



万达酒店发展有限公司

WANDA HOTEL DEVELOPMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號：169



2018

ANNUAL REPORT

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Director

Mr. Ning Qifeng

Non-executive Directors

Mr. Ding Benxi (*Chairman*)

Mr. Zhang Lin

Mr. Han Xu

Independent Non-executive Directors

Mr. He Zhiping

Mr. Liu Jipeng

Dr. Xue Yunkui

AUDIT COMMITTEE

Dr. Xue Yunkui (*Chairman*)

Mr. He Zhiping

REMUNERATION COMMITTEE

Mr. Liu Jipeng (*Chairman*)

Mr. He Zhiping

NOMINATION COMMITTEE

Mr. Ding Benxi (*Chairman*)

Mr. Liu Jipeng

Dr. Xue Yunkui

COMPANY SECRETARY

Ms. Hui Wai Man, Shirley

DEPUTY CHIEF FINANCIAL OFFICER

Mr. Tse Chi Cheung

董事會

執行董事

寧奇峰先生

非執行董事

丁本錫先生 (*主席*)

張霖先生

韓旭先生

獨立非執行董事

何志平先生

劉紀鵬先生

薛雲奎博士

審核委員會

薛雲奎博士 (*主席*)

何志平先生

薪酬委員會

劉紀鵬先生 (*主席*)

何志平先生

提名委員會

丁本錫先生 (*主席*)

劉紀鵬先生

薛雲奎博士

公司秘書

許惠敏女士

財務副總監

謝志翔先生

PRINCIPAL BANKERS

Bank of China
Industrial and Commercial Bank of China
Ping An Bank
China Everbright Bank

AUDITORS

Ernst & Young, Certified Public Accountants

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL OFFICE IN HONG KONG

Unit 3007, 30th Floor
Two Exchange Square, 8 Connaught Place
Central
Hong Kong

COMPANY'S WEBSITE

www.wanda-hotel.com.hk

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

169

主要往來銀行

中國銀行
中國工商銀行
平安銀行
中國光大銀行

核數師

安永會計師事務所·執業會計師

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

香港主要辦事處

香港
中環
康樂廣場8號交易廣場2座
30樓3007室

公司網址

www.wanda-hotel.com.hk

主要股份登記及過戶處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08, Bermuda

香港股份登記及過戶分處

卓佳標準有限公司
香港
皇后大道東183號
合和中心22樓

股票代號

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Chairman's Statement

主席致辭

Dear Shareholders,

The global business environment was rife with significant uncertainty and challenges in 2018. Nevertheless, Wanda Hotel Development Limited (the "Company") managed to implement a number of strategic initiatives under our business plan and deliver good results. Business transformation was progressing well. The Company, as always, seeks to develop its business by adhering to the strategic goal of achieving long-term development of the Company and sustainable growth of shareholders' value in the long run.

The acquisition of the entire issued share capital of Wanda Hotel Management (Hong Kong) Co. Limited ("Wanda Hotel Management HK") from Wanda Commercial Properties (Hong Kong) Co., Limited ("Wanda HK") was completed in December 2018. The acquisition of Wanda Hotel Management HK enables the Company to achieve scale and market leadership in the hospitality and tourism industry and should create value for our shareholders in the future, and is in line with the Group's plan to adopt an asset-light business model gradually.

At the same time, consistent with the strategy to deleverage and monetize prior investments, the Company disposed of three overseas property projects in London, Gold Coast and Sydney in Australia during 2018. The disposals of these overseas property projects significantly strengthened the financial profile of the Group and placed the Group in an excellent position to pursue investment opportunities that would further enhance shareholder value.

Looking ahead in 2019, with support from our parent company, Dalian Wanda Commercial Management Group Co., Ltd. ("DWCM"), the Group will steadily proceed with business transformation and seek to identify attractive investment opportunities with the objective of expanding our revenue sources as well as improving our profitability, thus laying a solid foundation for its long-term development.

On behalf of the Group, I would like to take this opportunity to express my sincere gratitude to our shareholders, directors, management team, staff, business partners and all others who have rendered their unfailing support and contribution to the Group.

Ding Benxi
Chairman

20 March 2019

尊敬的各位股東：

二零一八年國際營商環境仍然存在巨大的不確定性及挑戰。但萬達酒店發展有限公司(「本公司」)在業務計劃下的多項工作仍取得實質成果，重組工作進行順利。本公司一如既往以維持公司長遠發展以及股東價值長期持續增長為策略目標發展業務。

向萬達商業地產(香港)有限公司(「萬達香港」)收購萬達酒店管理(香港)有限公司(「萬達酒管(香港)」)之全部股權收購已於二零一八年十二月完成。收購萬達酒管(香港)可使本公司實現於酒店及旅遊業之規模及市場領先地位，為我們的股東在將來創造價值，並符合本集團計劃逐步採用輕資產之業務模式。

與此同時，為符合去槓桿化和套現早前投資項目之策略，本公司於二零一八年出售了位於倫敦、澳大利亞黃金海岸和悉尼的三個海外物業項目，大大鞏固了本集團財務狀況，使本集團處於有利位置把握投資機會，進一步提升股東價值。

