健康、安全以及企業管治方面採納與本集團一致的標準。

酒店營運的主要供應商為供應瓶裝水、洗滌床套和蟲害防治。客戶飲用水供應方面，本集團向知名品牌(擁有一系列綠色生產程序)下達訂單採購瓶裝水。洗滌床套方面，本集團於下達任何訂單前要求供應商提供衛生許可證和環境保護證書。在蟲害防治方面，本集團要求供應商使用符合本地法律法規要求的防蟲材料或消耗品。

### 產品責任

確保顧客滿意我們的產品和服務是本集團的重要宗旨。我們致力確保本集團在產品健康、安全、廣告、標籤以及私隱權方面遵守我們經營所在地的法律和法規。本集團亦要求員工遵守相關的政府規定、法律、規則、守則及規例。

本集團業務接觸大量酒店客戶私密資料。因此，本集團制定嚴格的員工行為守則。此外，我們要求員工按照員工手冊及工作準則要求採取一切合理方法對本集團及客戶資料保密。

誠如上文所述，四間酒店所有室內區域嚴禁吸煙。急救、消防、疏散、洩漏及逃生演練定期舉行。日常酒店客房清潔服務及常規衛生檢查按部就班開展。如客戶對原先安排的客房不滿意，當班人員會安排更換另一間客房，直至客戶滿意。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Patent Law of the People's Republic of China and other applicable laws and regulations that has a significant impact relating to health and safety, labelling and privacy matters relating to products and services provided and methods of redress on the Group in the Year.

No significant fines had been reported in the Year.

### ANTI-CORRUPTION

Corruption, bribery, extortion, fraud and money laundering in any form are strictly prohibited. The Group's anti-corruption policies set out standards of conduct to which all employees are required to adhere in order to promote the integrity environment in the workplace. Any employee is prohibited from giving and accepting of advantages, by using the excuse of work or the authority granted from the Group. The advantages include but not limited to money, gifts, loans, rewards, contracts, services and entertainment.

All employees are required to strictly follow the guidelines stated in the employee handbook, which includes but is not limited to (i) protection of customer information, business decision and private documents; (ii) report and contribute to the Group for any gifts, commission, rebate exceeding RMB100; (iii) prohibit to use the name or authority of the Group for personal benefit; and (iv) prohibit to negotiate business separately such as signing of contract, purchase of equipment or goods without obtaining approval from relevant superiors.

The Group encourages the reporting of dishonest acts by the employees. The human resources department may terminate the employment contract with the employee who carries out dishonest acts as stated in the employee handbook. The content of the complaint should be clear to the fact that it is forbidden to fabricate the facts without any factual basis or vent their anger. The criteria for a valid complaint includes (i) the individual is unfairly treated in which relevant superior handling of the problem is not fair, abuse of power or combat retaliation; and (ii) the behaviour of individual causes damage to the interests of the Group. All employees can raise their complaint by putting a written letter into a complaint box located at reception of the hotel, by mail to human resources department or even by verbal presentation.

### 遵守相關法律及法規

本集團並不知悉任何重大不遵守中華人民共和國專利法及相關法律及法規而具有有關本年度本集團所提供產品及服務的健康及安全、標籤及私隱事宜以及糾正方法的重大影響。

本年度並無呈報重大罰款。

### 反貪污

任何形式的腐敗、賄賂、勒索、舞弊或洗黑錢行為一律嚴令禁止。本集團的反貪污政策訂有明確行為準則，並要求全體員工嚴格遵守，以營造公正的職場環境。所有員工嚴禁利用工作便利或本集團授予的權力提供或收受利益，包括但不限於現金、禮品、貸款、獎勵、合約、服務及款待。

全體員工須嚴格遵守員工手冊規定的守則，包括但不限於(i)對客戶資料、商業決策及私密檔案保密；(ii)將任何超過人民幣100元的禮品、佣金、返利上報並交還本集團；(iii)禁止使用本集團名義或權力謀取私利；及(iv)禁止在未經上級批准的情況下私下進行商業談判，例如簽訂合同、採購設備或商品等。

本集團鼓勵舉報員工舞弊行為。人事部有權終止行為不檢(如僱員手冊所述)員工的僱傭合同。舉報內容應有理有據，嚴禁憑空捏造事實或純粹發洩怨憤。有效舉報應符合以下標準(i)個人因有關上司處理問題偏倚、濫用職權或報復而受到不公正對待；及(ii)個人行為損害本集團利益。所有員工可通過向酒店前台的舉報信箱投遞書面函件、向人事部寫信或口頭面陳等形式進行舉報。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the Anti-Unfair Competition Law of the People's Republic of China and other applicable laws and regulations that has a significant impact on the issuer relating to bribery, extortion, fraud and money laundering in the Year.

There was no legal case concerning corruption brought against the Group or its employees in the Year.

### COMMUNITY INVESTMENT

The Group is committed to creating sustainable prosperity that brings long-term social and economic benefits for all stakeholders, particularly to maintain the relationship with interest groups which are relevant to business operation. This is realised by first meeting the needs of the hotel employees and then further extending the caring and services to their families and to the surrounding community.

Although the Group has not established and documented a specific community policy, social care is deep-seated in the Group's corporate culture. Employees are encouraged to participate in various charitable events and community service.

### 遵守相關法律及法規

本集團並不知悉任何重大不遵守中華人民共和國反不正當競爭法及相關法律及法規而具有對發行人有關本年度賄賂、勒索、欺詐及洗黑錢的重大影響。

本年度並無對本集團或其僱員有關貪污的法律案件。

### 社區投資

本集團致力創造可持續繁榮為所有持份者帶來長期社會及經濟利益，尤其維持與業務營運相關的利益團體的關係，需首先滿足酒店僱員的需求，隨後進一步延伸關懷及服務至彼等家庭及周圍社區。

儘管本集團並未建立及記錄特定社區政策，但社會關懷深深植根於本集團的企業文化。本集團鼓勵僱員參與不同慈善活動及社區服務。

# Report of the Directors

## 董事會報告

The Directors of the Company (the “Directors”) are pleased to submit their report together with the audited consolidated financial statements of the Company, and its subsidiaries (collectively the “Group”) for the year ended 31 December 2018.

### BUSINESS REVIEW

Details of business review are set out in the “Chairman’s Statement” on pages 5 to 6 and the section of “Management Discussion and Analysis” on pages 7 to 18.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in hotel operations and hotel consultations and management services and other related business. The Group is also involved in the money lending business. The foregoing discussions form parts on the business review as contained in this Report of the Directors.

### SEGMENT INFORMATION

An analysis of the Group’s performance for the Year by business segments is set out in Note 6 to the consolidated financial statements.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated financial statements on page 77 of this annual report. The Directors do not recommend payment of any dividend in respect of the year ended 31 December 2018.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Year are set out in Note 15 to the consolidated financial statements.

### PROPERTIES

The Group did not own any major property or property interests as at 31 December 2018.

### SHARE CAPITAL

Details of the movements in the Company’s share capital during the Year are set out in Note 28 to the consolidated financial statements.

本公司董事(「董事」)欣然呈報其報告以及本公司及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日止年度的經審核綜合財務報表。

### 業務回顧

業務回顧的詳情載於第5至6頁之「主席報告」及第7至18頁之「管理層討論及分析」一節。

### 主要業務

本公司之主要業務為投資控股。本集團主要從事酒店營運及提供酒店顧問與酒店管理服務等相關業務。本集團亦有從事放債人業務。於本董事會報告之內容構成業務回顧之部分內容。

### 分部資料

本集團年內按業務分部劃分之業績分析載於綜合財務報表附註6。

### 業績及股息

本集團截至二零一八年十二月三十一日止年度的業績載於本年報第77頁之綜合財務報表。董事不建議派付截至二零一八年十二月三十一日止年度之任何股息。

### 物業、廠房及設備

本集團之物業、廠房及設備於本年度的變動詳情載於綜合財務報表附註15。

### 物業

於二零一八年十二月三十一日，本集團並無任何主要物業或物業權益。

### 股本

本公司股本於本年度的變動詳情載於綜合財務報表附註28。

# Report of the Directors

## 董事會報告

### DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company had no reserve available for distribution to shareholders including share premium account and accumulated losses.

### RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in Note 30 to the consolidated financial statements and in the consolidated statement of changes in the equity on page 81 respectively.

### TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

### PRE-EMPTIVE RIGHTS

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

### MAJOR CUSTOMERS AND SUPPLIERS

The diversity and nature of the Group's activities are such that the percentage of sales attributable to the Group's five largest customers was approximately 54.6% (2017: 23.8%) of the total and the percentage of sales attributable to the Group's largest customer was approximately 21.0% (2017: 10.8%) and the Directors do not consider any one customer to be influential to the Group.

The main suppliers of the Group comprise of suppliers of disposable amenities, bed linings cleaning, laundry services, supply of bottles of water and pest control. For the financial year ended 31 December 2018, the Group's five largest suppliers in aggregate accounted for approximately 33.5% (2017: 50.0%) of the total purchases and purchases from the largest supplier accounted for approximately 13.6% (2017: 28.6%) of total purchases.

None of the Directors, their close associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers or five largest suppliers during the financial year ended 31 December 2018.

### 可供分派儲備

於二零一八年十二月三十一日，本公司並無可供分派予股東之儲備包括股份溢價賬加保留虧損。

### 儲備

本公司及本集團之儲備於本年度的變動詳情分別載於綜合財務報表附註30及第81頁之綜合權益變動表。

### 稅務寬免及豁免

董事並不知悉股東因持有本公司證券可獲任何稅務寬免及豁免。

### 優先購買權

本公司組織章程細則或開曼群島法例並無有關優先購買權的條文，規定本公司須按比例向現有股東提呈發售新股。

### 主要客戶及供應商

由於本集團業務多元化及其性質關係，本集團五大客戶佔本集團銷售的比率約為54.6%（二零一七年：23.8%），而最大客戶佔本集團銷售的比率為約21.0%（二零一七年：10.8%）。董事認為，並無任何單一客戶對本集團有重要影響。

本集團主要的供應商包括提供一次性消耗品、床套清潔、洗衣服務以及供應瓶裝水及進行蟲害防治的供應商。截至二零一八年十二月三十一日止財政年度，本集團五大供應商合共佔採購總額約33.5%（二零一七年：50.0%），而向最大供應商的採購則佔採購總額約13.6%（二零一七年：28.6%）。

截至二零一八年十二月三十一日止財政年度，概無董事、彼等之緊密聯繫人或任何本公司股東（據董事所深知，擁有本公司已發行股本5%以上者）於本集團的五大客戶或五大供應商擁有任何權益。

# Report of the Directors

## 董事會報告

### BANK LOANS AND OTHER BORROWINGS

As at 31 December 2018, the Group had borrowings of principal amount of HK\$13,800,000 (2017: HK\$16,500,000) from China Medical, Former Controlling Shareholder. The borrowings are unsecured, interest-free and repayable on 1 June 2020. In addition, as at 31 December 2018, the Group had a borrowing of principal amount of HK\$10,000,000 from Hehui, Current Controlling Shareholder. The borrowing is unsecured, interest-free and repayable on demand. Save for the borrowings, the Group did not have any outstanding bank borrowings (2017: Nil).

Moreover, on top of the above borrowings, Hehui has also made available a credit facility up to the amount of HK\$350,000,000 to the Company under substantially the same terms with the Current Controlling Shareholder's Borrowing under which the Company may request for drawdown at any time prior to 15 November 2021 and any borrowing made will be unsecured and interest-free. As at 31 December 2018, credit facility of amount of HK\$340,000,000 is available for use.

### INTEREST CAPITALISATION

The Group had nil capitalised interest during the year ended 31 December 2018 (2017: HK\$1,349,160).

### GROUP FINANCIAL SUMMARY

A summary of the results of the Group for year ended 31 December 2018 is set out on page 163 of this annual report.

### 銀行借貸及其他借款

於二零一八年十二月三十一日，本集團擁有來自中華醫學（前控股股東）之借款本金額 13,800,000 港元（二零一七年：本金額 16,500,000 港元）。借款為無抵押、免息及應於二零二零年六月一日償還，此外，於二零一八年十二月三十一日，本集團擁有來自 Hehui（現任控股股東）之借款本金額 10,000,000 港元。借款為無抵押、免息及按要求隨時償還。除此之外，本集團並無任何未償還銀行借款（二零一七年：無）。

此外，除上述股東借款外，Hehui 亦已根據與現任控股股東借款大致相同的條款向本公司提供金額最多為 350,000,000 港元的信貸融資額度，可由本公司於二零二一年十一月十五日前隨時要求提取，其提取的借款則為無抵押及免息的。於二零一八年十二月三十一日，尚餘 340,000,000 港元的信貸融資額度可用。

### 利息資本化

截至二零一八年十二月三十一日止年度，本集團並無擁有資本化利息（二零一七年：1,349,160 港元）。

### 本集團財務概要

本集團截至二零一八年十二月三十一日止年度的業績概要載於本年報第 163 頁。

# Report of the Directors

## 董事會報告

### DIRECTORS

The Directors of the Company during the Year and up to the date of this report were:

#### *Executive Directors:*

Mr. Ye Shusheng  
Mr. Huang Yun (Resigned with effect from 6 September 2018)  
Mr. Dai Lifeng (Resigned with effect from 6 September 2018)  
Mr. Min Zhi Dong (Resigned with effect from 1 March 2018)

#### *Non-executive Directors*

Mr. Yuan Fuer (Chairman)  
(Appointed with effect from 15 August 2018)  
Mr. Hu Xinglong  
(Appointed with effect from 15 August 2018)  
Mr. Lu Zefeng (Resigned with effect from 6 September 2018)

#### *Independent Non-executive Directors*

Mr. Wu Jilin  
(Appointed with effect from 15 August 2018)  
Mr. Du Hongwei  
(Appointed with effect from 15 August 2018)  
Ms. Li Zhou  
(Appointed with effect from 15 August 2018)  
Mr. Cheng Chai Fu (Resigned with effect from 6 September 2018)  
Mr. Tso Hon Sai Bosco (Resigned with effect from 6 September 2018)  
Mr. Wong Yiu Kit Ernest (Resigned with effect from 6 September 2018)

Mr. Min Zhi Dong resigned as an executive Director with effect from 1 March 2018. Mr. Huang Yun and Mr. Dai Lifeng resigned as executive Directors with effect from 6 September 2018. Mr. Lu Zefeng resigned as a non-executive Director with effect from 6 September 2018. Mr. Cheng Chai Fu, Mr. Tso Hon Sai Bosco and Mr. Wong Yiu Kit Ernest resigned as independent non-executive Directors with effect from 6 September 2018. Mr. Min Zhi Dong, Mr. Huang Yun, Mr. Dai Lifeng, Mr. Lu Zefeng, Mr. Cheng Chai Fu, Mr. Tso Hon Sai Bosco and Mr. Wong Yiu Kit Ernest have confirmed that they have no disagreement with the Board and they are not aware of any matter regarding their resignation that need to be brought to the attention of the shareholders of the Company. The Board would like to express its sincere gratitude to Mr. Min Zhi Dong, Mr. Huang Yun, Mr. Dai Lifeng, Mr. Lu Zefeng, Mr. Cheng Chai Fu, Mr. Tso Hon Sai Bosco and Mr. Wong Yiu Kit Ernest for their valuable contributions to the Company during their tenure of office.

The terms of office of each Director are subject to retirement by rotation in accordance with the Company's Articles of Association.

### 董事

於本年度直至本報告日期，本公司之董事如下：

#### *執行董事：*

叶樹生先生  
黃雲先生(自二零一八年九月六日起辭任)  
戴立峰先生(自二零一八年九月六日起辭任)  
閔志東先生(自二零一八年三月一日起辭任)

#### *非執行董事：*

袁富兒先生(主席)  
(自二零一八年八月十五日起獲委任)  
胡性龍先生  
(自二零一八年八月十五日起獲委任)  
陸澤峰先生(自二零一八年九月六日起辭任)

#### *獨立非執行董事：*

吳吉林先生  
(自二零一八年八月十五日起獲委任)  
杜宏偉先生  
(自二零一八年八月十五日起獲委任)  
李舟女士  
(自二零一八年八月十五日起獲委任)  
鄭濟富先生(自二零一八年九月六日起辭任)  
曹漢璽先生(自二零一八年九月六日起辭任)  
黃耀傑先生(自二零一八年九月六日起辭任)

閔志東先生自二零一八年三月一日起辭任執行董事。黃雲先生及戴立峰先生自二零一八年九月六日起辭任執行董事。陸澤峰先生自二零一八年九月六日起辭任非執行董事。鄭濟富先生、曹漢璽先生及黃耀傑先生自二零一八年九月六日起辭任獨立非執行董事。閔志東先生、黃雲先生、戴立峰先生、陸澤峰先生、鄭濟富先生、曹漢璽先生及黃耀傑先生已確認彼等與董事會並無意見分歧，彼等亦不知悉有關彼等辭任的任何事項需提請本公司股東垂注。董事會謹此衷心感謝閔志東先生、黃雲先生、戴立峰先生、陸澤峰先生、鄭濟富先生、曹漢璽先生及黃耀傑先生於任職期間對本公司作出的寶貴貢獻。

各董事須根據本公司組織章程細則輪席退任。

## Report of the Directors 董事會報告

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and the senior management of the Group are set out from pages 19 to 22 of this annual report.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the 2018 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### PERMITTED INDEMNITY PROVISION

The service agreements entered into by the Company with each of the executive Directors, which are currently in force and were in force during the year ended 31 December 2018, contain indemnity provisions which are permitted indemnity provisions under section 467 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the benefit of the executive Directors. Pursuant to such provisions, the Company shall indemnify any executive Director against any liability attaching to him in connection with any legal proceedings in which he is involved by reason of being a Director, and in which the judgment is given in his favour or in which he is acquitted.

### TERMS OF OFFICE FOR THE INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive Directors were appointed for a specific term of three years, but subject to the relevant provisions of the Articles of Associations or any other applicable laws whereby the directors shall vacate or retire from their office.

### EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors of the Company and the five highest paid individuals of the Group are set out in Note 8 to the consolidated financial statements, respectively. Remuneration packages of the Directors are recommended by the Remuneration Committee and approved by the Board.

### 董事及高級管理層之履歷

本公司董事及本集團高級管理層之履歷詳情載於本年報第19至22頁。

### 董事之服務合約

本公司概無與任何擬於二零一八年股東週年大會上膺選連任之董事訂立不可由本公司於一年內終止而毋須作出賠償(法定賠償除外)之服務合約。

### 獲准許彌償條文

本公司與各執行董事訂立的服務協議(目前具有效力及於截至二零一八年十二月三十一日止年度內具有效力)就執行董事的利益載有彌償條文(為根據香港法例第622章公司條例第467條的獲准許彌償條文)。根據有關條文,倘任何執行董事因以董事身份涉及任何法律程序而附加任何責任,並獲判勝訴或無罪,則本公司應就任何該等責任彌償有關執行董事。

### 獨立非執行董事之任期

所有獨立非執行董事之指定任期為三年,惟董事的離任或退任須受組織章程細則或任何其他適用法例的有關條文所規限。

### 董事薪酬及五名最高薪酬人士

本公司董事之薪酬及本集團五名最高薪酬人士之詳情乃分別載於綜合財務報表附註8。董事之薪酬方案由薪酬委員會提出並由董事會審批。

## Report of the Directors 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

董事及主要行政人員於本公司及其  
相關法團股份、相關股份及債權證  
之權益及淡倉

As at 31 December 2018, so far as was known to the Directors, the following Director had interest in the shares of the Company as notified to the Company and the Stock Exchange pursuant to the Model Code and as recorded in the register required to be kept by the Company under section 352 of the SFO:

就董事所知，於二零一八年十二月三十一日，以下董事於本公司股份中擁有根據標準守則須知會本公司及聯交所及須登記於本公司根據證券及期貨條例第352條存置之登記冊之權益：

Name of Director	Capacity/Nature of interest	Number and class of shares	Approximately percentage of the issued share capital (Note 1) 佔已發行股本概約百分比(附註1)
董事姓名	身份／權益性質	股份數目及類別	
Yuan Fuer (Note 2)	Interest of a controlled corporation	321,580,510 shares	71.72%
袁富兒(附註2)	受控股法團之權益	321,580,510股	71.72%

Note 1: The approximate shareholding percentage is based on the number of shares in issue as at 31 December 2018 of 448,363,708.

附註1：概約股權百分比乃基於二零一八年十二月三十一日已發行股份448,363,708股。

Note 2: These 321,580,510 shares were registered in the name of Hehui. Mr. Yuan Fuer held the entire issued share capital of Hehui and was deemed to be interested in the 321,580,510 shares in which Hehui was interested pursuant to the SFO.

附註2：該321,580,510股股份是以Hehui的名下登記的。袁富兒先生擁有Hehui全部已發行股份，因此彼根據證券及期貨條例被視為擁有Hehui擁有之321,580,510股股份權益中之權益。

Save as disclosed above, as at 31 December 2018, so far as was known to the Directors, none of the Directors and the chief executive of the Company had any interest or short position 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) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，就董事所知，於二零一八年十二月三十一日，概無本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、相關股份或債權證內擁有須登記於本公司根據證券及期貨條例第352條存置之登記冊或根據標準守則須知會本公司及聯交所的任何權益及淡倉。



## Report of the Directors 董事會報告

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2018, so far as was known to the Directors, the following substantial shareholders (as defined in the Listing Rules) of the Company, not being Directors or the chief executive of the Company, had interests in the shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

### 主要股東及其他人士於本公司股份、相關股份及債權證之權益及淡倉

就董事所知，於二零一八年十二月三十一日，以下本公司主要股東(定義見上市規則)(並非本公司董事或主要行政人員)於股份中擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益：

Name 姓名	Capacity 身份	Number of shares 股份數目	Aggregate percentage of Shareholding (Note 1) 總股權百分比 (附註1)
Hehui	Beneficial owner 實益擁有人	321,580,510	71.72%
Chen Hui (Note 2) 陳輝(附註2)	Interest of a controlled corporation 受控制法團之權益	35,740,071	7.97%

Note 1: The approximate shareholding percentages are based on the number of shares in issue as at 31 December 2018 of 448,363,708.

附註1：概約股權百分比乃基於二零一八年十二月三十一日已發行股份448,363,708股。

Note 2: As disclosed in "Form 1 – Individual Substantial Shareholder Notice" filed by Mr. Chen Hui on 20 February 2018, Mr. Chen Hui controls 100% of the shares in 智眾開曼, which in turn controls 100% of the shares in CHINA DRAGON ASIA CHAMPION FUND SERIES SPC, and 智眾開曼 and CHINA DRAGON ASIA CHAMPION FUND SERIES SPC each holds interests in 35,740,071 shares of the Company directly.

附註2：誠如陳輝先生於二零一八年二月二十日於「表格1—個人大股東通知」之披露，陳輝先生擁有智眾開曼100%之股權，而智眾開曼則擁有CHINA DRAGON ASIA CHAMPION FUND SERIES SPC之100%股權，因此，智眾開曼及CHINA DRAGON ASIA CHAMPION FUND SERIES SPC各直接持有本公司35,740,071股股份。

Save as disclosed above, as at 31 December 2018, so far as was known to the Directors, no other person (not being a Director or the chief executive of the Company) had any interest or short position in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

除上文所披露者外，就董事所知，於二零一八年十二月三十一日，概無其他人士(並非本公司董事或主要行政人員)於股份或相關股份中擁有須登記於本公司根據證券及期貨條例第336條存置之登記冊之權益或淡倉。

# Report of the Directors

## 董事會報告

### DIRECTORS' INTERESTS IN A COMPETING BUSINESS

Mr. Yuan Fuer, a non-executive Director of the Company, is the ultimate beneficial controlling shareholder of Shenzhen Hazens. Shenzhen Hazens is principally engaged in property development and property management services business and holds interests in several hotels which are located in the United States of America and managed by multinational hotel management groups through its subsidiaries. Given that the hotel business of Shenzhen Hazens and its subsidiaries is not conducted in the target markets of the Group or places where the Group has existing and ongoing business operations, and that the majority of the members of the Board are independent and not connected with the boards of Shenzhen Hazens and its subsidiaries, the Group is capable of and has been operating independently of, and at arm's length from the business of Shenzhen Hazens and its subsidiaries, no competition is considered to exist during the Year.

Save as disclosed in the above and the section headed "Biographical Details of Directors and Senior Management", for the year ended 31 December 2018 and up to the date of this report, the Directors are not aware of any business or interest of the Directors, the management of the Company and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the sections headed "Connected Transactions" and "Continuing Connected Transactions" below and in note 33 to the financial statements and those exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules, there was no

- (1) transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party in which any Director or any entity connected with any Director is or was materially interested, either directly or indirectly;
- (2) contract of significance between the Company, or any of its subsidiaries, and any of the Company's controlling shareholders or their subsidiaries; or
- (3) contract of significance for the provision of services to the Company, or any of its subsidiaries, by any of the Company's controlling shareholders or their subsidiaries

subsisting during or at the end of the financial year.

### 董事於競爭業務之權益

袁富兒先生(本公司一位非執行董事)為深圳合正之最終實益控股股東，深圳合正主要從事物業開發及物業管理服務業務並透過其子公司於美國擁有幾家由國際酒店管理集團所經營的酒店的權益。由於深圳合正及其子公司的管理酒店業務，並不在本集團現有或將有之業務的市場範圍及地區進行，而且董事會大部分成員與深圳合正及其子公司之董事會並無關連，關係獨立，因此，本集團有能力及一直獨立於深圳合正及其子公司經營，而且經營方式是按公平交易原則進行的，於本年度不存在任何競爭。

除上述所提及及於「董事及高級管理層之履歷詳情」披露外，截至二零一八年十二月三十一日止年度及直至本報告日期，董事概不知悉董事、本公司管理層及彼等各自的聯繫人(定義見上市規則)之任何業務或權益與本集團的業務出現或可能出現競爭，亦不知悉任何該等人士已經或可能與本集團出現任何其他利益衝突。

### 董事於合約中的權益

除下文「關連交易」及「持續關連交易」兩節及財務報表附註33披露者及獲豁免遵守上市規則項下申報、年度審閱、公告及獨立股東批准規定者外，概無

- (1) 本公司或其任何附屬公司為其中一方且與本集團業務有關的重要交易、安排或合約，任何董事或與任何董事有關連的任何實體，(不論直接或間接)於其中擁有重大權益的；
- (2) 本公司或其任何附屬公司與本公司任何控股股東或彼等附屬公司之間的重要合約；或
- (3) 就本公司任何控股股東或彼等附屬公司向本公司或其任何附屬公司提供服務的重要合約

於財政年度期間或財政年度末仍然存續。

# Report of the Directors

## 董事會報告

### 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 acquisitions of shares or debentures of, the Company or any other body corporates.

### MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company which was not contract of service with Directors or persons engaged in the full-time employment of the Company was entered into or existed during the year under review.

### CONNECTED TRANSACTIONS

The related party transactions set out in note 33 (other than note 33(c)) to the consolidated financial statements constituted connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Company has complied with all applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of such transactions.

On 2 June 2017, 28 August 2017 and 28 December 2017, Former Controlling Shareholder, China Medical, advanced shareholder's borrowings ("Former Controlling Shareholder's Borrowings") in the amount of HK\$6,000,000, HK\$5,500,000 and HK\$5,000,000 respectively, to the Company which is on normal commercial terms or better to the Group. Such Former Controlling Shareholder's Borrowings are all for a term of 3 years and carry interest at the rate of 8% per annum and are unsecured. During the Year, the Company repaid HK\$2,700,000 regarding the above Former Controlling Shareholder's Borrowings. As at 30 June 2018, the Group signed an agreement with the Former Controlling Shareholder, pursuant to which, borrowing interest for the period from 2 June 2017 to 30 June 2018 and interest payable commencing from 1 July 2018 are waived.

Moreover, on 28 August 2017, on top of the above Former Controlling Shareholder's Borrowings, China Medical has also made available a credit facility up to amount of HK\$20,000,000 to the Company under substantially the same terms with the Former Controlling Shareholder's Borrowings under which the Company may request for drawdown at any time prior to 31 March 2018.

### 購買股份或債權證的安排

本公司或其任何附屬公司於年內任何時間概無訂立任何安排，以使董事可透過收購本公司或任何其他法團之股份或債權證而獲益。

### 管理合約

於回顧年度內，本公司概無訂立或訂有任何有關管理與經營本公司全部或任何重大部分業務之合約（並非與本公司董事或全職受僱的人士訂立的服務合約）。

### 關連交易

載列於綜合財務報表附註33(除附註33(c)外)的關聯方交易或持續關連交易構成本公司根據上市規則第14A章的關連交易。本公司就該等交易已遵守根據上市規則第14A章所有適用的披露要求。

於二零一七年六月二日、二零一七年八月二十八日及二零一七年十二月二十八日，前控股股東中華醫學按一般商業條款或更有利於本集團的條款，向本公司墊付金額分別為6,000,000港元、5,500,000港元及5,000,000港元的股東借款（「前控股股東借款」）。該前控股股東借款均為期三年並按年利率8%計息及無抵押的。於本年內，本公司就上述借款已償還2,700,000港元。於二零一八年六月三十日，本集團與前控股股東簽訂協議，根據該協議，於二零一七年六月二日至二零一八年六月三十日期間及自二零一八年七月一日起的應付利息將獲豁免。

另外，於二零一七年八月二十八日，除上述前控股股東借款外，中華醫學亦已根據與前控股股東借款大致相同的條款向本公司提供金額最多為20,000,000港元的信貸融資額度，並可由本公司於二零一八年三月三十一日前隨時要求提取。

## Report of the Directors 董事會報告

On 16 November 2018, Current Controlling Shareholder, Hehui, has made available a credit facility up to amount of HK\$350,000,000 to the Company (“Current Controlling Shareholder’s Credit Facility”) on normal commercial terms or better to the Group. The borrowings drawn under the Current Controlling Shareholder’s Credit Facility shall be repayable on the date as set out in the individual borrowing agreements and are interest-free and unsecured. The Company may request for drawdown at any time prior to 15 November 2021.

On 4 December 2018, the Company request drawdown of borrowings from Hehui under the Current Controlling Shareholder’s Credit Facility in the amount of HK\$10,000,000 (“Current Controlling Shareholder’s Borrowings”). Such Current Controlling Shareholder’s Borrowings are repayable on demand, interest-free and unsecured.

### CONTINUING CONNECTED TRANSACTIONS

During the year under review, the Group has conducted the following continuing connected transactions which were required to be disclosed pursuant to Rule 14A.71 of the Listing Rules.

On 1 January 2018, Huizhou Hazens East Resort Travel Services Limited (“Huizhou Hazens”) and Huidong Xinghui Construction Limited (“Huidong Xinghui”) entered into the agreement (the “Lease-and-operate Agreement A”) in relation to the leasing and the grant of the operation and management rights of a property located in Huizhou, Guangdong consisting of 188 apartments with a total usable area of 11,868.46 square metres (“Property A”) by Huidong Xinghui to Huizhou Hazens for a term commencing on 1 January 2018 and ending on 31 December 2027. On 1 April 2018, Huizhou Hazens and Huidong Xinghui entered into the agreement (the “Lease-and-operate Agreement B”) in relation to the leasing and the grant of the operation and management rights of a property located in Huizhou, Guangdong consisting of 184 apartments with a total usable area of 13,032 square metres (“Property B”) by Huidong Xinghui to Huizhou Hazens for a term commencing on 1 April 2018 and ending on 31 March 2020. It was intended that Property A and Property B would be operated and managed by Huizhou Hazens on a lease-and-operate basis collectively as one single resort hotel with a total of 372 rooms. As disclosed in the announcement of the Company dated 30 April 2018 in connection with the acquisition (the “Acquisition”) of the entire equity interests in Huizhou Hazens by the Company from Shenzhen Hazens Real Estate Group Limited (“Shenzhen Hazens”), the completion of the Acquisition took place on 30 April 2018, following which Huizhou Hazens has become a directly wholly owned subsidiary of the Company.

於二零一八年十一月十六日，現任控股股東 Hehui 向本公司提供金額最多為 350,000,000 港元的信貸額度（「現任控股股東信貸額度」），按一般商業條款或更有利於本集團的條款，根據現任控股股東信貸額度所提取的借款按各借款協議訂立還款日期還款並且是免息及無抵押的，並可由本公司於二零二一年十一月十五日前隨時要求提取。

於二零一八年十二月四日，本公司就現任控股股東信貸額度向 Hehui 提取借款，向本公司墊付金額為 10,000,000 港元的股東借款（「現任控股股東借款」），該股東借款為按要求隨時償還、免息及無抵押的。

### 持續關連交易

於回顧年度內，本集團訂立以下須就上市規則第 14A.71 條下所披露的持續關連交易。

於二零一八年一月一日，惠州合正東部灣旅遊服務有限公司（「惠州合正」）與惠東興匯城建有限公司（「惠東興匯」）就惠東興匯出租物業 A（物業 A 為位於廣東省惠州市的一所物業，由 188 間公寓組成，總可使用面積 11,868.46 平方米）予惠州合正並授予其物業 A 的經營和管理權，訂立租賃經營協議（「租賃經營協議 A」），為期由二零一八年一月一日開始至二零二七年十二月三十一日止。於二零一八年四月一日，惠州合正與惠東興匯就惠東興匯出租物業 B（物業 B 為位於廣東省惠州市的一所物業，由 184 間公寓組成，總可使用面積 13,032 平方米）予惠州合正並授予其物業 B 的經營和管理權，訂立租賃經營協議（「租賃經營協議 B」），為期由二零一八年四月一日開始至二零二零年三月三十一日止。物業 A 及物業 B 擬由惠州合正以租賃及經營的形式視為單一渡假酒店（合共有 372 間房間）集體營運及管理。誠如本公司日期為二零一八年四月三十日內容關於收購事項（「收購」）之公告所披露，本公司已同意向深圳市合正房地產集團有限公司（「深圳合正」）收購惠州合正之全部股權，收購事項於二零一八年四月三十日完成，其後，惠州合正成為本公司之直接全資附屬公司。

## Report of the Directors 董事會報告

As disclosed in the joint announcements dated 25 July 2018 and 5 September 2018 respectively issued by Hehui as offeror and the Company as offeree in connection with, among others, the unconditional mandatory general cash offer for all the issued shares (other than those already owned or agreed to be acquired by Hehui and the parties acting in concert with it) (the “Offer”), on 18 July 2018, China Medical as vendor, Mr. Ding Yifan and Mr. Huang Yun as guarantors, and Hehui as purchaser entered into the agreement pursuant to which Hehui agreed to purchase from China Medical 269,019,010 shares (“the Share Transfer”), representing approximately 60.00% of the entire issued share capital of the Company immediately following the completion of the Share Transfer. Pursuant to Rule 26.1 of the Takeovers Code, Hehui was required to make the Offer. Immediately upon the close of the Offer and as at the date of this report, Hehui beneficially owned 321,580,510 shares, representing approximately 71.72% of the issued share capital of the Company.

Following the completion of the Share Transfer which took place on 18 July 2018, Mr. Yuan Fuer (“Mr. Yuan”) has become a controlling shareholder of the Company. Huidong Xinghui, being a directly non-wholly owned subsidiary of Shenzhen Hazens, which was beneficially held as to approximately 79.76% by Mr. Yuan and his brother in aggregate as at the completion date of the Share Transfer, was an associate of Mr. Yuan. As such, as at the completion date of the Share Transfer, Huidong Xinghui was a connected person of the Company and the continuing transactions contemplated under the Lease-and-operate Agreement A and the Lease-and-operate Agreement B (collectively, “Lease-and-operate Agreements”) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Further details of the Lease-and-operate Agreements are set forth below.

### Lease-and-operate agreement A

#### Date

1 January 2018

#### Parties

- (1) Huidong Xinghui
- (2) Huizhou Hazens

誠如由Hehui(為要約人)及本公司(為受約人)就(其中包括)全部已發行股份(Hehui及其一致行動人士已擁有或同意收購者除外)之無條件強制性全面現金要約(「要約」)所刊發日期分別為二零一八年七月二十五日及二零一八年九月五日之聯合公告。於二零一八年七月十八日，中華醫學(為賣方)、丁一凡先生及黃雲先生(為擔保人)與Hehui(為買方)訂立買賣協議，據此，Hehui同意向中華醫學購買269,019,010股股份(「股份轉讓」)，佔本公司於緊隨股份轉讓完成後全部已發行股本約60.00%。根據收購守則規則26.1，Hehui須作出要約。緊隨要約截止後及於本報告日期，Hehui實益擁有321,580,510股股份，佔本公司已發行股本約71.72%。

於二零一八年七月十八日緊隨股份轉讓完成後，袁富兒先生(「袁先生」)成為本公司之控股股東。惠東興匯為深圳合正之一間直接非全資附屬公司，而深圳合正於股份轉讓完成日由袁先生及其胞兄合共最終實益持有約79.76%權益，故惠東興匯為袁先生之聯繫人。因此，由股份轉讓完成起，惠東興匯為本公司之關連人士及根據租賃經營協議A及租賃經營協議B(統稱「租賃經營協議」)擬進行之持續交易構成本公司於上市規則第14A章項下之持續關連交易。

租賃經營協議之更多詳情列載如下：

### 租賃經營協議A

#### 日期

二零一八年一月一日

#### 訂約方

- (1) 惠東興匯
- (2) 惠州合正

# Report of the Directors

## 董事會報告

### Principal terms

Pursuant to the Lease-and-operate Agreement A, Huidong Xinghui shall lease and grant the operation and management rights of Property A, to Huizhou Hazens for a term of 10 years commencing on 1 January 2018 and ending on 31 December 2027. Huizhou Hazens shall operate and manage Property A as resort apartments and be responsible for processing of customer bookings received, collecting room charges and other service charges from the customers, providing ancillary customer services, housekeeping, marketing and promotion and so on. Huizhou Hazens shall pay the following amounts to Huidong Xinghui during the term of the Lease-and-operate Agreement A:

### 主要條款

根據租賃經營協議A，惠東興匯將出租物業A予惠州合正並授予其物業A的經營和管理權，協議由二零一八年一月一日開始至二零二七年十二月三十一日止為期十年。惠州合正將以渡假公寓形式經營及管理物業A，並負責處理接獲的客戶預訂、向客戶收取房費及其他服務費、提供配套客戶服務、房務清潔、營銷及宣傳等。惠州合正將於租賃經營協議A的協議年內支付以下金額予惠東興匯：

Period 年期	Amount payable on annual basis (RMB) 每年應付金額(人民幣)
1 January 2018–31 December 2018 二零一八年一月一日至二零一八年十二月三十一日	Nil 零
1 January 2019–31 December 2022 二零一九年一月一日至二零二二年十二月三十一日	1,200,000 for the year ending 31 December 2019, with a 5% increase for every year afterwards based on the amount payable for the immediately preceding year 截至二零一九年十二月三十一日止年度為1,200,000元，之後每年根據上一年度應付的金額增加5%
1 January 2023–31 December 2027 二零二三年一月一日至二零二七年十二月三十一日	1,430,825 for the year ending 31 December 2023, with a 3% increase for every year afterwards based on the amount payable for the immediately preceding year 截至二零二三年十二月三十一日止年度為1,430,825元，之後每年根據上一年度應付的金額增加3%

The above amounts shall be paid on a quarterly basis, with each payment to be made within the first week of each quarter.

上述金額須按季支付，而每筆付款須於每季第一星期內作出。

# Report of the Directors

## 董事會報告

### Lease-and-operate agreement B

#### Date

1 April 2018

#### Parties

- (1) Huidong Xinghui
- (2) Huizhou Hazens

#### Principal terms

Pursuant to the Lease-and-operate Agreement B, Huidong Xinghui shall lease and grant the operation and management rights of Property B, to Huizhou Hazens for a term of two years commencing on 1 April 2018 and ending on 31 March 2020. Huizhou Hazens shall operate and manage Property B as resort apartments and be responsible for processing of customer bookings received, collecting room charges and other service charges from the customers, providing ancillary customer services, housekeeping, marketing and promotion and so on.

Huizhou Hazens shall pay to Huidong Xinghui RMB1,200,000 per year during the term of the Lease-and-operate Agreement B. The above amount shall be paid on a quarterly basis, with each payment to be made within the first week of each quarter.

In accordance with the terms set out above, the total of the amounts payable by Huizhou Hazens to Huidong Xinghui during the year under review under the Lease-and-operate Agreements, being the annual cap in respect of the continuing transactions thereunder, is approximately RMB545,000 for the period commencing on the completion date of the Share Transfer, i.e. 18 July 2018, being the date on which Mr. Yuan became a controlling shareholder and hence Huidong Xinghui became a connected person of the Company, and ended on 31 December 2018.

Further details of the Lease-and-operate Agreements are set out in the announcement of the Company dated 31 January 2019.

### 租賃經營協議B

#### 日期

二零一八年四月一日

#### 訂約方

- (1) 惠東興匯
- (2) 惠州合正

#### 主要條款

根據租賃經營協議B，惠東興匯將出租物業B予惠州合正並授予其物業B的經營和管理權，協議由二零一八年四月一日開始至二零二零年三月三十一日止為期兩年。惠州合正將以渡假公寓形式經營及管理物業B，並負責處理接獲的客戶預訂、向客戶收取房費及其他服務費、提供配套客戶服務、房務清潔、營銷及宣傳等。

惠州合正將於租賃經營協議B的協議年期內，每年支付人民幣1,200,000元予惠東興匯。上述金額須按季支付，而每筆付款須於每季第一星期內作出。

根據上文所載條款，於各份租賃經營協議下，於回顧年度內，就股份轉讓完成當日（即二零一八年七月十八日，袁先生成為控股股東及據此惠東興匯成為本公司關連人士之日期）起至二零一八年十二月三十一日止期間，惠州合正應付惠東興匯的總金額（即據此持續交易之年度上限）為約人民幣545,000元。

關於租賃經營協議之進一步詳情請參閱本公司日期為二零一九年一月三十一日之公告。

## Report of the Directors 董事會報告

The independent non-executive Directors have reviewed the above continuing connected transactions undertaken by the Group and confirmed that they were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the terms of the Lease-and-operate Agreements that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

ZhongHui Anda CPA Limited (“ZHONGHUI”), the Company’s auditors, were engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. ZhongHui Anda CPA Limited has issued their unqualified letter to the Board containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with the Listing Rules and confirming the matters as stated in Rule 14A.56 of the Listing Rules. A copy of the auditors’ letter has been provided by the Company to the Stock Exchange.

### SHARE OPTION SCHEME

The Company has a share option scheme (“Scheme”) which was adopted pursuant to a resolution of the sole shareholder passed on 22 June 2011. The purpose of the Scheme is to attract, retain and motivate talented participants to strive for future developments and expansion of the Group. The Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions.

The Board may, at its discretion, invite any director, full-time employee or part time employee with weekly working hours of 10 hours or above of the Group, any adviser or consultant (in the areas of legal, technical, financial or corporate managerial) to the Group, any provider of goods and/or services to the Group, any other person who, at the sole determination of the Board, has contributed to the Group, and any trustee of a trust whose beneficiaries or objects include any of the above persons to become participants of the Scheme.

本公司獨立非執行董事已審閱上述持續關連交易，並且確認：

- (i) 持續關連交易是於本集團之日常及一般業務過程中訂立；
- (ii) 持續關連交易是按一般商業條款進行；及
- (iii) 持續關連交易是根據租賃經營協議訂立，且條款屬公平合理及符合本公司股東整體利益。

本公司已聘用本公司核數師中匯安達會計師事務所有限公司(「中匯」)按照香港會計師公會頒佈之香港鑒證業務準則第3000號(經修訂)下之「非審核或審閱過往財務資料之鑒證工作」規定，或參照實務說明第740號「關於香港上市規則所述持續關連交易之核數師函件」就本公司之持續關連交易編製報告。中匯安達會計師事務所有限公司已就上述持續關連交易發出並無保留意見的函件，而該函件載有核數師對有關本集團所披露的持續關連交易的發現及結論及按上市規則第14A.56條所需確認之事項。本公司已將該函件提交給聯交所。

### 購股權計劃

本公司設有一項根據唯一股東於二零一一年六月二十二日通過的決議案而採納之購股權計劃(「該計劃」)。該計劃的目的是吸引、挽留及激勵有能力的參與者，為本集團的未來發展及擴展而奮鬥。該計劃可作為鼓勵參與者為達成本集團的目標而作出其最佳表現之獎勵，讓參與者分享本公司因其努力及貢獻而取得的成果。

董事會可酌情邀請本集團任何董事、全職僱員或每星期工作時數為10小時或以上的兼職僱員、本集團(就法律、技術、財務或企業管理方面)任何諮詢人或顧問、本集團任何貨品及/或服務供應商、董事會全權認為對本集團有貢獻的任何其他人士以及其受益人或對象包括上述任何人士的信託的任何信託人成為該計劃的參與者。



## Report of the Directors 董事會報告

The maximum number of shares in respect of which options may be granted under the Scheme together with any options outstanding and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issue from time to time. In addition to the foregoing 30% limit, the total number of shares which may be issued upon exercise of all share options to be granted under the Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of the shares in issue as at the date of completion of the placing of the shares of the Company for the purpose of the listing on the Growth Enterprise Market of the Stock Exchange, i.e. 14 July 2011 i.e. 18,000,000 shares, unless otherwise approved by the shareholders of the Company at general meeting. As at the date of this annual report, the total number of shares available for issue under the Scheme is 9,100,000, representing approximately 2% of the total number of issued shares of the Company.

The total number of shares issued and to be issued upon exercise of the share options granted to each participant under the Scheme (including exercised, cancelled and outstanding share options) in any 12-month period shall not exceed 1% of the relevant class of securities of the Company in issue.

An offer of share options under the Scheme shall be deemed to have been accepted by the grantee when the duplicate of the relevant offer letter comprising acceptance of the share options duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within 28 days from the date of the offer.

Share options granted under the Scheme may be exercised at any time during the option period after they have been granted by the Board but, in any event, not more than 10 years commencing on the date of grant. The share options granted shall lapse automatically (to the extent not already exercised) on the expiry of the option period.

The subscription price for shares under the Scheme, subject to any adjustments made pursuant to reorganisation of capital structure, shall be a price determined by the Board in its absolute discretion at the time of grant of the relevant share options and notified to the participant and shall be no less than the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets on the date on which the relevant share options are granted; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which the relevant share options are granted; and (iii) the nominal value of the shares of the Company.