展望二零一九年，在母公司大連萬達商業管理集團股份有限公司(「大連萬達商業管理」)的支持下，本集團將繼續推進重組工作，進一步擴展本集團之收入來源並提升獲利能力，為長遠發展奠定穩固基礎。

本人謹此代表本集團，向所有股東、董事、管理層、員工、商業夥伴以及所有鼎力支持及奉獻之各界人士，致以最誠摯的感謝。

主席
丁本錫

二零一九年三月二十日

CONTINUING OPERATIONS

Joint Venture Platform in the Americas and Chicago Project, America

In July 2014, the Company formed a joint venture with Wanda HK to establish a joint venture platform in the Americas with a total capital commitment of HK\$10 billion, in which the Company holds 60% and Wanda HK holds 40%, for the joint acquisition and development of suitable real property projects in the Americas.

On the same day, through Wanda Chicago Real Estate LLC (“Wanda Chicago”), a wholly owned subsidiary of this joint venture platform, the Company and Wanda HK entered into (i) the formation and contribution agreement with Magellan Parcel C/D LLC (“Magellan”) and Lakeshore East LLC; and (ii) the operating agreement with Magellan to jointly develop a project in Chicago (“Chicago Project”) in which Wanda Chicago holds 90% and Magellan holds 10% of such joint venture.

The planned total gross floor area of the Chicago Project is approximately 176,000 sq.m.. It is located in the heart of Chicago, adjacent to Millennium Park and the Chicago CBD. Many of the well-known destinations are within walking distance of the project, such as the Theatre District, Museum Campus and Michigan Avenue. This is the last unbuilt site within the Lakeshore East area with excellent geographic location. The project is expected to be developed into a 361-meter, 101-storey five-star hotel (with over 200 rooms) and high-end condominiums, which will be Chicago’s third highest building upon completion and a new landmark in Chicago. Pre-sale of high-end condominiums portion commenced in September 2015, and approximately 56% of total saleable area were pre-sold up to the end of December 2018. The Chicago Project obtained planning approvals and completed settlement in April 2016. Construction work commenced in August 2016 and is progressed as planned. The development of the Chicago Project is expected to be completed in 2020.

持續經營業務

美洲大陸合資平台及美國芝加哥項目

於二零一四年七月，本公司與萬達香港成立一間合資企業，以設立總資本承擔達100億港元的美洲大陸合資平台，其中本公司及萬達香港分別持有該合資平台60%及40%權益，以在美洲大陸尋找合適之地產項目共同進行收購及發展。

同日，本公司與萬達香港透過該合資平台的全資附屬公司Wanda Chicago Real Estate LLC（「萬達芝加哥」），(i)與Magellan Parcel C/D LLC（「Magellan」）及Lakeshore East LLC訂立成立及注資協議；及(ii)與Magellan訂立運營協議，以共同開發位於芝加哥的一個項目（「芝加哥項目」），其中萬達芝加哥及Magellan分別持有該合資企業90%及10%權益。

芝加哥項目之規劃總建築面積約為17.6萬平方米，地處芝加哥市核心地段，緊鄰千禧公園和芝加哥CBD，步行可到劇院區、博物館區、密歇根大道等著名場所，是東湖岸區域未建的最後一個地塊，地理位置十分優越。該項目計劃建設一座高361米、101層高的五星酒店（預計建造超過200套客房）及高檔公寓項目，建成後將成為芝加哥第三高建築，成為芝加哥新地標。高檔公寓部分已於二零一五年九月開始預售，截至二零一八年十二月底，已累計預售約56%之可銷售總面積。芝加哥項目已於二零一六年四月取得規劃批准、完成交割，已於二零一六年八月開始建設工程，目前正按計劃施工中。芝加哥項目預計於二零二零年完成開發。

Business Review

業務回顧

Guilin Project, the PRC

In February 2014, the Company acquired a piece of state-owned land in Guilin, Guangxi Zhuang Autonomous Region, the PRC with Wanda HK in the form of a joint venture, in which the Company holds 51% and Wanda HK holds 49%. The project (“Guilin Project”) is located in the central area of Guilin High-tech Zone, with planned total gross floor area of approximately 330,000 sq.m., including 153,000 sq.m. of shopping mall and 177,000 sq.m. of retail, residential and other properties for sale.

The construction work of the Guilin Project has completed and the shopping mall opened in September 2015. With satisfactory commercial leases and operating conditions, the shopping mall has become a supreme landmark business centre in Guilin. For the sales of properties, approximately 94% of the saleable area were sold up to the end of December 2018, and properties were being delivered to owners since December 2015.

Hengli City, Fuzhou, the PRC

The total gross floor area of Hengli City is approximately 242,000 sq.m.. The project is a residential, office and retail complex located in Fuzhou, the PRC. As of 31 December 2018, the floor area of its remaining properties was approximately 76,417 sq.m., and the majority of the office and car park units were leased. The commercial portion was fully leased to Wangfujing Department Store, offering stable cash flow in rental income for the Company. During 2018, revenue of approximately HK\$7.3 million was generated from the sales of a residential unit and car park units.

中國桂林項目

於二零一四年二月，本公司與萬達香港以合資企業之形式收購中國廣西壯族自治區桂林市之一塊國有土地，其中本公司及萬達香港分別持有該合資企業51%及49%權益。本項目（「桂林項目」）地處桂林市高新區中心區域，規劃總建築面積約為33萬平方米，其中包括15.3萬平方米的購物中心和17.7萬平方米的商鋪、住宅等銷售物業。

桂林項目建設工程已完成，購物中心亦已於二零一五年九月開業。購物中心商業出租與經營狀況良好，目前已成為桂林市首屈一指的地標式商業中心。銷售物業方面，截至二零一八年十二月底，已累計售出約94%的可銷售面積，而該等物業自二零一五年十二月起陸續交付業主。

中國福州恒力城

恒力城總建築面積約為24.2萬平方米，項目位於中國福州市，為一個集住宅、辦公室及零售於一體的綜合項目。截至二零一八年十二月三十一日，其餘下物業樓面面積約為76,417平方米，其中大部分寫字樓及停車位皆已出租，商場部分則全數出租予王府井百貨，為本公司提供了穩定的租金收入現金流。於二零一八年，出售一個住宅單位及停車位則產生收益約7,300,000港元。

Wanda Hotel Management HK

On 31 December 2018, the Company completed its acquisition of all the issued shares in Wanda Hotel Management HK for a total consideration of HK\$878 million. Wanda Hotel Management HK therefore became a wholly-owned subsidiary of the Company after the completion of the acquisition. The Company's acquisition of Wanda Hotel Management HK is considered to be a business combination under common control as their respective intermediate holding companies are both under the common control of Wanda HK. As such, the consolidated financial statements for 2017 and the financial position as at 31 December 2017 disclosed in these consolidated financial statements have been restated as a result of the adoption of merger accounting as if the business combinations had occurred from the beginning of the earliest financial years presented.

Wanda Hotel Management HK is a leading hotel services provider in China and is principally engaged in the business of development and operation of hotels, hotel management services, hotel design, hotel construction management and related consultancy and other ancillary businesses. Wanda Hotel Management HK currently manages hotels under the following brands:—

- Wanda Reign
- Wanda Vista
- Wanda Realm
- Wanda Jin
- Wanda Moments

As at 31 December 2018, Wanda Hotel Management HK managed a total of 69 hotels in operation and was contracted to manage 49 hotels which have not yet commenced operation and were under construction.

DISCONTINUED OPERATIONS

During 2018, the Company continued to execute its deleveraging strategy with satisfactory progress. To this end, the Group has completed disposal of certain property projects.

萬達酒管(香港)

於二零一八年十二月三十一日，本公司完成收購萬達酒管(香港)之全部已發行股權，總代價為878,000,000港元。收購完成後，萬達酒管(香港)成為本公司之全資附屬公司。本公司收購萬達酒管(香港)被視為同一控制下之業務合併，原因為彼等各自之中間控股公司均受萬達香港共同控制。由於採納同一控制下企業合併會計法，故已重列於二零一七年度綜合財務報表以及該等綜合財務報表所披露於二零一七年十二月三十一日的財務狀況，猶如業務合併已於所呈列的最早財政年度年初起進行。

萬達酒管(香港)為中國領先酒店服務供應商，主要從事酒店發展、營運及酒店管理服務，以及酒店設計、酒店建設管理等相關顧問及其他附屬業務。萬達酒管(香港)現時管理下列品牌酒店：—

- 萬達瑞華
- 萬達文華
- 萬達嘉華
- 萬達錦華
- 萬達美華

於二零一八年十二月三十一日，萬達酒管(香港)管理共69間已開業酒店，另外已簽約管理49間在建中尚未開業酒店。

終止經營業務

二零一八年，本集團繼續執行去槓桿化策略，並逐步採用較輕資產之業務模式，以取得穩定進展。為此，本集團已完成若干物業項目的出售。

Business Review

業務回顧

London Project, UK

In September 2013, the Company acquired a project (“London Project”) at 1 Nine Elms Lane, London SW8 5NQ, in the UK with Wanda HK in the form of a joint venture, in which the Company holds 60% and Wanda HK holds 40%.

On 16 January 2018, the Company as vendor and R&F Properties (HK) Company Limited (“R&F”) as purchaser entered into a sale and purchase agreement in respect of the proposed disposal of 60% of the entire issued share capital of Wanda International Real Estate Investment Co. Limited (“Wanda International”), the holding company of the London Project, and the Company, R&F and Wanda International entered into a shareholder loan repayment agreement, pursuant to which R&F agreed to repay the debt for and on behalf of Wanda International to the Company. The disposal was completed on 6 July 2018.

Joint Venture Platform in Australia, Gold Coast Project and Sydney Project, Australia

In August 2014, the Company formed a joint venture with Wanda HK to establish a joint venture platform in Australia, namely Wanda Australia Real Estate Investment Co., Limited (“Wanda Australia RE”), with a total capital commitment of HK\$12.5 billion, in which the Company holds 60% and Wanda HK holds 40%, for the joint acquisition and development of suitable real property projects in Australia.