該計劃可予授出的購股權，連同根據該計劃及本公司任何其他購股權計劃的任何發行在外及有待行使的購股權所涉及的股份數目，最高不得超過本公司不時已發行股份總數的30%。除上述30%限制外，除非本公司股東於股東大會上另有批准，否則根據行使該計劃及本公司任何其他購股權計劃項下將予授出的所有購股權而可能發行的股份總數合計不得超過於本公司就於聯交所創業板上市而配售股份完成日期（即二零一一年七月十四日）（即18,000,000股）的已發行股份總數10%。於本年報日期，根據該計劃可供發行的股份總數為9,100,000股，佔本公司已發行股份總數約2%。

該計劃項下各參與者於任何12個月期間內因行使其獲授購股權（包括已行使、已註銷及尚未行使的購股權）而已發行及將發行的股份總數，不得超過本公司已發行相關類別證券的1%。

倘於提呈要約日期起計28日內，本公司接獲承授人正式簽署有關接納購股權的相關要約函副本，連同承授人向本公司匯款1.00港元作為獲授購股權的代價，則該計劃項下購股權要約視為已獲承授人接納。

該計劃項下授出的購股權可於董事會授予購股權當日起計的購股權行使期內隨時行使，惟任何情況下，自授出日期起計不得超過10年。當購股權行使期屆滿時，尚未行使的已授出購股權將自動失效及失去行使效力。

該計劃項下的股份認購價（可根據資本架構重組作出任何調整）將由董事會於授出相關購股權時按其絕對酌情權釐定，並知會參與者，而價格不得低於下列各項的最高者：(i)於授出相關購股權日期聯交所每日報價表所載的本公司股份收市價；(ii)於緊接授出相關購股權日期前五個營業日聯交所每日報價表所載的本公司股份平均收市價；及(iii)本公司股份面值。

## Report of the Directors 董事會報告

The Scheme became effective on 22 June 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from the adoption date, i.e. until 21 June 2021.

Further details about the principal terms of the Scheme are set out in the paragraph headed “Share Option Scheme” in Appendix V to the Company’s prospectus dated 30 June 2011.

During the financial year ended 31 December 2018, the Company has not granted any share option under the Scheme. No share option under this Scheme remains outstanding as at 31 December 2018 (31 December 2017: Nil).

### PENSION SCHEMES

As of 31 December 2018, the Group had no forfeited contributions available to redeem its contributions to the pension scheme in future years (2017: nil). The Group participates in a defined contribution retirement scheme organised by the government in the PRC and a Mandatory Provident Fund Scheme. Particulars of these schemes are set out under “Employee benefits” in Note 3 of the consolidated financial statements.

### AUDITOR

The financial statements for the year ended 31 December 2018 have been audited by ZHONGHUI and a resolution for the reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting. ZHONGHUI has been the auditor of the Company since 4 November 2014.

### PUBLICATION OF INFORMATION ON WEBSITES

This annual report is available for viewing on the website of Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and on the website of the Company at [www.legend-strategy.com](http://www.legend-strategy.com).

By Order of the Board

**Yuan Fuer**  
*Chairman*

29 March 2019

該計劃由二零一一年六月二十二日起生效，除非取消或修訂，否則該計劃將由採納日期起十年內有效(即直至二零二一年六月二十一日)。

有關該計劃的主要條款的進一步詳情載於本公司日期為二零一一年六月三十日的招股章程附錄五「購股權計劃」一段。

於截至二零一八年十二月三十一日止財政年度，本公司並無根據計劃授出任何購股權。於二零一八年十二月三十一日，該計劃項下概無尚未行使之購股權(二零一七年十二月三十一日：無)。

### 退休計劃

截至二零一八年十二月三十一日，本集團概無沒收可供未來數年贖回的退休計劃供款(二零一七年：無)。本集團參與一項由中國政府安排之定額供款退休計劃及強制性公積金計劃。該等計劃的詳情載列於綜合財務報表附註3「僱員福利」。

### 核數師

截至二零一八年十二月三十一日止年度之財務報表已由中匯審核，而本公司將於應屆股東週年大會上提呈重新委任中匯為本公司核數師的決議案。自二零一四年十一月四日以來，中匯一直為本公司核數師。

### 於網站刊發資料

本年報可於聯交所網站[www.hkex.com.hk](http://www.hkex.com.hk)及本公司網站[www.legend-strategy.com](http://www.legend-strategy.com)瀏覽。

承董事會命

**袁富兒**  
*主席*

二零一九年三月二十九日

# Independent Auditor's Report

## 獨立核數師報告



### TO THE SHAREHOLDERS OF LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Legend Strategy International Holdings Group Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 77 to 162, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKASs”) 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.

致朶濬國際集團控股有限公司股東

*(於開曼群島註冊成立之有限公司)*

### 意見

我們已審核載於第77頁至162頁的朶濬國際集團控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動報表及綜合現金流量表以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實及公平地提供 貴集團於二零一八年十二月三十一日之綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已根據香港《公司條例》之披露規定妥為編製。

### 意見基礎

我們已根據香港會計師公會頒佈之香港核數準則(「香港核數準則」)進行審核。在這些準則下，我們的責任會在我們報告中核數師就審核綜合財務報表須承擔的責任一節中進一步闡述。根據香港會計師公會之職業會計師道德守則(「守則」)，我們獨立於 貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS

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

#### Impairment of property, plant and equipment and right-of-use assets

*Refer to Note 15 and Note 18 to the consolidated financial statements*

The Group tested the amounts of property, plant and equipment and right-of-use assets for impairment. The impairment test is significant to our audit because the balances of property, plant and equipment of HK\$9,045,125 and right-of-use assets of HK\$43,734,570 as at 31 December 2018 are material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among other:

- Assessing the identification of the related cash generating units;
- Assessing the arithmetical accuracy of the value-in-use calculations;
- Comparing the actual cash flows with the cash flow projections;
- Assessing the reasonableness of the key assumptions (including revenue growth, profit margins, terminal growth rates and discount rates); and
- Checking input data to supporting evidence.

We consider that the Group's impairment test for property, plant and equipment and right-of-use assets are supported by the available evidence.

### 關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最重要的事項。我們在審核整體綜合財務報表和就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

#### 物業、廠房及設備以及使用權資產減值

*請見綜合財務報表附註15及附註18*

貴集團就物業、廠房及設備以及使用權資產金額進行減值測試。由於物業、廠房及設備以及使用權資產於二零一八年十二月三十一日之結餘9,045,125港元及43,734,570港元對綜合財務報表而言屬重大，因此有關減值測試對我們的審核非常重要。此外，貴集團之減值測試涉及應用基於假設及估計之判斷。

我們的審核程序包括(其中包括)：

- 評估相關現金產生單位之識別；
- 評估使用價值計算之算數準確性；
- 將實際現金流量與現金流量預測進行對比；
- 評估主要假設(包括收益增長、利潤率、終端增長率及貼現率)之合理性；及
- 檢查支持憑證的輸入數據。

我們認為，貴集團為物業、廠房及設備及使用權資產所作之減值測試已由可得憑證支持。

# Independent Auditor's Report

## 獨立核數師報告

### Right-of-use assets and lease liabilities

Refer to Note 18 and Note 26 to the consolidated financial statements

The Group estimated the right-of-use assets and lease liabilities based on the terms of the rental agreements and the Group's incremental borrowing rate. These estimates are significant to our audit because the right-of-use assets of HK\$43,734,570 and lease liabilities of HK\$46,572,992 as at 31 December 2018 are material to the consolidated financial statements. In addition, carrying amount of right-of-use assets and lease liabilities as at 31 December 2018 are based on assumptions and estimates.

Our audit procedures included, among others:

- Evaluating the Group's assumptions and estimates;
- Checking key assumptions and input data in the estimates to supporting evidence such as rental agreements and source of borrowing rate; and
- Checking arithmetical accuracy of the calculations.

We consider that the Group's right-of-use assets and lease liabilities are supported by the available evidence.

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the Company's 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.

### 使用權資產及租賃負債

請見綜合財務報表附註18及附註26

貴集團根據租賃協議的條款及本集團的增量借款率估計使用權資產及租賃負債。該等估計對我們的核數而言屬重大，原因是於二零一八年十二月三十一日的使用權資產43,734,570港元及租賃負債46,572,992港元對綜合財務報表而言屬重大。此外，使用權資產及租賃負債於二零一八年十二月三十一日的賬面值乃基於有關假設及估計計算。

我們的審核程序包括(其中包括)：

- 評估 貴集團所作之假設及估計；
- 檢查支持估計的關鍵假設及輸入數據，如租賃協議及借款率來源；及
- 檢查計算的算術準確性。

我們認為， 貴集團之使用權資產及租賃負債有可得的證據支持。

### 其他資料

董事須對其他資料承擔責任。其他資料包括 貴公司年報中所包含的全部資料，但不包括綜合財務報表及我們就此發出的核數師報告。

我們對綜合財務報表作出的意見並未考慮其他資料。我們不對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告此一事實。我們就此並無須報告事項。

# Independent Auditor's Report

## 獨立核數師報告

### RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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.

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

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at: <http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>.

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited  
Certified Public Accountants  
Ng Ka Lok  
Audit Engagement Director  
Practising Certificate Number P06084  
Hong Kong, 29 March 2019

### 董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非董事有意將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

### 核數師就審核綜合財務報表須承擔的責任

我們的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的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們的報告僅向閣下(作為整體)編製，而並不可作其他目的。我們概不就本報告的內容對其他任何人士負責或承擔責任。合理確定屬高層次的核證，但不能擔保根據香港核數準則進行的審核工作總能發現所有存在的重大錯誤陳述。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。

有關審核綜合財務報表之責任的進一步描述載於香港會計師公會網頁：<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>。

該描述構成本核數師報告之一部分。

中匯安達會計師事務所有限公司  
執業會計師  
吳家樂  
審計項目董事  
執業牌照號碼P06084  
香港，二零一九年三月二十九日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收入表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Notes 附註	2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
<b>Revenue</b>	<b>收益</b>	6	<b>45,547,168</b>	16,281,691
Depreciation of right-of-use assets	使用權資產折舊		<b>(15,195,590)</b>	(12,429,773)
Depreciation of property, plant and equipment	物業、廠房及設備折舊		<b>(5,749,225)</b>	(4,773,982)
Amortisation of other asset	其他資產攤銷		–	(2,400,000)
Employee benefit expenses	僱員福利開支	7	<b>(16,117,216)</b>	(21,604,443)
Utilities	公用設施		<b>(3,001,903)</b>	(1,202,004)
Other operating expenses	其他營運開支	12	<b>(11,526,833)</b>	(11,804,147)
Gain on disposal of subsidiaries	出售附屬公司的收益	35	<b>3,777,111</b>	2,008,866
Gain on extension of convertible bonds	延長可換股債券之收入		–	4,102,252
Written off of property, plant and equipment	撇銷物業、廠房及設備		–	(1,677,105)
Other income	其他收入	9	<b>3,311,795</b>	1,049,873
<b>Operating profit/(loss)</b>	<b>營運溢利/(虧損)</b>		<b>1,045,307</b>	(32,448,772)
Finance costs	融資成本	10	<b>(3,122,615)</b>	(10,120,875)
<b>Loss before tax</b>	<b>除稅前虧損</b>		<b>(2,077,308)</b>	(42,569,647)
Income tax (expenses)/credit	所得稅(開支)/抵免	11	<b>(3,110,248)</b>	408,536
<b>Loss for the year</b>	<b>年內虧損</b>	12	<b>(5,187,556)</b>	(42,161,111)
<b>Other comprehensive loss:</b> <i>Items that may be reclassified to profit or loss:</i>	<b>其他全面虧損：</b> <i>可能重新分類至損益之項目：</i>			
Exchange differences reclassified to profit or loss on disposal of subsidiaries	重新分類至出售附屬公司損益的 匯兌差額	35	<b>750,970</b>	(1,678,206)
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額		<b>(824,996)</b>	446,021
<b>Total comprehensive loss for the year</b>	<b>年內全面虧損總額</b>		<b>(5,261,582)</b>	(43,393,296)

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收入表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Note 附註	2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
<b>Loss for the year attributable to:</b>	<b>以下人士應佔年內虧損總額：</b>		
Owners of the Company	本公司擁有人	<b>(4,378,134)</b>	(42,089,318)
Non-controlling interests	非控股權益	<b>(809,422)</b>	(71,793)
		<b>(5,187,556)</b>	(42,161,111)
<b>Total comprehensive loss for the year attributable to:</b>	<b>以下人士應佔年內全面虧損：</b>		
Owners of the Company	本公司擁有人	<b>(4,443,453)</b>	(43,327,634)
Non-controlling interests	非控股權益	<b>(818,129)</b>	(65,662)
		<b>(5,261,582)</b>	(43,393,296)
<b>Loss per share</b>	<b>每股虧損</b>		
– Basic (Hong Kong cents)	– 基本(港仙)	<b>(0.98)</b>	(10.37)
– Diluted (Hong Kong cents)	– 攤薄(港仙)	<b>(0.98)</b>	(10.37)



# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

			<b>31 December 2018</b> 二零一八年 十二月三十一日	31 December 2017 二零一七年 十二月三十一日	1 January 2017 二零一七年 一月一日
	Notes 附註		HK\$ 港元	HK\$ 港元	HK\$ 港元
				(Restated) (經重列)	(Restated) (經重列)
<b>Non-current assets</b>		<b>非流動資產</b>			
Property, plant and equipment	15	物業、廠房及設備	<b>9,045,125</b>	11,592,467	9,167,109
Deposits	16	按金	–	23,988,000	23,988,000
Rental deposits	16	租賃按金	<b>2,120,846</b>	1,574,898	3,241,518
Goodwill	17	商譽	<b>1,920,203</b>	–	–
Prepayments	16	預付款項	<b>826,898</b>	–	7,180,044
Other assets		其他資產	–	–	2,400,000
Right-of-use assets	18	使用權資產	<b>43,734,570</b>	14,141,984	25,555,775
Deferred income tax assets	19	遞延所得稅資產	<b>4,795,488</b>	4,286,514	3,187,371
			<b>62,443,130</b>	55,583,863	74,719,817
<b>Current assets</b>		<b>流動資產</b>			
Rental deposits	16	租賃按金	<b>952,075</b>	1,950,980	–
Prepayments, deposits and other receivables	16	預付款項、按金及其他應收款項	<b>1,171,190</b>	625,981	21,762,008
Trade receivables	20	應收賬款	<b>825,299</b>	268,265	64,555
Inventories	21	存貨	<b>204,831</b>	–	–
Bank and cash balances		銀行及現金結餘	<b>27,649,893</b>	7,877,594	10,100,000
Investments at fair value through profit or loss	22	按公平值計入損益之投資	<b>5,922,551</b>	–	–
			<b>36,725,839</b>	10,722,820	31,926,563
<b>Total assets</b>		<b>總資產</b>	<b>99,168,969</b>	66,306,683	106,646,380
<b>Current liabilities</b>		<b>流動負債</b>			
Convertible bonds	23	可換股債券	–	–	53,152,913
Trade and other payables	24	應付賬款及其他應付款項	<b>6,951,988</b>	6,962,750	8,592,847
Tax payable		應付稅項	<b>2,227,794</b>	1,063,262	1,518,650
Provision for asset retirement	25	報廢資產復原撥備	<b>1,350,188</b>	232,000	659,645
Lease liabilities	26	租賃負債	<b>15,733,321</b>	9,601,514	14,193,135
Borrowings	27	借貸	<b>10,000,000</b>	–	–
			<b>36,263,291</b>	17,859,526	78,117,190
<b>Net current assets/(liabilities)</b>		<b>淨流動資產/(負債)</b>	<b>462,548</b>	(7,136,706)	(46,190,627)
<b>Total assets less current liabilities</b>		<b>資產總值減流動負債</b>	<b>62,905,678</b>	48,447,157	28,529,190

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

		Notes 附註	31 December 2018 二零一八年 十二月三十一日 HK\$ 港元	31 December 2017 二零一七年 十二月三十一日 HK\$ 港元 (Restated) (經重列)	1 January 2017 二零一七年 一月一日 HK\$ 港元 (Restated) (經重列)
<b>Non-current liabilities</b>	<b>非流動負債</b>				
Provision for asset retirement	報廢資產復原撥備	25	846,987	4,280,635	3,135,871
Borrowings	借貸	27	11,860,063	16,935,781	–
Lease liabilities	租賃負債	26	30,839,671	6,160,656	14,061,230
			<b>43,546,721</b>	27,377,072	17,197,101
<b>Net assets</b>	<b>資產淨值</b>		<b>19,358,957</b>	21,070,085	11,332,089
<b>EQUITY</b>	<b>權益</b>				
<b>Capital and reserves</b>	<b>資本及儲備</b>				
Share capital	股本	28	4,483,637	4,483,637	3,935,250
Reserves	儲備		14,950,466	15,843,465	7,396,839
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>19,434,103</b>	20,327,102	11,332,089
Non-controlling interests	非控股權益		<b>(75,146)</b>	742,983	–
<b>Total equity</b>	<b>權益總額</b>		<b>19,358,957</b>	21,070,085	11,332,089

The consolidated financial statements on pages 77 to 162 were approved and authorised for issue by the board of directors on 29 March 2019 and are signed on its behalf by:

Approved by:

於第77頁至第162頁的綜合財務報表已於二零一九年三月二十九日獲董事會批准及授權刊發並由以下人士代表簽署：

由以下人士審批：

**Yuan Fuer**  
袁富兒  
Director  
董事

**Ye Shusheng**  
叶樹生  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔											
		Convertible 可換股債券								Non-controlling interests		Total	
		Share capital	Share premium*	Exchange reserve*	Statutory reserve*	Convertible equity reserve*	Other reserve*	Shareholder's contributions*	Accumulated losses*	Sub-total	Non-controlling interests	Total	
		股本	股份溢價*	匯兌儲備*	法定儲備*	權益儲備*	其他儲備*	股東注資*	累計虧損*	小計	非控股權益	總計	
		Note	Note 30(c)(i) 附註30(c)(i)	Note 30(c)(ii) 附註30(c)(ii)	Note 30(c)(iii) 附註30(c)(iii)	Note 30(c)(iv) 附註30(c)(iv)	Note 30(c)(v) 附註30(c)(v)						
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	
<b>At 1 January 2017 as restated</b>	於二零一七年一月一日 (經重列)	3,935,250	204,694,080	1,959,236	1,742,763	4,301,492	8,020,110	20,751,024	(234,071,866)	11,332,089	-	11,332,089	
Total comprehensive loss for the year	年內全面虧損總額	-	-	(1,238,316)	-	-	-	-	(42,089,318)	(43,327,634)	(65,662)	(43,393,296)	
Conversion of convertible bonds	兌換可換股債券	28	548,387	56,894,397	-	(4,301,492)	-	-	-	53,131,292	-	53,131,292	
Disposal of partial interest in a subsidiary	出售一間附屬公司的部分權益	-	-	-	-	-	-	-	(808,645)	(808,645)	808,645	-	
Disposal of subsidiaries	出售附屬公司	35	-	-	-	-	-	(356,631)	356,631	-	-	-	
<b>At 31 December 2017 and 1 January 2018 as restated</b>	於二零一七年十二月三十一日 及二零一八年一月一日 (經重列)	4,483,637	261,578,477	720,920	1,742,763	-	8,020,110	20,394,393	(276,613,198)	20,327,102	742,983	21,070,085	
Total comprehensive loss for the year	年內全面虧損總額	-	-	(65,319)	-	-	-	-	(4,378,134)	(4,443,453)	(818,129)	(5,261,582)	
Disposal of subsidiaries	出售附屬公司	35	-	-	-	-	(8,020,110)	(14,832,811)	22,852,921	-	-	-	
Waiver of interest on borrowings from Former Controlling Shareholder	前控股股東借款利息減免	27	-	-	-	-	-	3,550,454	-	3,550,454	-	3,550,454	
<b>At 31 December 2018</b>	於二零一八年十二月三十一日	4,483,637	261,578,477	655,601	1,742,763	-	-	9,112,036	(258,138,411)	19,434,103	(75,146)	19,358,957	

Note:

附註：

\* These reserve accounts comprise the consolidated reserve of HK\$14,950,466 (2017: HK\$15,843,465 (restated)) in the consolidated statement of financial position.

\* 該等儲備賬包括綜合財務狀況表之綜合儲備14,950,466港元(二零一七年：15,843,465港元(經重列))。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Note 附註	2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
<b>Cash flows from operating activities</b>	<b>經營活動產生的現金流量</b>		
Loss before tax	除稅前虧損	<b>(2,077,308)</b>	(42,569,647)
Adjustments for:	經調整：		
Amortisation of other asset	其他資產攤銷	–	2,400,000
Bank interest income	銀行利息收入	<b>(77,165)</b>	(3,739)
Change in provision for asset retirement	報廢資產復原撥備變動	<b>(2,339,062)</b>	–
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>5,749,225</b>	4,773,982
Depreciation of right-of-use assets	使用權資產折舊	<b>15,195,590</b>	12,429,773
Gain on foreign exchange	外匯收益	<b>(971,945)</b>	–
Finance cost on provision for asset retirement	報廢資產復原撥備的 融資成本	<b>173,072</b>	190,469
Gain on disposal of subsidiaries	出售附屬公司的收益	<b>(3,777,111)</b>	(2,008,866)
Gain on extension of convertible bonds	延長可換股債券之收入	–	(4,102,252)
Interest on borrowings from the Former Controlling Shareholder	前控股股東借款的利息	<b>1,174,736</b>	435,781
Imputed interest costs on convertible bonds	可換股債券之估息成本	–	8,140,523
Lease interest	租賃利息	<b>1,774,807</b>	1,354,102
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的 虧損	<b>34,747</b>	–
Written off of property, plant and equipment	撤銷物業、廠房及設備	–	1,677,105
Operating profit/(loss) before working capital changes	營運資金變動前的經營 溢利/(虧損)	<b>14,859,586</b>	(17,282,769)
Change in trade and other receivables	應收賬款及其他應收款項的 變動	<b>8,338,854</b>	20,927,956
Change in rental deposits	租賃按金的變動	<b>371,621</b>	(284,360)
Change in trade and other payables	應付賬款及其他應付款項的 變動	<b>(12,941,935)</b>	(2,113,293)
Change in inventories	存貨變動	<b>(80,245)</b>	–
Change in investments at fair value through profit or loss	按公平值計入損益之 投資變動	<b>(5,922,551)</b>	–
Cash generated from operations	經營所得現金	<b>4,625,330</b>	1,247,534
Income tax paid	已付所得稅	<b>(988,769)</b>	(415,473)
Net cash generated from operating activities	經營活動所得的 現金淨額	<b>3,636,561</b>	832,061

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Note 附註	2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
<b>Cash flows from investing activities</b>	<b>投資活動產生的現金流量</b>		
Purchases of property, plant and equipment	購買物業、廠房及設備	(708,761)	(16,010)
Acquisition of a subsidiary	收購一間附屬公司	(1,016,258)	–
Disposal of subsidiaries	出售附屬公司	1	(7,390)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	1,500,000	–
Interest received	已收利息	77,165	3,739
Deposit refunded for proposed acquisition of a hotel	建議收購一間酒店的已退還按金	24,959,945	–
Net cash generated from/(used in) investing activities	投資活動所得/(所用)的現金淨額	24,812,092	(19,661)
<b>Cash flows from financing activities</b>	<b>融資活動產生的現金流量</b>		
Proceeds from borrowings	借貸所得款項	10,000,000	16,500,000
Convertible bonds interest paid	已付可換股債券利息	–	(5,409,052)
Repayment of lease liabilities	償還租賃負債	(13,883,142)	(14,032,142)
Lease interest paid	已付租賃利息	(1,774,807)	(1,354,102)
Repayment of borrowings	償還借貸	(2,700,000)	–
Net cash used in financing activities	融資活動所用的現金淨額	(8,357,949)	(4,295,296)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等價物增加/(減少)淨額</b>	<b>20,090,704</b>	<b>(3,482,896)</b>
Cash and cash equivalents at the beginning of the year	年初的現金及現金等價物	7,877,594	10,100,000
Effect of foreign exchange rate changes	外匯匯率變動影響	(318,405)	1,260,490
<b>Cash and cash equivalents at end of the year</b>	<b>年終的現金及現金等價物</b>	<b>27,649,893</b>	<b>7,877,594</b>

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Suite 1705, 17/F., World-Wide House, No. 19 Des Voeux Road Central, Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In the opinion of the directors of the Company, as at 31 December 2017, China Medical, a company incorporated in the British Virgin Islands, was the Former Controlling Shareholder of the Company. As at 31 December 2017, China Medical was owned by Mr. Ding Yifan ("Mr. Ding") and Mr. Huang Yun, former executive director of the Company, as to 90% and 10% equity interest respectively. On 18 July 2018, Hehui ("Current Controlling Shareholder"), a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Yuan Fuer ("Mr. Yuan"), became controlling shareholder of the Company.