On the same day, through Wanda Australia Commercial Properties Pty Ltd. (“Wanda Australia CP”), a wholly owned subsidiary of Wanda Australia RE, the Company and Wanda HK entered into the subscription and shareholders agreement with 大連萬達商業管理集團股份有限公司 Dalian Wanda Commercial Management Group Co., Ltd* (previously known as Dalian Wanda Commercial Properties Co., Ltd.) (“DWCM”), Mr. Riyu Li and Ms. Fengliu Wu (collectively, “Li”, who were shareholders of Ridong (Gold Coast) Development Pty Ltd. (“Gold Coast Project Company”) and the Gold Coast Project Company. After completion of the subscription under the agreement, the Gold Coast Project Company is now owned by Wanda Australia CP and Li, as to 55% and 45% respectively, for the joint development of the a project in the Gold Coast (“Gold Coast Project”).

* For identification propose only

英國倫敦項目

本公司與萬達香港於二零一三年九月以合資企業之形式收購了位於英國 1 Nine Elms Lane, London SW8 5NQ 之項目(「倫敦項目」)，其中本公司及萬達香港分別持有該合資企業 60% 及 40% 權益。

於二零一八年一月十六日，本公司(作為賣方)與富力地產(香港)有限公司(「富力」)作為買方就建議出售倫敦項目的控股公司萬達國際地產投資有限公司(「萬達國際」)全部已發行股本的 60% 訂立買賣協議，及本公司、富力及萬達國際訂立股東貸款償還協議，據此，富力已同意代表萬達國際向本公司償還債務。出售已於二零一八年七月六日完成。

澳大利亞合資平台以及澳大利亞黃金海岸項目及悉尼項目

於二零一四年八月，本公司與萬達香港成立一間合資企業，以設立總資本承擔達 125 億港元的澳大利亞合資平台，即萬達澳洲地產投資有限公司(「萬達澳洲地產」)，其中本公司及萬達香港分別持有該合資平台 60% 及 40% 權益，以在澳大利亞尋找合適之地產項目共同進行收購及發展。

同日，本公司與萬達香港透過萬達澳洲地產的全資附屬公司 Wanda Australia Commercial Properties Pty Ltd (「萬達商業澳洲」)，與大連萬達商業管理集團股份有限公司(「大連萬達商業管理」)(前稱大連萬達商業地產股份有限公司)、李日裕先生及 Fengliu Wu 女士(合稱「李氏」，為 Ridong (Gold Coast) Development Pty Ltd. (「黃金海岸項目公司」)股東)及黃金海岸項目公司訂立認購及股東協議。於協議項下之認購完成後，黃金海岸項目公司現時由萬達商業澳洲及李氏分別擁有 55% 及 45% 權益，以共同開發一個位於黃金海岸的項目(「黃金海岸項目」)。

Business Review

業務回顧

After the acquisition of the Gold Coast Project, on 23 January 2015 and 4 March 2015, the Company and Wanda HK, through Wanda One Sydney Pty Ltd, a wholly-owned subsidiary of Wanda Australia CP, entered into agreements to acquire the second premium project in Australia (“Sydney Project”, together with the Gold Coast Project, the “Australia Projects”).

On 18 January 2018, Wanda Australia RE, AWH Investment Group Pty Ltd. (“AWH”) and Wanda Australia CP entered into a master agreement in respect of the proposed disposal of the entire equity interest in Wanda Australia CP and repayment of debt in instalments by Wanda Australia CP to Wanda Australia RE. The proposed disposal was approved in the special general meeting convened on 12 March 2018. The disposal of the two projects was completed on 18 May 2018.

OUTLOOK

After the disposal of the London Project, Gold Coast Project, Sydney Project, and the injection of Wanda Hotel Management HK, the Group’s strategies under the business transformation are to focus on fee based businesses, to improve cash flow, and to reduce leverage with the following initiatives:

1. To continue to monetize prior property investments. The remaining Chicago Project is still under construction. Potential disposal at current market level can help realize value of the investments and reduce current and future indebtedness (for project construction loans purpose);
2. To capitalize on the hotel management expertise of the Company (i.e. hotel design, construction and operation management, etc.) where the Group can potentially develop into an industry leader in the segment in China; and
3. To improve the operating efficiency of Hengli City and the Guilin Project through cost control and targeted marketing, while at the same time evaluate future plans regarding these two assets.

The Group will continue to prudently seek profitable investment opportunities, further expand the Group’s sources of revenue, enhance the Group’s profitability and maximize return for its shareholders.