The Company is an investment holding company. The Group is principally engaged in the hotel operations, hotel consultations and management services and other related businesses in the People's Republic of China (the "PRC"). The Group is also involved in the money lending business.

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below.

### 1. 一般資料

本公司於開曼群島註冊成立為有限公司。註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。主要營業地點地址為香港中環德輔道中19號環球大廈17樓1705室。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司董事認為，於二零一七年十二月三十一日，中華醫學(一間於英屬處女群島註冊成立的公司)為本公司前控股股東。於二零一七年十二月三十一日，中華醫學由丁一凡先生(「丁先生」)及黃雲先生(本公司前執行董事)分別擁有90%及10%股權。於二零一八年七月十八日，Hehui(「現任控股股東」)(一間於英屬處女群島註冊成立的公司)並由袁富兒先生(「袁先生」)全資擁有)成為本公司的控股股東。

本公司為一間投資控股公司。本集團主要於中華人民共和國(「中國」)從事酒店營運及提供酒店顧問與酒店管理服務等相關業務。本集團亦有從事放債人業務。

### 2. 採納新訂及經修訂的香港財務報告準則

本年度，本集團已採納香港會計師公會(「香港會計師公會」)頒佈的與其經營有關並於二零一八年一月一日開始之會計年度生效的全部新訂及經修訂的香港財務報告準則(「香港財務報告準則」)。香港財務報告準則包括香港財務報告準則；香港會計準則；及詮釋。採納上述新訂及經修訂的香港財務報告準則對本集團之會計政策、本集團本年度及過往年度的財務報表呈列及所呈報之金額並無重大影響，惟下文所述者除外。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

#### (a) HKFRS 9 (2014) “Financial Instruments”

HKFRS 9 (2014) has been applied retrospectively and resulted in changes in the consolidated amount reported in the consolidated financial statements as follows:

<b>Consolidated statement of financial position</b>		31 December 2017 二零一七年 十二月三十一日 HK\$ 港元
Decrease in share premium	綜合財務狀況表 股份溢價減少	2,777,683
Decrease in accumulated losses	累計虧損減少	2,777,683
		For the year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$ 港元
<b>Consolidated statement of profit or loss and other comprehensive income</b>		
Increase in gain on extension of convertible bonds	綜合損益及其他全面收入表 延長可換股債券的收益增加	4,102,252
Increase in finance costs	融資成本增加	1,324,569
<b>Loss per share</b>		
Decrease in basic loss per share (Hong Kong cents)	每股虧損 每股基本虧損減少(港仙)	0.69
Decrease in diluted loss per share (Hong Kong cents)	每股攤薄虧損減少(港仙)	0.69

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective except as stated below. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

### 2. 採納新訂及經修訂的香港財務報告準則(續)

#### (a) 香港財務報告準則第9號(二零一四年)「金融工具」

香港財務報告準則第9號(二零一四年)已追溯應用，並導致綜合財務報表所呈報之綜合金額作出如下變動：

本集團並未採用已頒佈但未生效的新訂及經修訂香港財務報告準則，惟下文所述者除外。本集團已開始評估該等新訂及經修訂香港財務報告準則的影響，但並未能就此等新訂及經修訂香港財務報告準則是否會對其經營業績及財務狀況產生重大影響發表意見。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

#### (b) HKFRS 16 “Leases”

On adoption of HKFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under HKAS 17 “Leases”.

HKFRS 16 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the financial statements as follows:

### 2. 採納新訂及經修訂的香港財務報告準則(續)

#### (b) 香港財務報告準則第16號「租賃」

就採納香港財務報告準則第16號而言，本集團已就先前歸類為香港會計準則第17號「租賃」項下之「經營租賃」之租賃確認使用權資產及租賃負債。

香港財務報告準則第16號已追溯應用，並導致財務報表所呈報之綜合金額作出如下變動：

		31 December 2017 二零一七年 十二月三十一日 HK\$ 港元	1 January 2017 二零一七年 一月一日 HK\$ 港元
<b>Consolidated statement of financial position</b>	<b>綜合財務狀況表</b>		
Increase in right-of-use assets	使用權資產增加	14,141,984	25,555,775
Increase in lease liabilities	租賃負債增加	15,762,170	28,254,365
Decrease in prepayments	預付款項減少	204,745	-
Decrease in other payables	其他應付款項減少	769,333	1,203,757
Increase in exchange reserve	匯兌儲備增加	88,569	138,533
Increase in accumulated losses	累計虧損增加	1,144,167	1,633,366



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

#### (b) HKFRS 16 “Leases” (Continued)

### 2. 採納新訂及經修訂的香港財務報告準則(續)

#### (b) 香港財務報告準則第16號「租賃」(續)

For the year ended  
31 December 2017  
截至二零一七年  
十二月三十一日  
止年度  
HK\$  
港元

<b>Consolidated statement of profit or loss and other comprehensive income</b>	<b>綜合損益及其他全面收入表</b>	
Decrease in operating lease expenses	經營租賃開支減少	14,724,858
Increase in other operating expenses	其他營運開支增加	451,784
Increase in finance costs	融資成本增加	1,354,102
Increase in depreciation of right-of-use assets	使用權資產折舊增加	12,429,773
Decrease in exchange differences on translating foreign operations	換算海外業務產生之匯兌差額減少	49,964
<b>Loss per share</b>	<b>每股虧損</b>	
Decrease in basic loss per share (Hong Kong cents)	每股基本虧損減少(港仙)	0.12
Decrease in diluted loss per share (Hong Kong cents)	每股攤薄虧損減少(港仙)	0.12

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments which are carried at their fair values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

#### Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

### 3. 主要會計政策

該等財務報表乃按香港會計師公會刊發之香港財務報告準則及聯交所證券上市規則及香港《公司條例》之適用披露規定而編製。

該等財務報表乃按歷史成本法編製，並經按公平值計量之投資重估修訂。

編製符合香港財務報告準則的財務報表須採用若干主要假設及估計。亦要求董事於應用該等會計政策的過程中作出判斷。涉及關鍵判斷的範疇及對此等財務報表而言屬重大的假設及估計範疇，於財務報表附註4披露。

編製此等財務報表時採用的主要會計政策載列如下。

#### 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司指本集團對其擁有控制權的實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。當本集團的現有權力賦予其現有能力掌控有關業務(即大幅影響實體回報的業務)時，則本集團對該實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權，以釐定其是否擁有控制權。在持有人能實際行使潛在投票權的情況下，方被視為有潛在投票權。

附屬公司在控制權轉移至本集團之日起綜合入賬。而在控制權終止之日起停止綜合入賬。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Consolidation (Continued)

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. 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 the owners of the Company.

### 3. 主要會計政策(續)

#### 綜合賬目(續)

出售一間附屬公司導致失去控制權之收益或虧損指(i)出售代價之公平值加該附屬公司留有任何投資之公平值與(ii)本公司應佔該附屬公司資產淨值加有關該附屬公司之任何餘下商譽及任何有關累計匯兌儲備間之差額。

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司的會計政策已於必要時變更，以確保與本集團採納的政策一致。

非控股權益指並非本公司直接或間接應佔附屬公司之權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益於綜合損益及其他全面收入表呈列為在非控股股東與本公司擁有人之間分配溢利或虧損及年內全面收入總額。

損益及其他全面收入各部分應歸屬於本公司擁有人及非控股股東，即使此舉會導致非控股權益出現虧絀結餘。

本公司於不會導致失去控制權之附屬公司擁有權益變動按股權交易(即以擁有人身份與擁有人進行之交易)入賬。控股權益及非控股權益之賬面值已作調整，以反映於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者間之任何差額直接於權益確認，並歸屬於本公司擁有人。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is measured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment loss. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

### 3. 主要會計政策(續)

#### 業務合併及商譽

收購法用於將業務合併中的收購附屬公司入賬。收購成本按所獲資產收購日期的公平值、所發行的股本工具、所產生的負債以及或然代價計量。收購相關成本於有關成本產生及接獲服務期間確認為開支。於收購時，附屬公司的可識別資產及負債均按其於收購日期的公平值計量。

收購成本超出本公司應佔附屬公司可識別資產及負債的公平淨值的差額列作商譽。本公司應佔可識別資產及負債的公平淨值超出收購成本的差額於綜合損益內確認為本公司應佔議價收購收益。

對於分段進行的業務合併，先前已持有的附屬公司的股權按其於收購日期的公平值計量，而由此產生的收益或虧損於綜合損益內確認。公平值會加入至收購成本以計算商譽。

倘先前已持有的附屬公司股權的價值變動已於其他全面收益內確認(例如可供出售投資)，則於其他全面收益確認的金額乃按在先前已持有的股權被出售的情況下所需的相同基準確認。

商譽會每年進行減值測試或當事件或情況改變顯示可能減值時則更頻繁地進行減值測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損的計量方法與下文會計政策內所述其他資產的計量方法相同。商譽的減值虧損於綜合損益內確認，且隨後不予撥回。就減值測試而言，商譽會被分配至預期因收購的協同效益而產生利益的現金產生單位。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency.

(b) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

### 3. 主要會計政策(續)

#### 外幣換算

(a) *功能及呈列貨幣*

本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表均以本公司功能貨幣及呈列貨幣港元(「港元」)呈列。

(b) *各實體財務報表之交易及結餘*

外幣交易於首次確認時按交易日之現行匯率折算為功能貨幣。以外幣計值之貨幣資產及負債按各呈報期末之匯率折算。該折算政策所產生之收益及虧損於收益內確認。

按公平值計量及以外幣計值之非貨幣項目乃按釐定公平值當日之匯率折算。

當非貨幣項目之盈虧於其他全面收入確認時，該盈虧之任何匯兌部分於其他全面收入確認。當非貨幣項目之盈虧於損益確認時，該盈虧之任何匯兌部分於損益確認。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Foreign currency translation (Continued)

##### (c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### 3. 主要會計政策(續)

#### 外幣換算(續)

##### (c) 綜合換算

功能貨幣與本公司呈列貨幣不同的所有本集團實體的業績及財務狀況，按下列方式換算為本公司的呈列貨幣：

- (i) 各財務狀況表內呈列的資產及負債按該財務狀況表呈列日的收市匯率換算；
- (ii) 收支按平均匯率換算(除非該平均匯率未能合理反映交易日現行匯率所帶來的累計影響，則在該情況下按照交易日的匯率換算該等收支)；及
- (iii) 所導致的一切匯兌差額乃於外幣匯兌儲備內確認。

於綜合賬目時，兌換海外實體的投資淨額及借貸時產生的匯兌差額乃於外幣兌換儲備中確認。當出售海外業務時，有關匯兌差額乃於綜合損益內確認為出售時的收益或虧損之一部分。

收購海外實體產生之商譽及公平值調整被視作該海外實體之資產及負債處理，並按收市匯率換算。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvements	Shorter of the unexpired term of lease and 7 years
Furniture and fixtures	5 years
Office equipment	5 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

### 3. 主要會計政策(續)

#### 物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及減值虧損列賬。

後續成本已納入資產的賬面值或只於未來可能有與該項目有關的經濟利益流入本集團且項目成本能可靠計量時確認為獨立資產(於適當情況下)。所有其他維修及保養成本於其產生之期間的損益內確認。

物業、廠房及設備的折舊乃按足以撇銷其成本的數值減其估計可使用年期內的剩餘價值以直線法計算。主要可使用年期如下：

租賃物業裝修	尚餘租期及七年中的較短者
傢俬及裝置	五年
辦公室設備	五年
汽車	五年

剩餘價值、可使用年期及折舊方式均於各報告期末予以審閱及調整(如適用)。

在建工程指在建樓宇，按成本減去減值虧損列賬。當相關資產可供使用時，折舊即開始。

出售物業、廠房及設備的收益或虧損乃銷售所得淨額及有關資產的賬面值之間的差額，並於損益內確認。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Leases

*The Group as lessee*

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Buildings                      over the lease term of 1 year to 15 years

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000 (approximately equivalent to HK\$39,000).

### 3. 主要會計政策(續)

#### 租賃

*本集團為承租人*

租賃於租賃資產可供本集團使用時確認為使用權資產及相應租賃負債。使用權資產乃按成本減累計折舊及減值虧損列賬。使用權資產乃按資產使用年期與租賃期二者中較短者以直線法按撇銷其成本的利率折舊。主要年利率如下：

樓宇                      租期一年至十五年

使用權資產乃按成本(包括初步計量租賃負債金額、預付租賃款項、初步直接成本及恢復成本)計量。倘有關利率或本集團的遞增借款利率可予確定，租賃負債包括使用租約內所述利率折現租賃付款的現值淨額。各租賃付款於負債與融資成本之間作出分配。融資成本於租期內在損益內扣除，以使租賃負債餘額的息率固定。

與短期租賃相關的付款及低價值資產租賃於租期內以直線法在損益內確認為開支。短期租賃乃為初步租期為12個月或少於12個月的租賃。低價值資產為價值低於5,000美元(等值約39,000港元)的資產。



# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Recognition and derecognition of financial instruments

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

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

### 3. 主要會計政策(續)

#### 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本以先進先出基準計算。可變現淨值為日常業務過程中之估計售價減估計完成成本及銷售所需估計成本。

#### 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文之訂約方時，於綜合財務狀況表內確認。

倘從資產收取現金流之合約權利已到期，或本集團已將其於資產擁有權之絕大部分風險及回報轉移，或本集團並無轉移及保留其於資產擁有權之絕大部分風險及回報但無保留對資產之控制權，則金融資產將被終止確認。於終止確認金融資產時，資產之賬面值與已收代價及已於其他全面收入內確認之累計盈虧兩者總和之差額，將於損益內確認。

倘於有關合約之特定責任獲解除、取消或到期，則金融負債將被終止確認。取消確認之金融負債之賬面值與已付代價之差額於損益內確認。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost;
- Investments at fair value through profit or loss.

(i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

### 3. 主要會計政策(續)

#### 金融資產

倘某項資產乃根據合約規定購買或出售，而合約條款規定須按市場指定時限內交收，則金融資產按交易日基準確認及終止確認，並初步按公平值另加直接應計交易成本確認，惟按公平值計入損益之投資除外。收購按公平值計入損益之投資直接應計交易成本即時於損益確認。

本集團之金融資產乃按以下類別分類：

- 按攤銷成本計量之金融資產；
- 按公平值計入損益之投資。

(i) 按攤銷成本計量之金融資產

倘金融資產(包括應收賬款及其他應收款項)符合以下條件則歸入此分類：

- 持有資產的業務模式是為收取合約現金流；及
- 資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

該等資產其後使用實際利息法按攤銷成本減預期信貸虧損之虧損撥備計量。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial assets (Continued)

- (ii) Investments at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

### 3. 主要會計政策(續)

#### 金融資產(續)

- (ii) 按公平值計入損益之投資

倘財務資產不符合按攤銷成本計量之條件及按公平值計入其他全面收益之債務投資之條件，則財務資產分類至此類別，除非本集團於初步確認時將並非持作買賣之股本投資指定為按公平值計入其他全面收益則另作別論。

按公平值計入損益之投資其後按公平值計量，而公平值變動產生之任何收益或虧損於損益中確認。於損益確認之公平值收益或虧損乃扣除任何利息收入及股息收入。利息收入及股息收入於損益中確認。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost, contract assets and lease receivables. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“lifetime expected credit losses”) for trade receivables, contract assets and lease receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables, contract assets and lease receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

#### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management are also included as a component of cash and cash equivalents.

### 3. 主要會計政策(續)

#### 預期信貸虧損之虧損撥備

本集團就按攤銷成本計量之財務資產、合約資產及應收租賃款項確認預期信貸虧損之虧損撥備。預期信貸虧損為信貸虧損之加權平均數，以發生有關違約之風險作為權重。

於各報告期末，本集團按金額相等於該財務工具預計年期內所有可能違約事件所產生之預期信貸虧損（「永久預期信貸虧損」）對應收賬款、合約資產及應收租賃款項計量財務工具之虧損撥備，或倘自該初步確認後該財務工具之信貸風險大幅增加而導致。

倘於報告期末，財務工具（應收賬款、合約資產及應收租賃款項除外）之信貸風險自初步確認後並未大幅增加，則本集團按金額相等於永久預期信貸虧損之部分（代表該財務工具於報告期後12個月內之可能違約事件產生之預期信貸虧損）計量該財務工具之虧損撥備。

於報告期末將虧損撥備調整至所需金額之預期信貸虧損或撥回金額於損益確認為減值收益或虧損。

#### 現金及現金等價物

就現金流量表而言，現金及現金等價物乃指銀行及手頭現金、銀行及其他財務機構的活期存款及可隨時轉換為確實數額的現金及存在非重大價值變動風險的短期高度流動投資項目。須按要求償還的銀行透支為本集團現金管理的主要組成部分，亦會列作現金及現金等價物的組成部分。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

#### Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### 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 capitalised as part of 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.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

### 3. 主要會計政策(續)

#### 金融負債及股本工具

金融負債及股本工具乃按所訂立合約安排的內容及香港財務報告準則項下金融負債及股本工具的釋義分類。股本工具為反映扣除所有負債後本集團資產剩餘權益的任何合約。下文載列就特定金融負債及股本工具所採納的會計政策。

#### 借貸

借貸初步按公平值，扣除所產生之交易成本確認，其後使用實際利率法按攤銷成本計量。

除非本集團有無條件權利延遲償還負債直至報告期後最少十二個月，否則借貸應分類為流動負債。

#### 借貸成本

直接歸屬於收購、興建或生產合資格資產（指必須經一段長時間處理以作其預定用途或銷售的資產）的借貸成本，資本化為該等資產的成本部分，直至資產大致上備妥供其預定用途或銷售為止。就特定借貸而言，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借貸成本中扣除。

就於一般情況及用作取得合資格資產而借入之資金而言，合資格資本化之借貸成本金額乃按對該資產之開支應用資本化比率計算。資本化比率為適用於本集團該期間內尚未償還借貸（不包括就取得合資格資產而借入之特定借貸）之加權平均借貸成本。

所有其他借貸成本於其產生期間在損益中確認。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Convertible bonds

Convertible bonds which entitle the holder to convert the bonds into a fixed number of equity instruments at a fixed conversion price are regarded as compound instruments consist of a liability and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The fair value of any derivative features embedded in the compound instruments is included in the liability component. The difference between the fair value of the convertible bonds and the fair values assigned to the liability component, representing the embedded option for the holder to convert the bonds into equity of the Group, is included in equity as convertible bonds equity reserve. The liability component is carried as a liability at amortised cost using the effective interest method until extinguished on conversion or redemption. The derivative components are measured at fair value with gains and losses recognised in profit or loss.

Transaction costs are apportioned between the liability and equity components of the convertible bonds based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly to equity.

#### Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 3. 主要會計政策(續)

#### 可換股債券

賦予持有人權利按固定兌換價將債券兌換為固定數目之權益工具之可換股債券乃視為由負債及權益部分組成之複合工具。於發行當日，負債部分之公平值乃按當時適用於類似非可換股債務之市場利率估計。嵌入複合工具的任何衍生特質的公平值計入負債部分。可換股債券之公平值與劃定為負債部分之公平值之差額，即讓持有人可轉換債券為本集團股權之內含期權，乃計入權益列為可換股債券權益儲備。負債部分使用實際利率法按攤銷成本列為負債，直至獲轉換或贖回時註銷為止。衍生部分按公平值計量，收益及虧損於損益確認。

交易成本乃根據可換股債券之負債及權益部分於發行當日之相關賬面值分攤。與權益部分有關之份額乃直接在權益中扣除。

#### 應付賬款及其他應付款項

應付賬款及其他應付款項初步按其公平值列賬，其後以實際利率法按攤銷成本計量，除非貼現影響甚微，於此情況下，則按成本列賬。

#### 股本工具

本公司發行的股本工具乃按已收所得款項扣除直接發行成本列賬。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Revenue from contract with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

### 3. 主要會計政策(續)

#### 與客戶合約的收益

收益參考常見業務慣例按客戶合約列明之代價計量，且不包括代表第三方收取之款項。倘合約規定客戶付款與轉移承諾產品或服務之間之期間超過一年，代價須就重大融資組成部分之影響作出調整。

本集團於透過將某項產品或服務之控制權轉移至客戶而達成履約責任時確認收益。視乎合約條款及該合約適用之法例，履約責任可隨時間或於特定時間達成，倘符合以下條件，履約責任須隨時間達成：

- 客戶於本集團履約時同時接受及使用本集團履約所提供之利益；
- 本集團履約產生或增強一項於產生或增強時由客戶控制之資產；或
- 本集團履約並無產生對本集團而言具替代用途之資產，且本集團對迄今完成之履約付款具有可執行權利。

倘履約責任隨時間達成，收益參考達成該履約責任之進度確認，否則收益於客戶取得產品或服務之控制權時確認。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Other revenue

Interest income is recognised using the effective interest method.

#### Employee benefits

##### (a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

##### (b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

The Group also participates in a defined contribution retirement scheme organized by the government in the PRC. The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

##### (c) Termination benefits

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

### 3. 主要會計政策(續)

#### 其他收益

利息收入採用實際利率法確認。

#### 僱員福利

##### (a) 僱員享有假期

僱員的年假及長期服務休假的權利乃於僱員應享有時確認。本集團會就截至報告期末僱員已提供的服務而產生的年假及長期服務休假的估計負債作出撥備。

僱員的病假及產假不作確認，直至僱員正式休假為止。

##### (b) 退休金責任

本集團向定額供款退休計劃作出供款，所有僱員均可參與該計劃。該計劃之供款由本集團及僱員按僱員基本薪金之百分比計算。自損益扣除之退休福利計劃成本指本集團應向該基金支付之供款。

本集團亦於中國參與一項由政府安排之定額供款退休計劃。本集團須按其僱員工資特定百分比向退休計劃作出供款。供款於根據退休計劃之規則應付時自損益中扣除。僱主不得將沒收供款撥作調減現行應付供款。

##### (c) 終止福利

終止福利於當本集團不得再撤銷提供該等福利，或當本集團確認重組成本並涉及支付終止福利(以較早者為準)時確認。



# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in 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.

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.

### 3. 主要會計政策(續)

#### 稅項

所得稅為即期稅項與遞延稅項的總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與於損益內確認的溢利不同，因應課稅溢利不包括在其他年度應課稅收入或可扣減開支項目，而且不包括毋須課稅或不可扣稅項目。本集團的即期稅項負債乃按報告期末前已頒佈或實質頒佈的稅率計算。

遞延稅項乃根據財務報表中資產及負債的賬面值與用作計算應課稅溢利的相應稅基間的差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認，倘很可能有應課稅溢利可用於抵銷可扣減暫時差額、未動用稅項虧損或未動用稅項抵免，則確認遞延稅項資產。於一項交易中，倘因其他資產及負債的商譽或初步確認(業務合併除外)而產生的暫時差額不影響應課稅溢利及會計溢利時，則不會確認該等資產及負債。

遞延稅項負債乃按於附屬公司及聯營公司之投資及於合營企業之權益而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回並預期該暫時差額將不會在可見將來撥回者除外。

遞延稅項資產的賬面值於各報告期末均會作出檢討，並在預期不再有足夠應課稅溢利予以收回全部或部分資產時作出相應減值。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

### 3. 主要會計政策(續)

#### 稅項(續)

遞延稅項乃以預期於償還負債或變現資產當期基於報告期末前頒佈或實質頒佈的稅率計算。遞延稅項於損益內確認，倘遞延稅項與其他全面收入或直接於權益確認項目相關聯則除外，在此情況下，遞延稅項亦會於其他全面收入或直接於權益確認。

遞延稅項資產及負債之計量反映按本集團預計於報告期末收回或清償其資產及負債之賬面值之稅務後果。

倘有法定可行使權利將即期稅項資產及即期稅項負債抵銷，且彼等為與同一稅務機構徵收的所得稅有關，以及本集團擬按淨額基準結算即期稅項資產及負債，遞延稅項資產及負債則會互相抵銷。

#### 關聯人士

關聯人士為與本集團有關連的個人或實體。

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：
- (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響；或
  - (iii) 為本公司或本公司母公司的主要管理層成員。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Related parties (Continued)

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

### 3. 主要會計政策(續)

#### 關聯人士(續)

(b) 倘符合下列任何條件，即該實體與本集團有關聯：

- (i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
- (ii) 一間實體為另一實體的聯營公司或合資公司(或另一實體為成員公司之集團旗下成員公司之聯營公司或合資公司)。
- (iii) 兩間實體均為同一第三方的合資公司。
- (iv) 一間實體為第三方實體的合資公司，而另一實體為該第三方實體的聯營公司。
- (v) 該實體為本集團或與本集團有關聯之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關聯。
- (vi) 該實體受(a)識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 該實體，或其所屬集團任何成員公司向本公司或本公司母公司提供主要管理人員服務。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and other intangible assets except goodwill and deferred income tax assets and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

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 pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 3. 主要會計政策(續)

#### 資產減值

具有無限使用年期或尚未可供使用之無形資產會每年進行減值測試，並於發生任何事件或情況有變顯示未必能夠收回賬面值時檢討是否減值。

於各報告期末，本集團審閱其有形及其他無形資產(商譽及遞延所得稅資產及應收款項除外)的賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。如有任何有關跡象，則會估計資產的可收回金額，以釐定任何減值虧損的程度。如不能估計個別資產的可收回金額，則本集團會估計資產所屬現金產生單位的可收回金額。

可收回金額為公平值減出售成本及使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值。稅前貼現率反映市場目前對貨幣時間值及資產特定風險的評估。

倘資產或現金產生單位的可收回金額估計將少於其賬面值，則資產或現金產生單位的賬面值會減少至其可收回金額。減值虧損會即時於損益內確認，除非有關資產乃按重估數額列賬，在該情況下，減值虧損會被視為重估減幅。

倘其後撥回減值虧損，則資產或現金產生單位的賬面值會增至經修訂的預計可收回金額，惟增加後的賬面值不得超逾過往年度並無就資產或現金產生單位確認減值虧損應予釐定的賬面值(扣除攤銷或折舊)。減值虧損撥回會即時於損益內確認，惟倘有關資產按重估金額列賬，則減值虧損撥回會作重估增幅處理。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

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

#### Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

### 4. KEY ESTIMATES

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

### 3. 主要會計政策(續)

#### 撥備及或然負債

倘本集團因過往事件負上現有法律或推定責任承擔而很可能需要以經濟溢利流出以支付負債，於能作出可靠估計時，便會就未有確定時間或金額的負債確認撥備。倘金錢的時間價值重大，撥備會以履行義務預期所需支出的現值列賬。

倘需要流出經濟利益的可能性不大，或未能可靠估計有關金額，則除非流出經濟利益的可能性極微，否則有關責任將列作或然負債披露。須視乎一宗或多宗未來事件是否發生才能確定存在與否的潛在責任，亦會披露為或然負債；倘資源外流的可能性極低則作別論。

#### 報告期後事項

就本集團於報告期末業務狀況提供額外資料或顯示持續經營假設並不適當之報告期後事項為調整事項，並反映於財務報表。並非調整事項的報告期後事項，倘屬重大時，則於財務報表附註內披露。

### 4. 主要估計

#### 估計不明朗因素的主要來源

於報告期末有重大風險使下個財政年度資產及負債賬面值須作重大調整而與未來有關的主要假設及其他估計不明朗因素的主要來源討論如下。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

(a) *Impairment of property, plant and equipment and right-of-use assets*

Property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may be not recoverable. The recoverable amounts have been determined based on value in use calculations. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of the operations.

(b) *Measurement of right-of-use assets and lease liabilities*

The Group estimated the right-of-use assets and lease liabilities based on the terms of the rental agreements and the Group's incremental borrowing rate. Estimates are required in determining the Group's incremental borrowing rate.

### 4. 主要估計(續)

#### 估計不明朗因素的主要來源(續)

(a) *物業、廠房及設備以及使用權資產的減值*

當有事件或情況轉變顯示可能無法收回賬面值時，本集團將檢討物業、廠房及設備以及使用權資產有否減值。可收回金額乃按使用價值計算而釐定。此等計算須運用判斷及估計。

管理層需要運用判斷以釐定資產減值，尤其是評估：(i)有否出現事件可能顯示有關資產價值可能無法收回；(ii)資產賬面值是否有可收回款項(即公平值減出售成本或以業務持續使用資產為基礎估計的有關日後現金流量的淨現值兩者中的較高者)支持；及(iii)編製現金流量預測時使用的適當主要假設，包括有關現金流量預測是否以適用比率貼現。倘管理層就評估減值所選假設(包括現金流量預測所用貼現率或增長率假設)有所變更，可能會對減值測試中所用的淨現值產生影響，從而或會影響本集團的財務狀況及經營業績。

(b) *計量使用權資產及租賃負債*

本集團根據租賃協議條款及本集團的增量借款利率估計使用權資產及租賃負債。於釐定本集團的增量借款利率需要估計。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

(c) *Depreciation of property, plant and equipment*

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or writedown technically obsolete or non-strategic assets that have been abandoned or sold.

(d) *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("CGU") to which goodwill has been allocated. The value in use calculation require the Group to estimate the present value of the future cash flows expected to arise from the CGUs containing goodwill using suitable discount rates. Details of the recoverable amount calculation and impairment loss made for the year are disclosed in note 17.

(e) *Impairment loss for bad and doubtful debts*

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

### 4. 主要估計(續)

#### 估計不明朗因素的主要來源(續)

(c) *物業、廠房及設備的折舊*

本集團釐定本集團物業、廠房及設備的估計可使用年期、剩餘價值及相關折舊開支。該估計乃根據性質及功能相近的物業、廠房及設備實際可使用年期及剩餘價值的過往經驗而作出。倘可使用年期及剩餘價值與過往之估計相異，本集團會調整折舊開支，或將已報廢或出售的技術上過時或非戰略資產撇銷或撇減。

(d) *商譽減值*

於釐定商譽有否減值時，須估計商譽所獲分配現金產生單位(「現金產生單位」)之使用價值。目標集團進行此計算時需要使用合適貼現率，估計包含商譽在內的現金產生單位預期產生之未來現金流量之現值。本年度之可收回金額計算及減值虧損詳情於附註17披露。

(e) *呆壞賬減值虧損*

本集團按照應收賬款及其他應收款項之可收回程度之評估(包括各債務人目前的信貸能力和過往收回欠款紀錄)就呆壞賬作出減值虧損。一旦事件發生或情況改變顯示該等餘額有可能不能收回時，即定為減值。識別呆壞賬需要作出判斷和估計。倘實際結果與原估計有差異時，則該差異將會影響到估計改變之年度內之應收賬款及其他應收款項之賬面值以及呆賬支出。若債務人的財務狀況惡化，令彼等還款的能力下降，可能會要求作出額外撥備。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

(f) *Asset retirement obligations*

The Group evaluates and recognises, on a regular basis, the present value of the obligations which arise from future reinstatement of leased hotel and office premises upon the end of lease terms. To establish the present value of the asset retirement obligations, estimates and judgement are applied in determining these future cash flows and the discount rate. Management estimates the future cash flows based on certain assumptions, such as the restoration costs based on quotations.

(g) *Income taxes*

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

### 4. 主要估計(續)

#### 估計不明朗因素的主要來源(續)

(f) *報廢資產復原債務*

本集團會定期評估及確認日後於租期結束時須復修租賃酒店及辦公室物業而產生的債務之現值。而確立報廢資產復原債務的現值時，釐定該等未來現金流量及貼現率已應用估計及判斷。管理層根據若干假設(例如基於報價的復修成本)估計未來現金流量。

(g) *所得稅*

釐定所得稅撥備時需要作出重大估計。多項交易及計算的最終稅額無法於日常業務過程中釐定。倘若該等事宜之最終稅務結果與初始記錄金額不同，則有關差額將會影響作出決定期間之所得稅及遞延稅項撥備。

與若干暫時差額及稅項虧損相關之遞延所得稅資產於管理層認為未來應課稅溢利將很有可能可獲得而就此可使用暫時差額或稅項虧損時予以確認。其實際使用之結果或會有不同。



# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### (a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

#### (b) Credit risk

The carrying amount of the trade and other receivables, cash and bank balances and deposits included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

In respect of hotel operations, the Group has no concentration of credit risk in view of its large number of customers. It has policies in place to ensure that sale of rooms to corporate customers are made to customers with an appropriate credit history. Sales to walk-in customers are made via credit cards or cash.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### 5. 財務風險管理

本集團的活動承受多項財務風險：外幣風險、信用風險、流動資金風險及利率風險。本集團的整體風險管理計劃專注於財務市場的不可預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

#### (a) 外幣風險

本集團的外幣風險甚微，此乃由於其大部分業務交易、資產及負債主要以本集團實體的功能貨幣計值。本集團現時並無就外幣交易、資產及負債設立外幣對沖政策。本集團將密切監控其外幣風險，並於必要時考慮對沖重大外幣風險。

#### (b) 信用風險

計入綜合財務狀況表之應收賬款及其他應收款項、現金及銀行結餘以及按金之賬面值為本集團就其金融資產所面對之最高信用風險。

就酒店營運而言，由於本集團擁有龐大的顧客群，因此並無信用集中風險。本集團已實施政策確保向具有適當信貸歷史的企業客戶提供客房銷售。向未有預訂的顧客作出的銷售以信用卡或現金收款。

由於交易對手為獲國際信貸評級機構評為具高信貸評級之銀行，故現金及銀行結餘之信用風險有限。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Credit risk (Continued)

Rental deposits are mainly paid to five (2017: seven) domestic private entities who are currently leasing the office, hotel premises and staff quarter to the Group. Other receivables primarily represent the amounts due from third and related parties which have long business relationship with the Group. Taking into consideration settlements subsequent to year end, management considers provision for impairment has been provided appropriately.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- external credit rating (if available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

### 5. 財務風險管理(續)

#### (b) 信用風險(續)

租賃按金主要支付予目前向本集團出租辦公室、酒店物業及員工宿舍的五個(二零一七年：七個)當地私人實體。其他應收款項主要是指應收與本集團存在長期業務關係的第三方及關連方的款項。經考慮該等款項於年結日後結算，管理層認為已適當地作出減值撥備。

本集團比較金融資產於報告日期之違約風險與於初始確認日期之違約風險，以評估金融資產之信貸風險有否於各報告期內按持續基準大幅增加。本集團亦考慮所得合理及有理據支持之前瞻性資料。尤其使用下列資料：

- 外部信貸評級(如有)；
- 預期導致借款人履行責任能力出現重大變動之業務、財務或經濟狀況之實際或預期重大不利變動；及
- 借款人預期表現及行為之重大變動，包括借款人之付款狀況變動。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Credit risk (Continued)

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 120 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

#### (c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

					Total 總額	
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Undiscounted cash flow 未貼現 現金流量	Carrying amount 賬面值
		一年內 HK\$ 港元	一年至兩年 HK\$ 港元	兩年至五年 HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>					
Trade and other payables	應付賬款及其他應付款項	6,951,988	-	-	6,951,988	6,951,988
Borrowings	借貸	10,000,000	13,800,000	-	23,800,000	21,860,063
		16,951,988	13,800,000	-	30,751,988	28,812,051

### 5. 財務風險管理(續)

#### (b) 信用風險(續)

倘涉及合約付款之債務人逾期超過30日，則假定信貸風險大幅增加。當交易對方無法於合約付款到期時120日內支付款項，則金融資產出現違約。

金融資產於合理預期無法收回(例如債務人無法與本集團達成還款計劃)時撇銷。倘債務人於逾期後360日未能履行合約付款，本集團通常會撇銷有關貸款或應收款項。倘貸款或應收款項撇銷，則本集團(在實際可行及符合經濟效益之情況下)繼續採取強制行動試圖收回到期應收款項。

#### (c) 流動資金風險

本集團之政策為定期監察現時及預期流動資金需求，以確保維持充足現金儲備，以應付其短期及長期流動資金需求。

本集團金融負債之到期日分析如下：

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Liquidity risk (Continued)

		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total 總額	
					Undiscounted cash flow 未貼現 現金流量	Carrying amount 賬面值
		一年內 HK\$ 港元	一年至兩年 HK\$ 港元	兩年至五年 HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>					
<b>(restated)</b>	<b>(經重列)</b>					
Trade and other payables	應付賬款及其他應付款項	6,962,750	-	-	6,962,750	6,962,750
Borrowings	借貸	-	-	20,033,333	20,033,333	16,935,781
		6,962,750	-	20,033,333	26,996,083	23,898,531

#### (d) Interest rate risk

As at 31 December 2017, the Group's other borrowings bore interests at fixed interest rates and therefore were subject to fair value interest rate risk.

As at 31 December 2018, as the Group has no significant interest-bearing assets and liabilities, the Group's operating cash flows are substantially independent of changes in market interest rates.

### 5. 財務風險管理(續)

#### (c) 流動資金風險(續)

#### (d) 利率風險

於二零一七年十二月三十一日，本集團的其他借款按固定利率計息，因此面對公平值利率風險。

於二零一八年十二月三十一日，由於本集團並無重大計息資產及負債，故本集團之經營現金流大致上不受市場利率變動之影響。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT (Continued)

### 5. 財務風險管理(續)

#### (e) Categories of financial instruments

#### (e) 金融工具之分類

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
<b>Financial assets:</b>	<b>金融資產：</b>		
Investments at fair value through profit or loss	按公平值計入損益之投資	5,922,551	—
Financial assets at amortised cost	按攤銷成本計值的金融資產	31,729,069	11,877,624
<b>Financial liabilities:</b>	<b>金融負債：</b>		
Financial liabilities at amortised costs	按攤銷成本計值的金融負債	28,812,051	23,898,531

#### (f) Fair values

#### (f) 公平值

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

綜合財務狀況表所列示本集團金融資產及金融負債的賬面值與其各自的公平值相若。

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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

公平值是市場參與者在計量日進行之有秩序交易中出售一項資產所收取或轉讓一項負債所支付之價格。以下披露之公平值計量使用公平值等級機制，有關機制將用以計量公平值之估值技術之輸入數據分為三級：

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

第1級輸入數據：本集團可在計量日取得之相同資產或負債在活躍市場之報價(未經調整)。

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

第2級輸入數據：除第1級報價以外，基於可直接或間接觀察取得之資產或負債輸入數據。

Level 3 inputs: unobservable inputs for the asset or liability.

第3級輸入數據：資產或負債之無法觀察輸入數據。

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

本集團之政策是於轉撥事件或導致轉撥之情況出現變動之日，確認轉入及轉出三個級別任何之一。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT (Continued)

#### (f) Fair values (Continued)

(a) Disclosures of level in fair value hierarchy:

		Fair value measurements using: 使用以下輸入數據之公平值計量：			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
<b>At 31 December 2018</b>	於二零一八年 十二月三十一日				
<b>Recurring fair value measurements:</b>	經常性公平值計量：				
Investments at fair value through profit or loss	按公平值計入損益之投資				
– Investment funds	– 投資資金	–	–	5,922,551	5,922,551

(b) Reconciliation of assets measured at fair value based on level 3:

		Investments at fair value through profit or loss	Total
		按公平值計入損益之投資	總計
		HK\$	HK\$
		港元	港元
At 1 January 2018	於二零一八年一月一日	–	–
Purchases	購買	5,922,551	5,922,551
At 31 December 2018	於二零一八年十二月三十一日	5,922,551	5,922,551

### 5. 財務風險管理(續)

#### (f) 公平值(續)

(a) 公平值層級披露：

		Fair value measurements using: 使用以下輸入數據之公平值計量：			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
<b>At 31 December 2018</b>	於二零一八年 十二月三十一日				
<b>Recurring fair value measurements:</b>	經常性公平值計量：				
Investments at fair value through profit or loss	按公平值計入損益之投資				
– Investment funds	– 投資資金	–	–	5,922,551	5,922,551

(b) 根據第3層級按公平值計量的資產對賬：

		Investments at fair value through profit or loss	Total
		按公平值計入損益之投資	總計
		HK\$	HK\$
		港元	港元
At 1 January 2018	於二零一八年一月一日	–	–
Purchases	購買	5,922,551	5,922,551
At 31 December 2018	於二零一八年十二月三十一日	5,922,551	5,922,551

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT (Continued)

#### (f) Fair values (Continued)

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018:

The Group's Chief Executive Officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The Chief Executive Officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the Chief Executive Officer and the Board of Directors at least twice a year.

For level 3 fair value measurements, the management will estimate the investment funds fair value classified as investments at fair value through profit or loss based on the rate of return published by the financial institutions.

Level 3 fair value measurements

**At 31 December 2018**

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value
項目	估值技術	不可觀察參數	範圍	參數增加對公平值的影響	公平值 HK\$ 港元
Investment funds classified as investments at fair value through profit or loss 分類為按公平值計入損益之投資的投資基金	Discounted cash flow 貼現現金流量	Rate of return 收益率	3.54% – 4.1% 3.54%至4.1%	Increase 增加	5,922,551

### 5. 財務風險管理(續)

#### (f) 公平值(續)

- (c) 於二零一八年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值技術及參數的披露：

本集團的行政總裁負責就財務報告進行所需的資產及負債之公平值計量(包括第3層級公平值計量)。行政總裁就此等公平值計量直接向董事會匯報。行政總裁與董事會每年至少兩次討論估值程序及有關結果。

就第3層級公平值計量而言，管理層將根據金融機構公佈的回報率估算分類為按公平值計入損益之投資基金公平值。

第3層級公平值計量

於二零一八年十二月三十一日

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. OPERATING SEGMENT INFORMATION

The Group has one reportable segment as follows:

- Hotel operations

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 3 to the financial statements. Segment profits or losses do not include interest income, finance costs, auditor's remuneration, legal and professional fee, head office and corporate expenses.

The segment information for the reportable segments for the year is as follows:

### 6. 經營分部資料

本集團的一個可呈報分部如下：

- 酒店營運

本集團之可呈報分部乃提供不同產品及服務之策略性業務單位。由於各業務要求不同之技術及市場推廣策略，各可呈報分部乃個別管理。

經營分部之會計政策與財務報表附註3所述之會計政策相一致。分部損益不包括利息收入、融資成本、核數師酬金、法律及專業費用、總辦事處及企業開支。

本年度可呈報分部的分部資料載列如下：

		<b>Hotel operations 酒店營運 HK\$ 港元</b>
<b>For the year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>	
Revenue	收益	<b>45,547,168</b>
Segment profit	分部溢利	<b>19,003,582</b>
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>4,747,259</b>
Depreciation of right-of-use assets	使用權資產折舊	<b>10,373,520</b>



# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. OPERATING SEGMENT INFORMATION

(Continued)

### 6. 經營分部資料(續)

		Hotel operations 酒店營運 HK\$ 港元 (Restated) (經重列)
For the year ended 31 December 2017	截至二零一七年十二月三十一日止年度	
Revenue	收益	16,281,691
Segment loss	分部虧損	(493,110)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,546,350
Depreciation of right-of-use assets	使用權資產折舊	7,336,765
Written off of property, plant and equipment	撇銷物業、廠房及設備	1,677,105
Gain on disposal of subsidiaries	出售附屬公司的收益	2,008,866

A reconciliation of segment results to loss before tax is provided as follows:

分部業績與除稅前虧損之對賬載列如下：

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
Total profit/(loss) of reportable segments	可呈報分部溢利/(虧損)總額	<b>19,003,582</b>	(493,110)
Unallocated corporate expenses, net	未分配企業開支淨額	<b>(18,035,440)</b>	(31,959,401)
Interest income	利息收入	<b>77,165</b>	3,739
Finance costs	融資成本	<b>(3,122,615)</b>	(10,120,875)
Loss before tax	除稅前虧損	<b>(2,077,308)</b>	(42,569,647)

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. OPERATING SEGMENT INFORMATION

(Continued)

#### Revenue from major customers:

All revenue was derived in the PRC during the years ended 31 December 2018 and 2017. Revenue from two (2017: nil) customers of the Group's hotel operation segment represents approximately HK\$9,974,683 (2017: HK\$Nil) and HK\$6,485,297 (2017: HK\$Nil) respectively of the Group's total revenue.

The total of non-current assets other than deferred tax assets and rental deposits located in Hong Kong and the PRC were HK\$8,226,664 (2017: HK\$5,929,328 (restated)) and HK\$47,300,132 (2017: HK\$43,793,123 (restated)), respectively.