於收購黃金海岸項目後，於二零一五年一月二十三日及二零一五年三月四日，本公司與萬達香港透過萬達商業澳洲的全資附屬公司 Wanda One Sydney Pty Ltd 訂立協議，以收購第二個澳大利亞的優質項目（「悉尼項目」，連同黃金海岸項目統稱為「澳洲項目」）。

於二零一八年一月十八日，萬達澳洲地產、AWH Investment Group Pty Ltd（「AWH」）及萬達商業澳洲就建議出售萬達商業澳洲之全部股權及萬達商業澳洲向萬達澳洲地產分期償還債務訂立總協議。建議出售已於二零一八年三月十二日召開的股東特別大會上獲得批准，該兩個項目之出售已於二零一八年五月十八日完成。

展望

於出售倫敦項目、黃金海岸項目和悉尼項目，以及注入萬達酒管（香港）後，本集團在業務轉型之策略重點將放在收費業務，以透過下列舉措改善現金流量及降低槓桿率：

1. 繼續將先前的物業投資項目變現。餘下的芝加哥項目仍處於施工階段，按當前市場水平進行之潛在出售有助於變現投資價值及減少當前及未來債務（就項目建設貸款而言）；
2. 利用本公司之酒店管理專業知識（即酒店設計、施工及運營管理等）令本集團可發展為在中國之業界領導者；及
3. 透過成本控制及具針對性之營銷，改善恒力城及桂林項目的營運效率，同時評估對該兩項資產的未來計劃。

本集團將繼續以審慎的態度尋求收益優厚的投資機會，進一步擴展本集團之收益來源，提升本集團之盈利能力，追求股東的回報最大化。

Financial Review

財務回顧

On 31 December 2018, the Company completed its acquisition of all the issued shares in Wanda Hotel Management HK for a total consideration of HK\$878 million. Wanda Hotel Management HK therefore became a wholly-owned subsidiary of the Company after the completion of the acquisition. The Company's acquisition of Wanda Hotel Management HK is considered to be a business combination under common control as their respective intermediate holding companies are both under the common control of Wanda HK. As such, the consolidated financial statements for 2017 and the financial position as at 31 December 2017 disclosed in these consolidated financial statements have been restated as a result of the adoption of merger accounting as if the business combination had occurred from the beginning of the earliest financial years presented. Likewise, the financial figures of 2017 in the following paragraphs are also restated.

REVENUE AND RESULTS

The Group's revenue from its continuing operations for 2018 was approximately HK\$1,019.8 million (2017: HK\$656.4 million). The increase in revenue was mainly due to i) increase in property sales revenue of approximately HK\$153.8 million primarily from remaining inventories at the Guilin Project; ii) increase in hotel design and construction management fee income of approximately HK\$140 million for new hotel projects contracted to be managed by Wanda Hotel Management HK; and iii) increase of hotel management fee income of approximately HK\$60.6 million mainly driven by newly opened hotels and better operating performance achieved by the hotels under management.

There was no revenue from discontinued operations for 2018 (2017: HK\$0.9 million) since certain rental agreements in the disposed Sydney Project expired in 2017 and the old property structure of the Sydney Project was demolished in 2017.

於二零一八年十二月三十一日，本公司完成收購萬達酒管(香港)所有已發行股份，總代價為878,000,000港元。因此，收購完成後，萬達酒管(香港)成為本公司之全資附屬公司。本公司收購萬達酒管(香港)被視為同一控制下之業務合併，原因為彼等各自之中間控股公司均受萬達香港共同控制。因此，於採用合併會計法後，此等綜合財務報表內披露之二零一七年綜合財務報表及於二零一七年十二月三十一日之財務狀況已經重列，猶如業務合併於所呈列之最早財政年度開始時已經發生。同樣地，下文各段所載之二零一七年財務數字亦已經重列。

收益及業績

本集團二零一八年來自持續經營業務之收益約為1,019,800,000港元(二零一七年：656,400,000港元)。收益增加主要是由於下列各項所致：i)物業銷售收益增加約153,800,000港元，主要來自桂林項目餘下存貨；ii)來自萬達酒管(香港)訂約管理之新酒店項目之酒店設計及建設管理費收入增加約140,000,000港元；及iii)酒店管理費收入增加約60,600,000港元，主要受新開業酒店及所管理酒店達致較佳營運表現所帶動。

二零一八年並無來自終止經營業務之收益(二零一七年：900,000港元)，此乃由於已出售之悉尼項目之若干租賃協議於二零一七年屆滿，且悉尼項目之舊有物業結構於二零一七年被拆除所致。

Financial Review

財務回顧

As a result of the disposals of the London Project and Australia Projects and the injection of Wanda Hotel Management HK following the Group's business transformation, the Group has identified four business segments to better reflect its current operating businesses as below:—

1. Property sales;
2. Property leasing and management;
3. Development and operation of hotels, hotel management services; and
4. Hotel design and construction management services.

The following table illustrates the segment revenue and results from continuing operations of the Group during 2018:—

由於出售倫敦項目與澳洲項目，以及於本集團業務轉型後注入萬達酒管(香港)，本集團已列出下列四個業務分部，以更有效地反映其目前之營運業務：—

1. 物業銷售；
2. 物業租賃及管理；
3. 酒店發展、營運及酒店管理服務；及
4. 酒店設計及建設管理服務。

下表說明二零一八年本集團持續經營業務之分部收益及業績：—

		2018 二零一八年		2017 二零一七年		Changes 變動	
	Segment	Segment	Segment	Segment	Segment	Segment	Segment
	revenue	profit/(loss)	revenue	profit/(loss)	revenue	profit/(loss)	profit/(loss)
	分部收益	分部溢利/ (虧損)	分部收益	分部溢利/ (虧損)	分部收益	分部溢利/ (虧損)	分部溢利/ (虧損)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	千元	千元	千元	千元	千元	千元	千元
Property sales	物業銷售	187,522	(3,250)	33,748	(130,852)	153,774	127,602
Property leasing and management	物業租賃及管理	188,685	(284,670)	179,692	130,724	8,993	(415,394)
Development and operation of hotels, hotel management services	酒店發展、營運及 酒店管理服務	429,181	236,810	368,546	186,921	60,635	49,889
Hotel design and construction management services	酒店設計及 建設管理服務	214,403	116,680	74,394	44,453	140,009	72,227
Total	總計	1,019,791	65,570	656,380	231,246	363,411	(165,676)

The measure used for reporting segment results is profit/(loss) before tax.

用於報告分部業績之計量單位為除稅前溢利/(虧損)。

Financial Review

財務回顧

In 2018, the segment profit from the continuing operations of the Group decreased to approximately HK\$65.6 million from approximately HK\$231.2 million in 2017.

The property sales segment reported loss of approximately HK\$3.3 million (2017: loss of HK\$130.9 million). The segment loss decrease was mainly due to an increase in property sales revenue from the remaining inventories at the Guilin Project.

The property leasing and management segment reported loss of approximately HK\$284.7 million (2017: profit of HK\$130.7 million). The loss in this segment in 2018 could be principally attributed to a net valuation loss of investment properties in Hengli City project of approximately HK\$430.8 million.

The development and operation of hotels, hotel management services segment reported profit of approximately HK\$236.8 million (2017: HK\$186.9 million), representing an increase of HK\$49.9 million from 2017. The increase was mainly due to the opening of new hotels and better overall performance of hotels under management.

The hotel design and construction management services segment significantly increased its profit to approximately HK\$116.7 million in 2018 from HK\$44.5 million in 2017, mainly driven by an increase in new hotel projects contracted to be managed by Wanda Hotel Management HK.

During the year, the Group's profit attributable to the equity holders of the Company amounted to approximately HK\$766.7 million (2017: loss of HK\$285.4 million) with the breakdown set out as below: –

於二零一八年，本集團持續經營業務之分部溢利由二零一七年約231,200,000港元減少至約65,600,000港元。

物業銷售分部呈報之虧損約為3,300,000港元（二零一七年：虧損130,900,000港元）。分部虧損減少乃主要由於來自桂林項目餘下存貨之物業銷售收益增加所致。

物業租賃及管理分部呈報之虧損約為284,700,000港元（二零一七年：溢利130,700,000港元）。該分部二零一八年之虧損乃主要源自恒力城項目投資物業之估值虧損淨額約430,800,000港元所致。

酒店發展、營運及酒店管理服務分部呈報之溢利約為236,800,000港元（二零一七年：186,900,000港元），較二零一七年增加49,900,000港元。增加乃主要由於新酒店開業及所管理酒店之整體表現提升所致。

酒店設計及建設管理服務分部之溢利由二零一七年的44,500,000港元大幅增加至二零一八年約116,700,000港元，主要受萬達酒管（香港）訂約管理之新酒店項目增加所帶動。

本年度內，本集團之本公司權益持有人應佔溢利約為766,700,000港元（二零一七年：虧損285,400,000港元），有關明細載列如下：–

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元	Changes 變動 \$'000 千元
Profit/(loss) attributable to the equity holders of the Company:	本公司權益持有人應佔溢利／（虧損）：			
– From continuing operations	– 來自持續經營業務	23,168	(57,637)	80,805
– From discontinued operations	– 來自終止經營業務	743,548	(227,801)	971,349
Total	總計	766,716	(285,438)	1,052,154

Financial Review

財務回顧

Profit attributable to the equity holders of the Company from continuing operations was approximately HK\$23.2 million (2017: loss of HK\$57.6 million). The increase in profit was mainly attributable to i) increased profit of approximately HK\$153.8 million from property sales segment; ii) a decrease of finance costs of approximately of HK\$80.9 million in 2018 since the Group repaid interest-bearing loans from financial institutions and loans from an intermediate holding company; iii) increase in revenue of HK\$200.6 million contributed by Wanda Hotel Management HK; iv) an income tax credit of approximately HK\$17.9 million as compared to income tax charge of approximately HK\$186.3 million in 2017 as a result of lower land appreciation tax incurred during the year and reversal of deferred tax of approximately HK\$76 million in 2018; and offset by v) net valuation loss of investment properties in Hengli City of approximately HK\$430.8 million.

During the year, the Group's profit attributable to the equity holders of the Company from discontinued operations was approximately HK\$743.5 million (2017: loss of HK\$227.8 million). Such change was mainly attributable to gains on the disposal of the two projects in Australia and London Project of approximately HK\$473.3 million and HK\$442.4 million respectively.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment increased by 69.6% to approximately HK\$640.2 million at 31 December 2018 (31 December 2017: approximately HK\$377.4 million). The increase was mainly attributable to increase of construction in progress of Chicago Project by approximately HK\$271.2 million in 2018.