Breakdown of revenue from all activities is as follows:

		<b>2018</b> 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Sales from hotel operations – hotel room rental and conference room rental	酒店營運的銷售額 – 酒店客房租金及 會議室租金	<b>45,547,168</b>	16,281,691
Revenue from contracts with customers	與客戶的合約收益	<b>45,547,168</b>	16,281,691

### 6. 經營分部資料(續)

#### 來自主要客戶之收益：

於截至二零一八年及二零一七年十二月三十一日止年度，所有收益均來自中國。本集團酒店營運分部兩名(二零一七年：無)客戶的收入分別約佔本集團總收益9,974,683港元(二零一七年：零港元)及6,485,297港元(二零一七年：零港元)。

位於香港及中國的非流動資產總值(不包括遞延稅項資產及租賃按金)分別為8,226,664港元(二零一七年：5,929,328港元(經重列))及47,300,132港元(二零一七年：43,793,123港元(經重列))。

所有活動收益明細載列如下：

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. OPERATING SEGMENT INFORMATION

(Continued)

#### Revenue from major customers: (Continued)

Disaggregation of revenue from contracts with customers:

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
<b>Geographical markets</b>	<b>地理市場</b>		
PRC	中國	45,547,168	16,281,691
<b>Major service</b>	<b>主要服務</b>		
Rental of hotel rooms and conference room	酒店客房及會議室租金	45,547,168	16,281,691
<b>Timing of revenue recognition</b>	<b>確認收益的時間</b>		
Over time	隨時間達成	45,547,168	16,281,691

#### Rental of hotel rooms and conference room

Hotel revenue from hotel room and conference room rental is recognised when the services are rendered.

#### 酒店客房及會議室租金

來自酒店客房及會議室租金的酒店收益於提供服務時確認。

### 7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

### 7. 僱員福利開支(包括董事薪酬)

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Salaries, wages and allowances	薪金、工資及津貼	14,784,044	19,652,321
Pension obligations	退休金責任	1,187,404	1,064,263
Other benefits	其他福利	145,768	887,859
		<b>16,117,216</b>	<b>21,604,443</b>

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 8. DIRECTORS' EMOLUMENTS

### 8. 董事薪酬

(a) The emoluments of each director were as follows:

(a) 各董事之薪酬載列如下：

	Notes 附註	Fees 袍金 HK\$ 港元	Inducement 獎勵金 HK\$ 港元	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 HK\$ 港元	Pension schemes contribution 退休金 計劃供款 HK\$ 港元	Total 總額 HK\$ 港元
<b>Year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>					
<b>Executive directors:</b>	<b>執行董事：</b>					
Ye Shusheng	叶樹生 (a)	1,302,857	202,950	-	16,500	1,522,307
Huang Yun	黃雲 (b)	816,667	-	-	-	816,667
Min Zhidong	閔志東 (c)	-	-	-	-	-
Dai Lifeng	戴立峰 (b)	490,000	-	-	-	490,000
<b>Non-executive directors:</b>	<b>非執行董事：</b>					
Yuan Fuer	袁富兒 (d)	5	-	-	-	5
Hu Xinglong	胡性龍 (d)	5	-	-	-	5
Lu Zefeng	陸澤峰 (b)	816,667	-	-	-	816,667
<b>Independent non-executive directors:</b>	<b>獨立非執行董事：</b>					
Wu Jilin	吳吉林 (e)	45,484	-	-	-	45,484
Du Hongwei	杜宏偉 (e)	45,484	-	-	-	45,484
Li Zhou	李舟 (e)	45,484	-	-	-	45,484
Tso Hon Sai, Bosco	曹漢鏗 (b)	81,667	-	-	-	81,667
Cheng Chai Fu	鄭濟富 (f)	81,667	-	-	-	81,667
Wong Yiu Kit, Ernest	黃耀傑 (b)	81,667	-	-	-	81,667
		<b>3,807,654</b>	<b>202,950</b>	<b>-</b>	<b>16,500</b>	<b>4,027,104</b>

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 8. DIRECTORS' EMOLUMENTS (Continued)

(a) The emoluments of each director were as follows:  
(Continued)

### 8. 董事薪酬(續)

(a) 各董事之薪酬載列如下：(續)

		Notes	Fees	Inducement	Salaries, allowances and benefits in kind	Pension schemes contribution	Total
		附註	袍金	獎勵金	薪金、津貼及實物福利	退休金計劃供款	總額
			HK\$	HK\$	HK\$	HK\$	HK\$
			港元	港元	港元	港元	港元
<b>Year ended 31 December 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>						
<b>Executive directors:</b>	<b>執行董事：</b>						
Huang Yun	黃雲	(b)	1,028,387	-	-	-	1,028,387
Min Zhi Dong	閔志東	(c)	1,424,906	-	-	-	1,424,906
Wu Li Xin	吳立新	(g)	3,307,691	-	-	-	3,307,691
Dai Lifeng	戴立峰	(b)	720,000	-	-	-	720,000
<b>Non-executive directors:</b>	<b>非執行董事：</b>						
Chung Wai Man	鍾偉文	(h)	574,286	-	-	-	574,286
Lu Zefeng	陸澤峰	(b)	1,200,000	-	-	-	1,200,000
<b>Independent non-executive directors:</b>	<b>獨立非執行董事：</b>						
Tso Hon Sai, Bosco	曹漢鏗	(b)	120,000	-	-	-	120,000
Leung Siu Hong	梁兆康	(i)	22,903	-	-	-	22,903
Cheng Chai Fu	鄭濟富	(f)	97,419	-	-	-	97,419
Wong Yiu Kit, Ernest	黃耀傑	(b)	120,000	-	-	-	120,000
			8,615,592	-	-	-	8,615,592

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 8. DIRECTORS' EMOLUMENTS (Continued)

#### (a) The emoluments of each director were as follows: (Continued)

Notes:

- (a) With effect from 15 December 2017, Ye Shusheng was appointed as executive director and Chief Executive Officer ("CEO").
- (b) Huang Yun and Dai Lifeng resigned as executive directors, Lu Zefeng resigned as a non-executive director and Tso Hon Sai Bosco and Wong Yiu Kit Ernest resigned as independent non-executive directors with effect from 6 September 2018.
- (c) Min Zhidong was appointed and resigned as an executive director with effect from on 1 April 2017 and 1 March 2018 respectively.
- (d) Yuan Fuer and Hu Xinglong were appointed as non-executive directors with effect from 15 August 2018.
- (e) Wu Jilin, Du Hongwei and Li Zhou were appointed as independent non-executive directors with effect from 15 August 2018.
- (f) Cheng Chai Fu was appointed and resigned as an independent non-executive director with effect from 9 March 2017 and 6 September 2018 respectively.
- (g) Wu Li Xin resigned as CEO and executive director with effect from 30 November 2017.
- (h) Chung Wai Man was appointed and resigned as a non-executive director with effect from 13 February 2017 and 30 November 2017 respectively.
- (i) With effect from 9 March 2017, Leung Siu Hong resigned as an independent non-executive director.

During the year ended 31 December 2018, HK\$202,950 (2017: HK\$nil) was paid by the Group to Ye Shusheng as an inducement to join or upon joining the Group and no (2017: nil) inducement paid by the Group to any of the directors as compensation for loss of office.

### 8. 董事薪酬(續)

#### (a) 各董事之薪酬載列如下：(續)

附註：

- (a) 自二零一七年十二月十五日起，叶樹生獲委任為執行董事及行政總裁（「行政總裁」）。
- (b) 自二零一八年九月六日起，黃雲及戴立峰辭任執行董事，陸澤峰辭任非執行董事及曹漢鏗及黃耀傑辭任獨立非執行董事。
- (c) 自二零一七年四月一日及二零一八年三月一日起，閔志東分別獲委任為及辭任執行董事。
- (d) 自二零一八年八月十五日起，袁富兒及胡性龍獲委任為非執行董事。
- (e) 自二零一八年八月十五日起，吳吉林、杜宏偉及李舟獲委任為獨立非執行董事。
- (f) 自二零一七年三月九日及二零一八年九月六日起，鄭濟富分別獲委任為及辭任獨立非執行董事。
- (g) 自二零一七年十一月三十日起，吳立新辭任行政總裁及執行董事。
- (h) 自二零一七年二月十三日及二零一七年十一月三十日起，鍾偉文分別獲委任為及辭任非執行董事。
- (i) 自二零一七年三月九日起，梁兆康辭任獨立非執行董事。

於截至二零一八年十二月三十一日止年度，本集團向叶樹生支付202,950港元作為加入或加入本集團時的獎勵（二零一七年：無），以及本集團並未向任何董事支付任何款項（二零一七年：無）作為離職補償。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 8. DIRECTORS' EMOLUMENTS (Continued)

#### (b) Five highest paid individuals

The five highest paid individuals in the Group during the year included four (2017: four) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining one (2017: one) individual is set out below:

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Salaries, wages and allowances	薪金、工資及津貼	947,100	1,970,000
Pension obligations	退休金責任	18,000	18,000
		<b>965,100</b>	1,988,000

The emoluments fell within the following bands:

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
Nil to HK\$1,000,000	0至1,000,000港元	1	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	1
		<b>1</b>	1

During the year, no emoluments were paid by the Group to the highest paid individuals of the Group as an inducement to join or upon joining the Group and no emoluments were paid by the Group as compensation for loss of office.

### 8. 董事薪酬(續)

#### (b) 五名最高薪人士

年內，本集團五名最高薪人士包括四名(二零一七年：四名)董事，酬金於上文呈列之分析中反映。其餘一名(二零一七年：一名)人士的酬金載列如下：

酬金範圍如下：

年內，本集團並無向本集團之最高薪人士支付任何酬金作為吸引加入或加入本集團時之獎勵，以及本集團並無支付任何酬金作為離職補償。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 9. OTHER INCOME

### 9. 其他收入

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Bank interest income	銀行利息收入	77,165	3,739
Income from TV drama series	電視劇收入	–	66,263
Food and beverage	食物及飲品	146,181	170,797
Waiver of other payable	豁免其他應付款項	–	378,510
Others	其他	20,534	430,564
Net foreign exchange gain	匯兌收益淨額	728,853	–
Change in provision for asset retirement	報廢資產復原撥備變動	2,339,062	–
		<b>3,311,795</b>	1,049,873

### 10. FINANCE COSTS

### 10. 融資成本

An analysis of finance costs is as follows:

融資成本分析如下：

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
Finance cost on provision for asset retirement	報廢資產復原撥備的融資成本	173,072	190,469
Interest on borrowings from the Former Controlling Shareholder	前控股股東借款的利息	1,174,736	435,781
Imputed interest costs on convertible bonds	可換股債券之估息成本	–	9,489,683
Lease interest	租賃利息	1,774,807	1,354,102
		<b>3,122,615</b>	11,470,035
Amount capitalised	資本化金額	–	(1,349,160)
		<b>3,122,615</b>	10,120,875



# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 11. INCOME TAX EXPENSES/(CREDIT)

### 11. 所得稅開支／(抵免)

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Current tax – Hong Kong Profits Tax	即期稅項 – 香港利得稅		
Under-provision in prior year	過往年度撥備不足	–	415,473
Current tax – PRC corporate income tax	即期稅項 – 中國企業所得稅		
Under-provision in prior year	過往年度撥備不足	<b>12,605</b>	–
Provision for the year	年度撥備	<b>3,229,444</b>	–
		<b>3,242,049</b>	415,473
Deferred income tax (Note 19)	遞延所得稅(附註19)	<b>(131,801)</b>	(824,009)
		<b>3,110,248</b>	(408,536)

The Group is not subject to taxation in the Cayman Islands and the British Virgin Islands (“BVI”).

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the years ended 31 December 2018 and 2017. The amount provided for the year ended 31 December 2018 was calculated at 16.5% (2017: 16.5%) based on the assessable profit for the year.

For the year ended 31 December 2018, PRC corporate income tax is provided at 25% based on the assessable profit for the year less allowable losses brought forward. No provision for PRC corporate income tax is required since the Group has no assessable profit for the year ended 31 December 2017.

本集團於開曼群島及英屬處女群島毋須繳納稅項。

由於本集團於截至二零一八年及二零一七年十二月三十一日止年度並無應課稅溢利，故無須就香港利得稅計提撥備。於截至二零一八年十二月三十一日止年度撥備之金額乃以本年度之應課稅溢利為基準按稅率16.5%(二零一七年：16.5%)計算。

截至二零一八年十二月三十一日止年度，中國企業所得稅按年度應課稅溢利減承前可扣稅虧損撥備25%。由於本集團於截至二零一七年十二月三十一日止年度並無應課稅溢利，故無須就中國企業所得稅計提撥備。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 11. INCOME TAX EXPENSES/(CREDIT) (Continued)

The reconciliation between the income tax expense and the product of loss before tax multiplied by tax rates applicable to profit or loss in the respective countries is as follows:

### 11. 所得稅開支／(抵免)(續)

所得稅開支與除稅前虧損乘以適用於各國損益的稅率之乘積的對賬如下：

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
Loss before tax	除稅前虧損	<b>(2,077,308)</b>	(42,569,647)
Tax calculated at domestic tax rates applicable to profits or loss in the respective countries	按適用於各國損益的當地稅率計算的稅項	<b>1,681,734</b>	(6,428,083)
Tax effect of expenses that are not deductible	不可扣除開支的稅務影響	<b>2,055,687</b>	7,424,834
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	<b>427,968</b>	1,867,823
Tax effect of utilisation of tax losses not previously recognised	使用先前未確認稅項虧損的稅務影響	<b>(215,775)</b>	(2,823,960)
Tax effect of income not taxable	無須課稅收入的稅務影響	<b>(639,807)</b>	(809,854)
Under provision in prior years	過往年度撥備不足	<b>12,605</b>	415,473
Unrecognised temporary difference	未確認暫時性差額	<b>(212,164)</b>	(54,769)
Income tax expenses/(credit)	所得稅開支／(抵免)	<b>3,110,248</b>	(408,536)

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
Auditor's remuneration*	核數師酬金*	1,000,000	1,000,000
Depreciation of property, plant and equipment	物業、廠房及設備折舊	5,749,225	4,773,982
Depreciation of right-of-use assets	使用權資產折舊	15,195,590	12,429,773
Net foreign exchange gain*	匯兌收益淨額*	(728,853)	(3,244)
Gain on disposal of subsidiaries	出售附屬公司之收益	(3,777,111)	(2,008,866)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	34,747	-
Written off of property, plant and equipment (note15(a))	撤銷物業、廠房及設備(附註15(a))	-	1,677,105

\* These items are included in "Other operating expenses" or "Other income" of the consolidated statement of profit or loss.

本集團於本年度之虧損乃經扣除/(計入)下列項目呈列：

\* 該等項目乃列入綜合損益表中的「其他營運開支」或「其他收入」內。

### 13. DIVIDEND

The directors of the Company did not recommend the payment of any dividend for the years ended 31 December 2018 and 2017.

### 14. LOSS PER SHARE

#### (a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of HK\$4,378,134 (2017: HK\$42,089,318 (restated)) and the weighted average number of ordinary shares of 448,363,708 (2017: 405,862,605) in issue during the year.

#### (b) Diluted loss per share

There was no dilutive potential ordinary shares outstanding for the year (2017: Nil). Accordingly, the diluted loss per share is same as basic loss per share for both years.

### 13. 股息

於截至二零一八年及二零一七年十二月三十一日止年度，董事概無建議派付任何股息。

### 14. 每股虧損

#### (a) 每股基本虧損

本公司擁有人應佔每股基本虧損的計算乃基於本公司擁有人應佔本年度虧損4,378,134港元(二零一七年：42,089,318港元(經重列))及於本年度已發行普通股加權平均數448,363,708股(二零一七年：405,862,605股)。

#### (b) 每股攤薄虧損

年內，本公司並無已發行潛在攤薄普通股(二零一七年：無)。因此，該兩個年度之每股攤薄虧損與每股基本虧損相同。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修	Furniture and fixtures 傢俬及裝置	Office equipments 辦公室設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 總額
	Notes 附註	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>COST:</b>							
1 January 2017	於二零一七年一月一日	11,975,701	5,215,050	2,459,329	703,755	915,929	21,269,764
Additions	添置	232,000	11,189	4,821	-	8,529,204	8,777,214
Transfer	轉移	9,445,133	-	-	-	(9,445,133)	-
Written off	撇銷	(a) (3,378,979)	-	-	-	-	(3,378,979)
Exchange realignment	匯兌調整	171,666	228,612	63,380	-	-	463,658
<b>At 31 December 2017 and 1 January 2018</b>							
1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	18,445,521	5,454,851	2,527,530	703,755	-	27,131,657
Additions	添置	126,020	336,034	246,707	-	236,561	945,322
Acquisition of a subsidiary	收購一間附屬公司	2,354,264	-	2,040,411	-	-	4,394,675
Disposal of subsidiaries	出售附屬公司	-	-	-	(703,755)	-	(703,755)
Disposal	出售	(3,761,266)	(1,105,762)	(1,459,772)	-	-	(6,326,800)
Exchange realignment	匯兌調整	(434,952)	(211,066)	(193,162)	-	-	(839,180)
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>16,729,587</b>	<b>4,474,057</b>	<b>3,161,714</b>	<b>-</b>	<b>236,561</b>	<b>24,601,919</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</b>							
1 January 2017	於二零一七年一月一日	6,847,020	3,863,118	1,263,495	129,022	-	12,102,655
Charge for the year	年內計提	3,978,435	347,198	307,598	140,751	-	4,773,982
Eliminated on written off	撇銷	(a) (1,701,874)	-	-	-	-	(1,701,874)
Exchange realignment	匯兌調整	91,215	211,887	61,325	-	-	364,427
<b>At 31 December 2017 and 1 January 2018</b>							
1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	9,214,796	4,422,203	1,632,418	269,773	-	15,539,190
Charge for the year	年內計提	5,001,284	222,856	401,928	123,157	-	5,749,225
Eliminated on disposal of subsidiaries	出售附屬公司撇銷	-	-	-	(392,930)	-	(392,930)
Eliminated on disposal	出售撇銷	(3,516,087)	(552,478)	(723,488)	-	-	(4,792,053)
Exchange realignment	匯兌調整	(280,881)	(202,887)	(62,870)	-	-	(546,638)
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>10,419,112</b>	<b>3,889,694</b>	<b>1,247,988</b>	<b>-</b>	<b>-</b>	<b>15,556,794</b>
<b>CARRYING AMOUNTS:</b>							
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>6,310,475</b>	<b>584,363</b>	<b>1,913,726</b>	<b>-</b>	<b>236,561</b>	<b>9,045,125</b>
At 31 December 2017	於二零一七年十二月三十一日	9,230,725	1,032,648	895,112	433,982	-	11,592,467

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

- (a) During the year ended 31 December 2017, leasehold improvement of HK\$1,677,105 was written off as a result of the replacement of old renovation by new renovation in one hotel.
- (b) During the year ended 31 December 2017, the Group had capitalised borrowing costs amounting to HK\$1,349,160 (Note 10) on qualifying assets.

### 15. 物業、廠房及設備(續)

- (a) 截至二零一七年十二月三十一日止年度，由於其中一間酒店的舊裝修已被新裝修取替，撤銷租賃物業裝修1,677,105港元。
- (b) 截至二零一七年十二月三十一日止年度，本集團已就合資格資產資本化借貸成本1,349,160港元(附註10)。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 16. 預付款項、按金及其他應收款項

		Notes 附註	2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
<b>Prepayments and deposits paid</b>	<b>預付款項及已付按金</b>			
Prepayments	預付款項		1,817,132	420,094
Deposits paid	已付按金	(a)	–	23,988,000
			<b>1,817,132</b>	24,408,094
<b>Deposits</b>	<b>按金</b>			
Rental deposits	租賃按金		3,072,921	3,525,878
<b>Other receivables</b>	<b>其他應收款項</b>		<b>180,956</b>	205,887
Total prepayments, deposits and other receivables	預付款項、按金及其他應收款項總額		<b>5,071,009</b>	28,139,859
The amounts of prepayments, deposits and other receivables are analysed as follows:	預付款項、按金及其他應收款項金額分析如下：			
<b>Non-current portions</b>	<b>非流動部分</b>			
Deposits paid	已付按金	(a)	–	23,988,000
Rental deposits	租賃按金		2,120,846	1,574,898
Prepayments	預付款項		826,898	–
			<b>2,947,744</b>	25,562,898
<b>Current portions</b>	<b>流動部分</b>			
Prepayments and deposits paid	預付款項及已付按金		990,234	420,094
Rental deposits	租賃按金		952,075	1,950,980
Other receivables	其他應收款項		180,956	205,887
			<b>2,123,265</b>	2,576,961
			<b>5,071,009</b>	28,139,859

Note:

- (a) The amount of HK\$23,988,000 represented deposit paid for proposed acquisition of 51% equity interest in a hotel. The Group demanded refund and received the refund in February 2018.

附註：

- (a) 23,988,000港元為建議收購一間酒店51%股權的已付按金。本集團要求退款，於二零一八年二月收到退款。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 17. GOODWILL

### 17. 商譽

		HK\$ 港元
Cost	成本	
At 1 January 2018	於二零一八年一月一日	–
Acquisition of a subsidiary	收購一間附屬公司	2,060,823
Exchange realignment	匯兌調整	(140,620)
At 31 December 2018	於二零一八年十二月三十一日	1,920,203

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (“CGUs”) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

於業務合併時收購之商譽乃於收購時分配至預期可受惠於業務合併之現金產生單元（「現金產生單元」）。商譽之賬面值分配如下：

		2018 二零一八年 HK\$ 港元
Hotel operations	酒店運營	
Huizhou Hazens East Resort Travel Services Limited (“Huizhou Hazens”)	惠州合正東部灣旅遊服務有限公司 （「惠州合正」）	1,920,203

The recoverable amounts of the CGUs are determined on the basis of value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

現金產生單位之可收回金額乃根據其使用價值採用貼現現金流量法釐定。貼現現金流量法所採用之主要假設乃期內有關貼現率、增長率、預算毛利率及收益之假設。本集團利用可反映目前市場對貨幣時值之評估及現金產生單位之特定風險之除稅前利率估計貼現率。增長率則按現金產生單位經營業務所在地區之長期平均經濟增長率為基準。預算毛利率及收益乃按過往慣例及預期市場發展為基準。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 17. GOODWILL (Continued)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from Huizhou Hazens is 12.5%.

### 18. RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
Right-of-use assets	使用權資產	<b>43,734,570</b>	14,141,984

### 17. 商譽(續)

本集團編製現金流量預測，乃源自獲董事批准未來五年及剩餘期間之增長率為3%之最近期財政預算。該增長率不超過有關市場之平均長期增長率。

用以貼現惠州合正預測現金流量之利率為12.5%。

### 18. 使用權資產

披露租賃相關項目：



# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 18. RIGHT-OF-USE ASSETS (Continued)

### 18. 使用權資產(續)

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:			
	基於未貼現現金流量的本集團租賃負債的到期日分析如下：		
Less than 1 year	一年以內	<b>16,215,542</b>	9,848,256
Between 1 and 2 years	一至兩年	<b>7,173,510</b>	6,627,151
Between 2 and 5 years	兩至五年	<b>10,858,145</b>	–
Over 5 years	五年以上	<b>23,435,777</b>	–
		<b>57,682,974</b>	16,475,407
Depreciation charge of right-of-use assets	使用權資產折舊開支		
Land and buildings	土地及建築物	<b>15,195,590</b>	12,429,773
Lease interests	租賃利息	<b>1,774,807</b>	1,354,102
Expenses related to short-term leases	短期租賃相關開支	<b>237,928</b>	171,953
Total cash outflow for leases	租賃現金流出總額	<b>15,657,949</b>	15,386,244
Additions to right-of-use assets	增加使用權資產	<b>31,219,306</b>	–

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 18. RIGHT-OF-USE ASSETS (Continued)

Notes:

- (a) The Group leases various land and buildings. Lease agreements are typically made for fixed periods of 2 to 15 years (2017: 5 to 10 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.
- (b) The followings amounts are related to leases with a related party: (Mr. Yuan has control over the related company)

### 18. 使用權資產(續)

附註：

- (a) 本集團租賃多個土地及建築物。租賃協議的固定期限通常為2至15年(二零一七年：5至10年)。租賃條款乃根據個人意願進行談判，包含各種不同的條款及條件。該租賃協議不徵收任何契約，租賃資產不得用作借款用途的擔保。
- (b) 以下金額與關聯方的租賃有關：(袁先生控制該關聯公司)

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
Right-of-use assets	使用權資產	12,136,358	-
Depreciation charge of right-of-use assets	使用權資產折舊開支	1,160,194	-
Lease liabilities	租賃負債	13,313,912	-
Lease interests	租賃利息	305,958	-
Total cash outflow for leases	租賃現金流出總額	945,564	-

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## 綜合財務報表附註

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### 19. DEFERRED INCOME TAX ASSETS

The following are the major deferred tax assets recognised by the Group.

### 19. 遞延所得稅資產

下文為本集團確認的主要遞延稅項資產。

		Deferred expense 遞延開支	Lease expenses 租賃開支	Decelerated tax depreciation 遞減稅項折舊	Provisions 撥備	Tax loss 稅項虧損	Total 總額
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1 January 2017	於二零一七年一月一日	-	-	1,137,702	783,967	1,265,702	3,187,371
Credited/(debited) to profit or loss for the year (Note 11)	年內計入/(扣自)損益(附註11)	-	-	237,630	(172,715)	759,094	824,009
Exchange differences	匯兌差額	-	-	95,853	52,043	127,238	275,134
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	-	-	1,471,185	663,295	2,152,034	4,286,514
Acquisition of a subsidiary	收購一間附屬公司	646,196	-	-	-	-	646,196
Credited/(debited) to profit or loss for the year (Note 11)	年內計入/(扣自)損益(附註11)	(624,836)	622,764	(464,861)	(202,241)	800,975	131,801
Exchange differences	匯兌差額	(21,360)	(22,658)	(58,608)	(26,713)	(139,684)	(269,023)
At 31 December 2018	於二零一八年十二月三十一日	-	600,106	947,716	434,341	2,813,325	4,795,488

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. As of 31 December 2018, the Group does not recognise deferred income tax assets of HK\$5,788,280 (2017: HK\$5,974,739) in respect of losses amounting to HK\$31,705,574 (2017: HK\$31,672,700) that can be carried forward against taxable income. Included in unrecognised tax losses are losses of HK\$6,551,292 (2017: HK\$8,808,743) that will expire in 2023 (2017: 2022). Other tax losses may be carried forward indefinitely.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is HK\$448,721 (2017: HK\$305,941). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

倘有關稅務利益可能透過抵銷未來應課稅溢利變現，則會就所結轉之稅項虧損確認遞延所得稅資產。截至二零一八年十二月三十一日，本集團並無就可作結轉以抵銷應課稅收入之虧損31,705,574港元(二零一七年：31,672,700港元)確認遞延所得稅資產5,788,280港元(二零一七年：5,974,739港元)。未確認稅項虧損包括將於二零二三年(二零一七年：二零二二年)到期之6,551,292港元(二零一七年：8,808,743港元)之虧損。其他稅項虧損可無限期向日後結轉。

於報告期末，有關就附屬公司未分派盈利未確認遞延稅項負債的暫時性差異總額為448,721港元(二零一七年：305,941港元)。由於本集團可以控制暫時性差異撥回的時間，且該差異於可見將來可能不會撥回，故並未就上述差異確認負債。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. TRADE RECEIVABLES

The majority of the Group's revenue from hotel operations are made via credit cards or cash. Hotel rooms are rented to corporate customers with an appropriate credit history on credit terms of 30 days. Trade receivables of HK\$480,727 (2017: HK\$57,122) were past due but not impaired. Management considered that no recoverability problem on these trade balances as a result of subsequent settlement received up to the date of this report and the agreement of the revised repayment schedule with certain trade debtors.

### 20. 應收賬款

本集團的酒店營運收益主要以信用卡或現金結算。本集團為擁有合適信貸記錄的企業客戶提供三十天的酒店客房租賃信貸期。應收賬款480,727港元(二零一七年：57,122港元)已逾期但並無減值。管理層認為，由於截至本報告日期已收到其後結算款項，並已與客戶就若干應收貿易賬款之經修訂還款計劃達成協議，故該等貿易結餘的收回並無問題。

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Trade receivables	應收賬款	<b>825,299</b>	268,265

The aging analysis of these trade receivables is as follows:

該等應收賬款之賬齡分析如下：

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Neither past due nor impaired	無逾期亦無減值	<b>344,572</b>	211,143
0 – 30 days past due	逾期0至30天	<b>38,364</b>	1,512
31 – 60 days past due	逾期31至60天	<b>81,255</b>	–
61 – 90 days past due	逾期61至90天	<b>28,494</b>	935
91 – 120 days past due	逾期91至120天	<b>325,849</b>	33,134
121 – 365 days past due	逾期121至365天	<b>6,765</b>	21,541
		<b>480,727</b>	57,122
		<b>825,299</b>	268,265

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 20. TRADE RECEIVABLES (Continued)

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

### 20. 應收賬款(續)

本集團應用香港財務報告準則第9號項下的簡易方法就所有貿易應收款項使用預期虧損撥備期限計算預期信貸虧損。為計算預期信貸虧損，貿易應收款項已根據共享信貸風險特徵及逾期日數分類。預期信貸虧損亦包含前瞻性資料。

		Neither past due nor impaired 無逾期 亦無減值 HK\$ 港元	0 - 30 days past due 逾期 0至30天 HK\$ 港元	31 - 60 days past due 逾期 31至60天 HK\$ 港元	61 - 90 days past due 逾期 61至90天 HK\$ 港元	91 - 120 days past due 逾期 91至120天 HK\$ 港元	121 - 365 days past due 逾期 121至365天 HK\$ 港元	Total 總計 HK\$ 港元
At 31 December 2018	於二零一八年十二月三十一日	344,572	38,364	81,255	28,494	325,849	6,765	825,299
Weighted average expected loss rate	加權平均預期虧損率	0%	0%	0%	0%	0%	0%	0%
Receivable amount (HK\$)	可收回金額(港元)	344,572	38,364	81,255	28,494	325,849	6,765	825,299
Loss allowance (HK\$)	虧損撥備(港元)	-	-	-	-	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	211,143	1,512	-	935	33,134	21,541	268,265
Weighted average expected loss rate	加權平均預期虧損率	0%	0%	0%	0%	0%	0%	0%
Receivable amount (HK\$)	可收回金額(港元)	211,143	1,512	-	935	33,134	21,541	268,265
Loss allowance (HK\$)	虧損撥備(港元)	-	-	-	-	-	-	-

### 21. INVENTORIES

### 21. 存貨

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Consumables	消耗品	204,831	-

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 22. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 22. 按公平值計入損益之投資

	2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Unlisted investment funds, at fair value 按公平值計量的非上市投資基金	5,922,551	–

### 23. CONVERTIBLE BONDS

### 23. 可換股債券

The convertible bonds (the “Bonds”) were issued on 14 June 2016. The Bonds were extended for one year on 14 June 2017 (the original due date of the Bonds) to 14 June 2018. The Bonds were convertible into ordinary shares of the Company at any time between the date of issuance of the Bonds and the business day immediately prior to the maturity date (i.e. one year from the date of extension of the Bonds or if such date was not a business day the next business day). The face value of the Bonds was HK\$51,000,000. The Bonds were convertible to 54,838,708 shares per HK\$0.93 bond.

If the Bonds have not been converted, the Company will pay to the holders of the Bonds an amount equal to the aggregate of (i) 100% of the principal amount of the Bonds outstanding; (ii) interest accrued and outstanding pursuant to terms and conditions of the Bonds; and (iii) a premium of 7% per annum of the principal amount of the Bonds outstanding. Interest of 8% will be paid annually up until that the business day immediately prior to the maturity date (i.e. one year from the date of issuance of the Bonds or if such date is not a business day, the next business day).

If the maturity date is extended or postponed pursuant to the terms and conditions of the Bonds, upon maturity of the Bonds on such extended maturity date, the Company will pay to the holders of the Bonds an amount equal to the aggregate of (i) 100% of the principal amount of the Bonds outstanding; (ii) interest accrued and outstanding pursuant to the terms and conditions of the Bonds; and (iii) a premium of 15% of the principal amount of the Bonds outstanding.

On 15 September 2017, Bonds with nominal value of HK\$33,400,000 were converted into 35,913,978 ordinary shares with conversion price of HK\$0.93.

本公司於二零一六年六月十四日發行可換股債券(「債券」)。債券於二零一七年六月十四日(債券的原到期日)延長一年至二零一八年六月十四日。債券可於債券發行日期至緊接到期日前之營業日(即債券延長日期起計一年或倘該日期並非營業日,則下一個營業日)隨時轉換為本公司之普通股。債券面值為51,000,000港元。債券可按每份債券0.93港元轉換為54,838,708股股份。

倘債券未獲轉換,本公司將向債券持有人支付相當於以下各項總和之金額:(i)債券未償還本金額之100%;(ii)根據債券的條款及條件之應計及未支付利息;及(iii)債券未償還本金額之每年7%溢價。8%之利息將按年支付,直至緊接到期日前之營業日(即債券發行日期起計一年或倘該日期並非營業日,則下一個營業日)為止。

倘到期日根據債券的條款及條件延遲或推遲,債券於有關經延遲到期日到期時,本公司將向債券持有人支付相當於以下各項總和之金額:(i)債券未償還本金額之100%;(ii)根據債券的條款及條件之應計及未支付利息;及(iii)債券未償還本金額之15%溢價。

於二零一七年九月十五日,面值33,400,000港元的債券按換股價0.93港元轉換為35,913,978股普通股。

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### 23. CONVERTIBLE BONDS (Continued)

On 29 November 2017, Bonds with nominal value of HK\$17,600,000 were converted into 18,924,730 ordinary shares with conversion price of HK\$0.93.

Mr. Ding, the Former Controlling Shareholder of the Company, guaranteed the due payment of all sums expressed to be payable by the Company under the terms and conditions of the Bonds and pursuant to a personal guarantee given by Mr. Ding.

The movement of the liability component of the Bonds for the year ended 31 December 2017 is set out below:

		HK\$ 港元
Liability component at 1 January 2017	於二零一七年一月一日之負債部分	53,152,913
Interest charged (Note 10) (restated)	利息支出(附註10)(經重列)	9,489,683
Interest paid	已付利息	(5,409,052)
Gain on extension of the Bonds (restated)	延長債券之收入(經重列)	(4,102,252)
Converted to shares during the year (restated)	年內轉換為股份(經重列)	(53,131,292)
Liability component at 31 December 2017	於二零一七年十二月三十一日之負債部分	-

The interest charged for the year is calculated by applying an effective interest rate of 24.3% (restated) to the liability component.

### 23. 可換股債券(續)

於二零一七年十一月二十九日，面值17,600,000港元的債券按換股價0.93港元轉換為18,924,730股普通股。

本公司前控股股東丁先生擔保本公司根據債券之條款及條件及根據丁先生作出的個人擔保妥為支付應付的所有款項。

債券負債部分於截至二零一七年十二月三十一日止年度的變動載列如下：

本年度負債部分之利息支出乃按實際利率24.3%(經重列)計算。

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### 24. TRADE AND OTHER PAYABLES

### 24. 應付賬款及其他應付款項

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
Trade payables	應付賬款	173,864	312,741
Accruals and other payables	應計項目及其他應付款項	6,778,124	6,650,009
		<b>6,951,988</b>	6,962,750

The aging analysis of trade payables is as follows:

應付賬款的賬齡分析如下：

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
0 – 30 days	0至30天	149,548	291,825
31 – 60 days	31至60天	23,292	10,764
61 – 90 days	61至90天	513	7,751
Over 90 days	超過90天	511	2,401
		<b>173,864</b>	312,741



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### 24. TRADE AND OTHER PAYABLES (Continued)

Accruals and other payables are analysed as follows:

### 24. 應付賬款及其他應付款項(續)

應計項目及其他應付款項的分析載列如下：

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)
<b>Accruals</b>	<b>應計項目</b>		
Accrued staff costs	應計員工成本	1,076,137	705,461
Accrued audit and professional fee	應計審核及專業費用	1,321,700	1,280,000
		<b>2,397,837</b>	1,985,461
<b>Other payables</b>	<b>其他應付款項</b>		
Other tax payables	其他應付稅項	408,147	3,329,773
Payables to hotel constructors	應付酒店施工人員款項	236,561	378,510
Deposits	按金	391,620	202,216
Others	其他	3,343,959	754,049
		<b>4,380,287</b>	4,664,548
<b>Total accruals and other payables</b>	<b>應計項目及其他應付款項總額</b>	<b>6,778,124</b>	6,650,009

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### 25. PROVISION FOR ASSET RETIREMENT

Under the terms of the tenancy agreements signed with landlords, the Group shall vacate and re-instate the leased hotel premises at the Group's cost upon expiry of the relevant tenancy agreements in 1 to 14 years (2017: 1 to 5 years). Provision is therefore made for the best estimate of the expected reinstatement costs to be incurred. Movements of provision for asset retirement are as follows:

### 25. 報廢資產復原撥備

根據與業主簽訂的租賃協議條款，本集團須於相關租賃協議租期(一至十四年)(二零一七年：一至五年)屆滿後由本集團出資搬離及還原租賃酒店物業。因此已對預期產生的還原成本以最貼近的估計進行撥備。報廢資產復原撥備的變動如下：

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
At 1 January	於一月一日	<b>4,512,635</b>	3,795,516
Addition	添置	–	232,000
Settled due to termination of lease	因租賃終止而結算	<b>(232,000)</b>	–
Change in provision for asset retirement	報廢資產復原撥備變動	<b>(2,107,062)</b>	–
Finance cost on provision for asset retirement (Note 10)	報廢資產復原撥備的融資成本(附註10)	<b>173,072</b>	190,469
Exchange differences	匯兌差額	<b>(149,470)</b>	294,650
At 31 December	於十二月三十一日	<b>2,197,175</b>	4,512,635
Less: non-current portion	減：非流動部分	<b>(846,987)</b>	(4,280,635)
Current portion	流動部分	<b>1,350,188</b>	232,000

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## 綜合財務報表附註

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### 26. LEASE LIABILITIES

### 26. 租賃負債

		Lease payments		Present value of lease payments	
		租賃付款		租賃付款現值	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
			(Restated)		(Restated)
			(經重列)		(經重列)
Within one year	一年內	<b>16,215,542</b>	9,848,256	<b>15,733,321</b>	9,601,514
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	<b>18,031,655</b>	6,627,151	<b>15,566,408</b>	6,160,656
After five years	五年後	<b>23,435,777</b>	–	<b>15,273,263</b>	–
		<b>57,682,974</b>	16,475,407	<b>46,572,992</b>	15,762,170
Less: Future finance charges	減：未來融資費用	<b>(11,109,982)</b>	(713,237)		
Present value of lease liabilities	租賃負債現值	<b>46,572,992</b>	15,762,170		
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：十二個月內到期償還之款項(列於流動負債項下)			<b>(15,733,321)</b>	(9,601,514)
Amount due for settlement after 12 months	十二個月後到期償還之款項			<b>30,839,671</b>	6,160,656

Notes:

- (a) At 31 December 2018, the average effective borrowing rate was 4.75% to 9% (2017: 4.75% to 9%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.
- (b) Lease liabilities of HK\$13,313,912 (31 December 2017: HK\$Nil) are related to leases with a related party.

附註：

- (a) 於二零一八年十二月三十一日，平均實際借貸利率為4.75%至9%(二零一七年：4.75%至9%)。利率於合約日期釐定，本集團因而承擔公平值利率風險。
- (b) 租賃負債13,313,912港元(二零一七年十二月三十一日：零港元)與關聯方租賃有關。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 27. BORROWINGS

### 27. 借貸

	Notes 附註	2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
<b>Current</b>			
		<b>流動</b>	
Borrowings from Current Controlling Shareholder (the "Current Controlling Shareholder's Borrowings")	(a)	10,000,000	–
<b>Non-Current</b>			
		<b>非流動</b>	
Borrowings from Former Controlling Shareholder (the "Former Controlling Shareholder's Borrowings")	(b)	11,860,063	16,935,781
		<b>21,860,063</b>	<b>16,935,781</b>

(a) As at 31 December 2018, the Group has borrowings of HK\$10,000,000 (31 December 2017: HK\$nil) from the Current Controlling Shareholder. The Current Controlling Shareholder's Borrowings are unsecured, non-interest bearing and repayable on demand.

(a) 於二零一八年十二月三十一日，本集團擁有來自現任控股股東之借款10,000,000港元(二零一七年十二月三十一日：零港元)。現任控股股東借款為無抵押、免息及按要求隨時償還。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 27. BORROWINGS (Continued)

- (b) On 30 June 2018, the Group signed an agreement with the Former Controlling Shareholder, pursuant to which, interest of HK\$1,095,781 for the period from 2 June 2017 to 30 June 2018 and interest payable commencing from 1 July 2018 are waived. A gain of HK\$3,550,454 was resulted from the waiver of interest on the Former Controlling Shareholder's Borrowings. Since the lender (the "Former Controlling Shareholder") was a shareholder of the Company as at 30 June 2018, the gain resulted from the waiver of the interest on the FS Borrowings was recognised in shareholder's contributions equity account.

As at 31 December 2018, the Group has borrowings of HK\$11,860,063 (31 December 2017: HK\$16,935,781), with effective interest rate of 9% (2017: 7.3%), from the Former Controlling Shareholder. The borrowings are unsecured, non-interest bearing and repayable on maturity as below.

### 27. 借貸(續)

- (b) 於二零一八年六月三十日，本集團與前控股股東簽訂協議，根據該協議，於二零一七年六月二日至二零一八年六月三十日期間的利息1,095,781港元，及自二零一八年七月一日起的應付利息將獲豁免。前控股股東借款利息減免產生收入3,550,454港元。由於貸方（「前控股股東」）於二零一八年六月三十日為本公司股東，因前控股股東借款利息的豁免而產生的收入將於股東注資權益賬中確認。

於二零一八年十二月三十一日，本集團擁有來自前控股股東之借款11,860,063港元（二零一七年十二月三十一日：16,935,781港元），實際利息為9%（二零一七年：7.3%）。借款為無抵押、免息及應於到期日償還如下：

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Borrowings from Former Controlling Shareholder are repayable on:	來自前控股股東之借款 於以下日期償還：		
1 June 2020	二零二零年六月一日	<b>2,912,049</b>	6,280,000
27 August 2020	二零二零年八月二十七日	<b>4,752,237</b>	5,651,398
27 December 2020	二零二零年十二月二十七日	<b>4,195,777</b>	5,004,383
		<b>11,860,063</b>	16,935,781

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 28. SHARE CAPITAL

### 28. 股本

		Number of Shares 股份數目	Amount 金額 HK\$ 港元
	Note 附註		
Authorised: Ordinary shares of HK\$0.01 (2017: HK\$0.01) each	法定： 每股面值0.01港元(二零一七 年：0.01港元)的普通股		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年十二月三十一日	780,000,000	7,800,000
Issued and fully paid: At 1 January 2017	已發行及繳足： 於二零一七年一月一日	393,525,000	3,935,250
Issue of shares arising from conversion of the Bonds	轉換債券產生的發行股份 (a)	54,838,708	548,387
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年十二月三十一日	<b>448,363,708</b>	<b>4,483,637</b>

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 28. SHARE CAPITAL (Continued)

Notes:

- (a) On 15 September 2017, the Bonds with nominal value of HK\$33,400,000 were converted into 35,913,978 ordinary shares with conversion price of HK\$0.93 per bond. Amount of HK\$359,140 and HK\$36,873,750 (restated) were recorded in share capital and share premium respectively.

On 29 November 2017, the Bonds with nominal value of HK\$17,600,000 were converted into 18,924,730 ordinary shares with conversion price of HK\$0.93 per bond. Amount of HK\$189,247 and HK\$20,010,647 (restated) were recorded in share capital and share premium respectively.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium and other reserves) and includes some forms of subordinated debts.

### 28. 股本(續)

附註：

- (a) 於二零一七年九月十五日，面值33,400,000港元的債券按換股價每張債券0.93港元轉換為35,913,978股普通股。359,140港元及36,873,750港元(經重列)分別計入股本及股份溢價。

於二零一七年十一月二十九日，面值17,600,000港元的債券按換股價每張債券0.93港元轉換為18,924,730股普通股。189,247港元及20,010,647港元(經重列)分別計入股本及股份溢價。

本集團資本管理的目標是保障本集團能繼續營運，並通過優化資本負債比率給予股東最大回報。

本集團按比例設定風險資本金額。本集團管理其資本結構，並因應經濟狀況及相關資產風險特徵的變化而調整。為了維持或調整資本結構，本集團可能會調整股息支付，發行新股份，回購股份，融入新債，贖回現有債務或出售資產以減少債務。

本集團根據負債與調整後資本比率來監管資本。該比率為負債淨額除以調整後資本所得。負債淨額乃按借貸總額減現金及現金等價物計算。調整後資本由全部權益(即股本、股份溢價及其他儲備)組成，並包括某種形式的次級債務。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 29. 本公司財務狀況表

		31 December 2018 二零一八年 十二月三十一日 HK\$ 港元	31 December 2017 二零一七年 十二月三十一日 HK\$ 港元 (Restated) (經重列)	1 January 2017 二零一七年 一月一日 HK\$ 港元 (Restated) (經重列)
<b>Non-current assets</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司之投資	14,668,964	11,533,912	35,149,168
Rental deposits	租賃按金	1,393,545	–	1,794,895
Prepayments	預付款項	185,844	–	–
		<b>16,248,353</b>	11,533,912	36,944,063
<b>Current assets</b>	<b>流動資產</b>			
Prepayments and other deposits	預付款項及其他按金	319,773	162,008	445,600
Rental deposits	租賃按金	–	1,794,895	–
Cash and cash equivalents	現金及現金等價物	226,718	320,618	216,369
		<b>546,491</b>	2,277,521	661,969
<b>Current liabilities</b>	<b>流動負債</b>			
Convertible bonds	可換股債券	–	–	53,152,913
Due to subsidiaries	應付附屬公司款項	24	16	23
Accruals and other payables	應計費用及其他應付款項	1,367,630	1,638,713	1,047,200
Borrowings	借貸	10,000,000	–	–
		<b>11,367,654</b>	1,638,729	54,200,136
<b>Net current (liabilities)/assets</b>	<b>淨流動(負債)/資產</b>	<b>(10,821,163)</b>	638,792	(53,538,167)
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借貸	11,860,063	16,935,781	–
<b>Net liabilities</b>	<b>負債淨值</b>	<b>(6,432,873)</b>	(4,763,077)	(16,594,104)
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	4,483,637	4,483,637	3,935,250
Reserves	儲備	(10,916,510)	(9,246,714)	(20,529,354)
<b>Total deficit</b>	<b>虧絀總額</b>	<b>(6,432,873)</b>	(4,763,077)	(16,594,104)

Approved and authorised for issue by the board of directors on 29 March 2019.