FREEHOLD LAND

Freehold land was approximately HK\$159.1 million at 31 December 2018 (31 December 2017: approximately HK\$158.8 million). The increase was mainly attributable to exchange gain on re-translation of foreign currency.

來自持續經營業務之本公司權益持有人應佔溢利約為23,200,000港元(二零一七年:虧損57,600,000港元)。溢利增加主要是由於以下各項所致: i)物業銷售分部溢利增加約153,800,000港元; ii)本集團償還金融機構計息貸款及中間控股公司貸款,令二零一八年融資成本減少約80,900,000港元; iii)萬達酒管(香港)貢獻之收益增加200,600,000港元; iv)年內產生之土地增值稅減少及二零一八年撥回遞延稅項約76,000,000港元,導致錄得所得稅抵免約17,900,000港元,而二零一七年所得稅開支則約為186,300,000港元; 惟被v)恒力城投資物業之估值虧損淨額約430,800,000港元所抵銷。

本年度內,本集團來自終止經營業務之本公司權益持有人應佔溢利約為743,500,000港元(二零一七年:虧損227,800,000港元)。有關變動主要由於出售兩個項目(即澳洲項目及倫敦項目)之收益分別約473,300,000港元及442,400,000港元所致。

物業、廠房及設備

於二零一八年十二月三十一日,物業、廠房及設備增加69.6%至約640,200,000港元(二零一七年十二月三十一日:約377,400,000港元)。該增加主要是由於二零一八年芝加哥項目之在建工程增加約271,200,000港元所致。

永久業權土地

於二零一八年十二月三十一日,永久業權土地約159,100,000港元(二零一七年十二月三十一日:約158,800,000港元)。該增加主要是由於重新換算外幣產生匯兌收益所致。

Financial Review

財務回顧

PROPERTIES UNDER DEVELOPMENT

Properties under development increased by 65.8% to approximately HK\$3,113.7 million at 31 December 2018 (31 December 2017: HK\$1,878 million). The increase was mainly attributable to increase of capital expenditure on Chicago Project.

ASSETS CLASSIFIED AS HELD FOR SALE

As at 31 December 2018, there was no asset classified as held for sale (31 December 2017: HK\$10,277 million), mainly due to the London Project, Australia Projects were disposed in 2018. Details of the abovementioned disposals are set out in notes 13 and 38 to the financial statements.

DEPOSITS AND OTHER RECEIVABLES

As at 31 December 2018, the Group had deposits and other receivables of approximately HK\$1,767.9 million (31 December 2017: approximately HK\$28.3 million). The increase in deposits and other receivables was mainly due to (i) proceeds receivables from the disposal of the London Project of approximately HK\$831.8 million, in which approximately HK\$713 million and HK\$118.8 million are expected to be received by June 2019 and December 2019 respectively; (ii) proceeds receivables from the disposal of the Australia Projects of approximately HK\$715.9 million, which is expected to be received by 30 June 2019; and (iii) the deposits of tax amount of HK\$187.2 million to Australia tax authority in relation to the disposal of the Australia Projects, which has been fully refunded from Australia tax authority in March 2019.

NET ASSETS AND EQUITY ATTRIBUTABLE TO EQUITY HOLDERS

As at 31 December 2018, the Group recorded total assets and total liabilities of approximately HK\$12,333.4 million and HK\$9,126 million respectively. The Group had net assets of approximately HK\$3,207.4 million as at 31 December 2018 as compared to approximately HK\$3,355.7 million as at 31 December 2017. As at 31 December 2018, the equity attributable to equity holders of the Company was approximately HK\$2,220.1 million as compared to HK\$2,420.5 million as at 31 December 2017.

在建物業

於二零一八年十二月三十一日，在建物業增加65.8%至約3,113,700,000港元(二零一七年十二月三十一日：1,878,000,000港元)。該增加主要是由於芝加哥項目之資本支出增加所致。

分類為持作出售之資產

於二零一八年十二月三十一日，概無分類為持作出售之資產(二零一七年十二月三十一日：10,277,000,000港元)乃主要由於於二零一八年出售倫敦項目及澳洲項目所致。有關上述出售事項之詳情載於財務報表附註13及38。

按金及其他應收款項

於二零一八年十二月三十一日，本集團之按金及其他應收款項約為1,767,900,000港元(二零一七年十二月三十一日：約28,300,000港元)。按金及其他應收款項增加乃主要由於(i)出售倫敦項目之應收所得款項約831,800,000港元，當中預期約713,000,000港元及118,800,000港元將分別於二零一九年六月及二零一九年十二月收取；(ii)出售澳洲項目之應收所得款項約715,900,000港元(預期將於二零一九年六月三十日前收取)；及(iii)有關出售澳洲項目向澳洲稅務機關繳納稅項按金187,200,000港元(已於二零一九年三月由澳洲稅務機關悉數退回)所致。