Approved by:

**Yuan Fuer**  
袁富兒  
Director  
董事

於二零一九年三月二十九日獲董事會批准及授權刊發。

由以下人士審批：

**Ye Shusheng**  
叶樹生  
Director  
董事



# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 30. RESERVES

#### (a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

#### (b) Company

### 30. 儲備

#### (a) 本集團

本集團儲備的金額及變動乃於綜合損益及其他全面收入表以及綜合權益變動表中列示。

#### (b) 本公司

		Share premium	Convertible bonds equity reserve	Shareholder's contributions	Accumulated losses	Total
		股份溢價 (Note (c)(i)) (附註(c)(i))	可換股債券 權益儲備 (Note (c)(iv)) (附註(c)(iv))	股東注資	累計虧損	總額
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
1 January 2017 as restated	於二零一七年一月一日 (經重列)	204,694,080	4,301,492	-	(229,524,926)	(20,529,354)
Loss and total comprehensive loss for the year	年內虧損及 全面虧損總額	-	-	-	(41,300,265)	(41,300,265)
Conversion of convertible bonds	轉換可換股債券	56,884,397	(4,301,492)	-	-	52,582,905
At 31 December 2017 and 1 January 2018 as restated	於二零一七年十二月三十一日及二零一八年一月一日(經重列)	261,578,477	-	-	(270,825,191)	(9,246,714)
Loss and total comprehensive loss for the year	年內虧損及 全面虧損總額	-	-	-	(5,220,250)	(5,220,250)
Waiver of interest on borrowings from Former Controlling Shareholder	前控股股東借款利息 減免	-	-	3,550,454	-	3,550,454
At 31 December 2018	於二零一八年十二月三十一日	<b>261,578,477</b>	<b>-</b>	<b>3,550,454</b>	<b>(276,045,441)</b>	<b>(10,916,510)</b>

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 30. RESERVES (Continued)

#### (c) Nature and purpose of reserves

(i) *Share premium*

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3 to the financial statements.

(iii) *Statutory reserve*

The statutory reserve, which is non-distributable, is appropriated from the profit after taxation of the Group's PRC subsidiaries under the applicable laws and regulations in the PRC.

(iv) *Convertible bonds equity reserve*

Convertible bonds issued are split into their liability and equity components at initial recognition by recognising the liability component at its fair value which is determined using market interest rate for equivalent non-convertible bonds and attributing to the equity component the difference between the fair value of the convertible bonds and the fair value of the liability component. The liability component is subsequently carried at amortised cost. The equity component is recognised in the convertible bonds equity reserve until the bonds are either converted (in which case it is transferred to share premium) or the bonds are redeemed (in which case it is released directly to retained earnings).

### 30. 儲備(續)

#### (c) 儲備的性質及目的

(i) *股份溢價*

根據開曼群島公司法，本公司股份溢價的資金可分派予本公司股東，惟緊隨建議派付股息日期後本公司須有能力清償於一般業務過程中到期的債項。

(ii) *匯兌儲備*

匯兌儲備由換算海外業務財務報表產生的所有外匯差額構成。該儲備乃根據財務報表附註3所載的會計政策處理。

(iii) *法定儲備*

法定儲備為不可分派，由本集團中國附屬公司根據中國適用法律及法規於除稅後溢利中轉撥。

(iv) *可換股債券權益儲備*

已發行可換股債券於初步確認時分為負債及權益部分，負債部分乃按採用等同不可換股債券之市場利率釐定其公平值予以確認，而可換股債券公平值與負債部分公平值之差額則分配至權益部分。負債部分其後按攤銷成本列賬。權益部分於可換股債券權益儲備確認，直至可換股債券獲兌換(於此情況下其將轉撥至股份溢價)或可換股債券獲贖回(於此情況下其將直接解除至保留溢利)。

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 30. RESERVES (Continued)

#### (c) Nature and purpose of reserves (Continued)

##### (v) Other reserve

The other reserves represent the difference between the nominal value of the issued capital of Legend Strategy Limited, Lai Ying International Limited and Triple Leaf Limited, the then shareholders of Legend Strategy Limited and the nominal value of the 135,000,001 shares issued and allotted to the shareholders of the above companies by the Company.

### 31. CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any significant contingent liabilities (2017: Nil).

### 32. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Property, plant and equipment	物業、廠房及設備	3,636,559	–

### 30. 儲備(續)

#### (c) 儲備的性質及目的(續)

##### (v) 其他儲備

其他儲備指枋濟有限公司、勵盈國際有限公司及枋濟有限公司當時的股東三葉有限公司之已發行股本面值與本公司向上述公司股東發行及配發之135,000,001股股份面值之間的差額。

### 31. 或然負債

於二零一八年十二月三十一日，本集團並無任何重大或然負債(二零一七年：無)。

### 32. 資本承擔

本集團於報告期末的資本承擔如下：

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 33. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following transactions with its related parties during the year.

#### (a) Key management compensation

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Salaries, wages and allowance	薪金、工資及津貼	1,236,935	3,337,071
Pension obligations	退休金責任	21,000	42,000
		<b>1,257,935</b>	3,379,071

#### (b) The Group had the following significant transactions with the related parties during the year:

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Repayment of borrowings to the Former Controlling Shareholder	向前控股股東償還借款	2,700,000	-
Hotel room revenue from related parties	來自關聯方的酒店客房收益	642,705	-
Rental expenses charged by a related party	一名關聯方收取的租賃費	644,353	-

(i) Mr. Yuan has control over the related parties.

#### (c) The Group had the following balances with the related parties during the year:

		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元
Other payables to related parties	其他應付關聯方款項	3,073,836	-

(i) Mr. Yuan has control over the related parties. The balances arose from the utilities and other operating expenses paid on behalf of the Company by the related parties, for which they should be reimbursed by the Company.

### 33. 關聯方交易

除財務報表其他內容披露的關聯方交易及結餘外，本集團於年內有以下關聯方交易。

#### (a) 主要管理人員補償

#### (b) 本集團於年內有以下重大關聯方交易：

(i) 袁先生擁有對關聯方的控制權。

#### (c) 本集團於年內與關聯方有以下結餘：

(i) 袁先生擁有對關聯方的控制權。結餘來自應由本公司向關聯方補償的關聯方代表本公司支付的公用設施及其他營運支出。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 33. RELATED PARTY TRANSACTIONS (Continued)

- (d) As at 31 December 2018, the Current Controlling Shareholder had made available a credit facility up to the amount of HK\$350,000,000 to the Company on normal commercial terms or better to the Group. The borrowings drawn under the Current Controlling Shareholder's Credit Facility shall be repayable on the date as set out in the individual borrowing agreements and are interest-free and unsecured. The Company may request for drawdown at any time prior to 15 November 2021. As at 31 December 2018, credit facility of amount of HK\$340,000,000 is available for use.
- (e) As at 31 December 2017, the Former Controlling Shareholder had made available a credit facility up to the amount of HK\$20,000,000 to the Company under substantially the same terms with the Former Controlling Shareholder's Borrowings which the Company may request for drawdown at any time prior to 31 March 2018. As at 31 December 2017, there was no credit facility used.
- (f) On 30 June 2018, the Group signed an agreement with the Former Controlling Shareholder, pursuant to which, borrowing interest for the period from 2 June 2017 to 30 June 2018 and interest payable commencing from 1 July 2018 are waived.

### 33. 關聯方交易(續)

- (d) 於二零一八年十二月三十一日，現任控股股東按一般商業條款或更有利於本集團的條款向本公司提供金額最多350,000,000港元的信貸融資額度，根據現任控股股東信貸額度所提取的借款按各借款協議訂立還款日期還款並且是免息及無抵押的，可由本公司於二零二一年十一月十五日前隨時要求提取。於二零一八年十二月三十一日，尚餘340,000,000港元的信貸融資額度可用。
- (e) 於二零一七年十二月三十一日，前控股股東已根據與前控股股東借款大致相同的條款向本公司提供金額最多20,000,000港元的信貸融資額度，可由本公司於二零一八年三月三十一日前隨時要求提取。於二零一七年十二月三十一日，本公司並無動用信貸融資額。
- (f) 於二零一八年六月三十日，本集團與前控股股東簽訂協議，根據該協議，於二零一七年六月二日至二零一八年六月三十日期間的借款利息，及自二零一八年七月一日起的應付利息將獲豁免。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 34. ACQUISITION OF A SUBSIDIARY

During the year ended 31 December 2018, the Company acquired 100% equity interest of Huizhou Hazens from a company controlled by Mr. Yuan at a cash consideration of HK\$1,222,359 (equivalent to RMB1,000,000).

The fair value of the identifiable assets and liabilities of Huizhou Hazens acquired as at its date of acquisition is as follows:

### 34. 收購附屬公司

截至二零一八年十二月三十一日止年度，本公司由一間由袁先生所控制之公司收購惠州合正之100%股權，現金代價為1,222,359港元（相等於人民幣1,000,000元）。

惠州合正於收購日所收購之可識別資產及負債公平值如下：

		2018 二零一八年 HK\$ 港元
Net liabilities acquired:	收購的負債淨額：	
Property, plant and equipment	物業、廠房及設備	4,394,675
Right-of-use assets	使用權資產	14,796,335
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	10,306,423
Inventories	存貨	124,586
Deferred income tax assets	遞延所得稅資產	646,196
Bank and cash balances	銀行及現金結餘	206,101
Trade payables	應付賬款	(3,458,123)
Accruals, deposits received and other payables	應計項目、已收按金及其他應付款項	(13,058,322)
Lease liabilities	租賃負債	(14,796,335)
		(838,464)
Goodwill on acquisition	於收購日之商譽	2,060,823
		1,222,359
Satisfied by cash	由現金支付	1,222,359
Net cash outflow arising on acquisition:	因收購所產生的現金流出淨額：	
Cash consideration paid	已付現金代價	(1,222,359)
Cash and cash equivalents acquired	收購現金及現金等價物	206,101
		(1,016,258)

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 34. ACQUISITION OF A SUBSIDIARY (Continued)

The goodwill arising on the acquisition of Huizhou Hazens is attributable to the Group's ability to broaden the Group's scope of business in the hotel industry by expanding in various PRC locations.

Huizhou Hazens contributed approximately HK\$25,563,427 and HK\$11,035,240 to the Group's revenue and profit for the year respectively for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2018, total Group's revenue for the period would have been approximately HK\$45,547,168 and loss for the year would have been approximately HK\$7,686,900. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved.

### 35. DISPOSAL OF SUBSIDIARIES

#### (a) Legend Strategy International Limited

During the year ended 31 December 2018, the Group disposed Legend Strategy International Limited ("Legend International"), a wholly-owned subsidiary of the Company, and its subsidiaries at a consideration of HK\$1.

The value of the assets and liabilities of Legend International disposed as at its date of disposal is as follows:

### 34. 收購附屬公司(續)

收購惠州合正所產生的商譽乃由於本集團有能力擴展本集團酒店業的業務範圍至中國各地。

惠州合正於收購日期至報告期末之間的期間分別對本集團收益及溢利貢獻約25,563,427港元及11,035,240港元。

倘收購已於二零一八年一月一日完成，本集團期內收益總額應約為45,547,168港元，而年內虧損應約為7,686,900港元。備考資料僅供說明用途，並非本集團實際可實現的收益及營運業績的指標。

### 35. 出售附屬公司

#### (a) 枋濟國際公司

截至二零一八年十二月三十一日止年度，本集團出售本公司全資附屬公司枋濟國際公司(「枋濟國際」)及其附屬公司，代價為1港元。

枋濟國際於其出售日期出售的枋濟國際資產及負債價值如下：

		2018 二零一八年 HK\$ 港元
Net liabilities at the date of disposal were as follows:	於出售日期的負債淨值：	
Property, plant and equipment	物業、廠房及設備	310,825
Other receivables	其他應收款項	2,692
Tax payable	應付稅項	(1,003,703)
Other payables	其他應付款項	(3,837,894)
Net liabilities disposal of	已售負債淨值	(4,528,080)
Release of foreign currency translation reserve	釋放外幣換算儲備	750,970
Gain on disposal of Legend International	出售枋濟國際的收益	3,777,111
Consideration	代價	1
Net cash outflow arising on disposal:	出售產生的現金流出淨額：	
Cash and cash equivalents disposed of	出售的現金及現金等價物	-
Amount of consideration receivable	應收代價金額	1

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 35. DISPOSAL OF SUBSIDIARIES (Continued)

#### (b) Sure Esteem Limited

Sure Esteem Limited (“Sure Esteem”), a wholly-owned subsidiary of the Company, held 15% equity interest of Shenzhen Yuelai Inn Company Limited (“Yuelai”), a wholly-owned subsidiary of the Company. On 25 August 2017, the Group disposed 100% of the issued share capital of Sure Esteem together with 15% equity interest of Yuelai at a consideration of HK\$8.

The value of the assets and liabilities of Sure Esteem disposed as at its date of disposal is as follows:

### 35. 出售附屬公司(續)

#### (b) Sure Esteem Limited

本公司的一間全資附屬公司 Sure Esteem Limited (「Sure Esteem」) 持有深圳悅來客棧有限公司 (「悅來」, 本公司的全資附屬公司) 15% 股權。於二零一七年八月二十五日, 本集團以代價 8 港元出售 Sure Esteem 已發行股本 100% 連同悅來 15% 股權。

Sure Esteem 於其出售日期出售的 Sure Esteem 資產及負債價值如下:

		2017 二零一七年 HK\$ 港元
Net liabilities at the date of disposal were as follows:	於出售日期的負債淨值:	
Cash and cash equivalents	現金及現金等價物	7,390
Tax payable	應付稅項	(332,639)
Other payables	其他應付款項	(5,403)
Net liabilities disposal of	已售負債淨值	(330,652)
Release of foreign currency translation reserve	釋放外幣換算儲備	(1,678,206)
Gain on disposal of Sure Esteem	出售 Sure Esteem 的收益	2,008,866
Consideration	代價	8
Net cash outflow arising on disposal:	出售產生的現金流出淨額:	
Cash and cash equivalents disposed of	出售的現金及現金等價物	7,390
Amount of consideration receivable	應收代價金額	8



# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 35. DISPOSAL OF SUBSIDIARIES (Continued)

#### (b) Sure Esteem Limited (Continued)

The effect of change in the ownership interests of Yuelai on the equity attributable to owners of the Company during the year ended 31 December 2017 were summarised as follows:

		2017 二零一七年 HK\$ 港元
Increase in non-controlling interest	非控股權益增加	(808,645)
Consideration received	已收代價	-
Movement in equity	權益變動	(808,645)

### 35. 出售附屬公司(續)

#### (b) Sure Esteem Limited(續)

截至二零一七年十二月三十一日止年度，悅來擁有權變動於本公司擁有人應佔權益的影響概述如下：

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 36. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the Group's changes in liabilities arising from financing activities during the year:

### 36. 融資活動產生的負債變動

下表載列本集團年內融資活動產生的負債變動：

		Lease liabilities	Borrowings	Convertible Bonds	Total liabilities from financing activities
		租賃負債	借貸	可換股債券	融資活動產生的負債總額
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
At 1 January 2017 (restated)	於二零一七年一月一日(經重列)	28,254,365	–	53,152,913	81,407,278
Change in cash flows	現金流量變動	(15,386,244)	16,500,000	(5,409,052)	(4,295,296)
Non-cash changes	非現金變動				
– Interest charged (restated)	– 利息支出(經重列)	1,354,102	435,781	9,489,683	11,279,566
– Conversion of convertible bonds (restated)	– 轉換可換股債券(經重列)	–	–	(53,131,292)	(53,131,292)
– Gain on extension of the Bonds (restated)	– 延長債券之收入(經重列)	–	–	(4,102,252)	(4,102,252)
Exchange realignment	匯兌調整	1,539,947	–	–	1,539,947
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	15,762,170	16,935,781	–	32,697,951
Change in cash flows	現金流量變動	(15,657,949)	7,300,000	–	(8,357,949)
Non-cash changes	非現金變動				
– Interest charged	– 利息支出	1,774,807	1,174,736	–	2,949,543
– Acquisition of a subsidiary	– 收購一間附屬公司	14,796,335	–	–	14,796,335
– Additions of lease liabilities	– 租賃負債增加	31,219,306	–	–	31,219,306
– Exchange differences	– 匯兌差額	(1,321,677)	–	–	(1,321,677)
– Waiver of interest on borrowings from Former Controlling Shareholder	– 前控股股東的借款利息減免	–	(3,550,454)	–	(3,550,454)
At 31 December 2018	於二零一八年十二月三十一日	<b>46,572,992</b>	<b>21,860,063</b>	–	<b>68,433,055</b>

# Notes to the Consolidated Financial Statement

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 37. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2018 are as follows:

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及經營地點	Issued and paid up capital 已發行及 已繳足資本	Percentage of ownership interest 擁有人權益 百分比	Principal activities 主要業務
Huizhou Hazens East Resort Travel Services Limited 惠州合正東部灣旅遊服務有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	100% (indirect) 100%(間接)	Hotel operations 酒店營運
Shenzhen Yingde Tourists Co., Ltd. 深圳盈的旅業有限公司	The PRC* 中國*	HK\$8,000,000 8,000,000港元	100% (indirect) 100%(間接)	Hotel operations 酒店營運
Shenzhen Modern Tourists Co., Ltd. 深圳摩登旅業管理有限公司	The PRC* 中國*	HK\$1,000,000 1,000,000港元	100% (indirect) 100%(間接)	Hotel operations 酒店營運
Shenzhen Yuelai Inn Co., Ltd. 深圳悅來客棧有限公司	The PRC# 中國#	HK\$5,000,000 5,000,000港元	85% (indirect) 85%(間接)	Hotel operations 酒店營運
Grand China Industrial Limited 中國實業有限公司	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	100% (indirect) 100%(間接)	Cost centre 成本中心
Net Media Finance Hong Kong Limited 網信傳媒香港有限公司	Hong Kong 香港	HK\$20,000,000 ordinary shares 20,000,000港元普通股	100% (indirect) 100%(間接)	Money lending 放債

^ Wholly owned Enterprise

\* Wholly owned Foreign Enterprise

# Partially owned Foreign Enterprise

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

### 37. 於附屬公司之投資

於二零一八年十二月三十一日，附屬公司之詳情如下：

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及經營地點	Issued and paid up capital 已發行及 已繳足資本	Percentage of ownership interest 擁有人權益 百分比	Principal activities 主要業務
Huizhou Hazens East Resort Travel Services Limited 惠州合正東部灣旅遊服務有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	100% (indirect) 100%(間接)	Hotel operations 酒店營運
Shenzhen Yingde Tourists Co., Ltd. 深圳盈的旅業有限公司	The PRC* 中國*	HK\$8,000,000 8,000,000港元	100% (indirect) 100%(間接)	Hotel operations 酒店營運
Shenzhen Modern Tourists Co., Ltd. 深圳摩登旅業管理有限公司	The PRC* 中國*	HK\$1,000,000 1,000,000港元	100% (indirect) 100%(間接)	Hotel operations 酒店營運
Shenzhen Yuelai Inn Co., Ltd. 深圳悅來客棧有限公司	The PRC# 中國#	HK\$5,000,000 5,000,000港元	85% (indirect) 85%(間接)	Hotel operations 酒店營運
Grand China Industrial Limited 中國實業有限公司	Hong Kong 香港	HK\$1 ordinary share 1港元普通股	100% (indirect) 100%(間接)	Cost centre 成本中心
Net Media Finance Hong Kong Limited 網信傳媒香港有限公司	Hong Kong 香港	HK\$20,000,000 ordinary shares 20,000,000港元普通股	100% (indirect) 100%(間接)	Money lending 放債

^ 獨資企業

\* 外商獨資企業

# 外商合資企業

上表載列對本集團業績、資產或負債產生主要影響的附屬公司詳情。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on 29 March 2019.

### 38. 批准財務報表

此等財務報表由董事會於二零一九年三月二十九日批准及授權發佈。

# Five-Year Financial Summary

## 五年財務概要

A summary of results and of the assets and liabilities of the Group for the last five financial years is as follows:

本集團過往五個財政年度的業績以及資產及負債的概要如下：

### RESULTS

### 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)	2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元	2014 二零一四年 HK\$ 港元
Revenue	收益	<b>45,547,168</b>	16,281,691	17,654,630	19,884,379	29,700,841
Loss before tax	除稅前虧損	<b>(2,077,308)</b>	(42,569,647)	(100,490,047)	(123,405,540)	(60,178,163)
Income tax (expenses)/credit	所得稅(開支)/抵免	<b>(3,110,248)</b>	408,536	2,200,814	(430,064)	8,634,678
<b>Loss for the year</b>	<b>年內虧損</b>	<b>(5,187,556)</b>	(42,161,111)	(98,289,233)	(123,835,604)	(51,543,485)
<b>Attributable to:</b>	<b>以下人士應佔：</b>					
Owners of the Company	本公司擁有人	<b>(4,378,134)</b>	(42,089,318)	(98,289,233)	(123,835,604)	(51,543,485)
Non-controlling interests	非控制性權益	<b>(809,422)</b>	(71,793)	-	-	-
		<b>(5,187,556)</b>	(42,161,111)	(98,289,233)	(123,835,604)	(51,543,485)

## Five-Year Financial Summary 五年財務概要

### ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS 資產、負債及非控制性權益

		As at 31 December 於十二月三十一日				
		2018 二零一八年 HK\$ 港元	2017 二零一七年 HK\$ 港元 (Restated) (經重列)	2016 二零一六年 HK\$ 港元	2015 二零一五年 HK\$ 港元	2014 二零一四年 HK\$ 港元
Total assets	資產總額	<b>99,168,969</b>	66,306,683	81,090,605	125,659,405	162,087,990
Total liabilities	負債總額	<b>(79,810,012)</b>	(45,236,598)	(68,263,683)	(18,291,715)	(27,913,274)
Non-controlling interests	非控制性權益	<b>75,146</b>	(742,983)	—	—	—
		<b>19,434,103</b>	20,327,102	12,826,922	107,367,690	134,174,716

The Group adopted HKFRS 9 (2014) “Financial Instruments” and early adopted HKFRS 16 “Leases” for the year ended 31 December 2018. HKFRS 9 (2014) and HKFRS 16 have been applied retrospectively. As a result, the results and the assets and the liabilities are restated for the year ended 31 December 2017. Details of the adoption of new financial reporting standards are disclosed in note 2 of the financial statements.

於二零一八年十二月三十一日止年度，本集團已採納香港財務報告準則第9號（二零一四年）「金融工具」及提早採納香港財務報告準則第16號「租賃」。香港財務報告準則第9號（二零一四年）及香港財務報告準則第16號已追溯應用。因此，截至二零一七年十二月三十一日止年度之業績及資產及負債已經重列。關於採納新的財務報告準則之詳情請參閱財務報表附註2。

The summary above does not form part of the audited financial statements.

上述概要並不構成經審核財務報表之一部分。