資產淨值及權益持有人應佔權益

於二零一八年十二月三十一日，本集團分別錄得總資產及總負債約12,333,400,000港元及9,126,000,000港元。本集團於二零一八年十二月三十一日擁有之資產淨值約為3,207,400,000港元，而於二零一七年十二月三十一日則約為3,355,700,000港元。於二零一八年十二月三十一日，本公司權益持有人應佔權益約為2,220,100,000港元，而於二零一七年十二月三十一日則為2,420,500,000港元。

LIQUIDITY AND FINANCIAL RATIOS

The Group had total cash and bank balances of approximately HK\$2,746.3 million as at 31 December 2018 as compared with HK\$2,600.9 million as at 31 December 2017. The increase was mainly due to cash proceeds received from the disposal of London Project. About 85%, 11% and 4% of the cash and bank balances were denominated in Renminbi (“RMB”), Great British Pound (“GBP”) and United States Dollar (“USD”) respectively. As at 31 December 2018, the current ratio, which is the quotient arrived at by dividing current assets by current liabilities, was 1.26 as compared with 1.14 as at 31 December 2017. The gearing ratio, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 23% as at 31 December 2018 as compared with 53.5% as at 31 December 2017. The decrease in gearing ratio was mainly attributable to repayment of interest bearing loans from financial institutions and loans from an intermediate holding company.

BORROWINGS AND FINANCIAL RESOURCES

The Group had interest-bearing loans from financial institutions of approximately HK\$1,192.9 million as at 31 December 2018 (31 December 2017: HK\$1,814.9 million). The decrease was mainly due to the repayment of bank loans. These loans were denominated in RMB and USD. Approximately 3.9% of these loans are repayable within one year. The rest is repayable after one year.

The Group had other interest-bearing borrowings of approximately HK\$385.6 million as at 31 December 2018 (31 December 2017: HK\$287.1 million). The above borrowings were obtained from entities controlled by a former director. These borrowings were denominated in RMB and HK\$. Approximately 3.3% of these borrowings are repayable within one year. The rest is repayable after one year.

流動資金及財務比率

於二零一八年十二月三十一日，本集團有現金及銀行結餘總額約2,746,300,000港元，而於二零一七年十二月三十一日則為2,600,900,000港元。該增加主要是由於自出售倫敦項目獲得現金所得款項所致。約85%、11%及4%之現金及銀行結餘分別以人民幣（「人民幣」）、英鎊（「英鎊」）及美元（「美元」）計值。於二零一八年十二月三十一日，流動比率（即流動資產除以流動負債所得商數）為1.26，而於二零一七年十二月三十一日則為1.14。於二零一八年十二月三十一日，資本負債比率（即債務淨額除以債務淨額與總權益之和所得商數）為23%，而於二零一七年十二月三十一日則為53.5%。資本負債比率減少乃主要由於償還金融機構計息貸款及中間控股公司貸款所致。

借款及財務資源

於二零一八年十二月三十一日，本集團有計息之金融機構貸款約1,192,900,000港元（二零一七年十二月三十一日：1,814,900,000港元）。該減少主要是由於償還銀行貸款所致。該等貸款以人民幣及美元計值。約3.9%之該等貸款將須於一年內償還，而其餘須於一年後償還。

於二零一八年十二月三十一日，本集團有其他計息借款約385,600,000港元（二零一七年十二月三十一日：287,100,000港元）。上述借款乃向一名前任董事控制之實體取得。該等借款以人民幣及港元計值。約3.3%之該等借款將須於一年內償還，而其餘須於一年後償還。

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財務回顧

The Group had interest-bearing loans from an intermediate holding company of approximately HK\$1,380.1 million as at 31 December 2018 (31 December 2017: HK\$3,139.6 million). These loans were denominated in GBP and HKD and were repayable from 2019 to 2023. The Group also had non-interest-bearing loans from the same intermediate holding company of approximately HK\$743.7 million of which HK\$678.3 million and HK\$65.4 million were denominated in USD and Euro (“EUR”) respectively as at 31 December 2018. The loans denominated in USD are repayable in 2020 and the loans denominated in EUR are repayable in 2019.

As the Group continues to explore business opportunities under its transformation initiatives, different funding venues, including debt, bank loan and equity, will be considered when and if appropriate. As at 31 December 2018, the Group's contracted commitment for capital expenditure is approximately HK\$4,235.9 million (31 December 2017: HK\$12,627.9 million). The decrease was mainly due to disposal of London Project completed on 6 July 2018.

FOREIGN CURRENCY AND INTEREST RATE EXPOSURE

The Group's business is principally conducted in RMB and USD. The functional currency of the Group's subsidiaries in the PRC and the United States of America (the “USA”), are RMB and USD respectively and they do not have significant monetary assets or liabilities denominated in currencies other than their respective functional currencies. The functional currency of the Group's other subsidiaries is Hong Kong Dollar. The Group is exposed to currency risk primarily through loans that are denominated in RMB, GBP, USD and EUR respectively. The Group maintains a conservative approach on foreign exchange exposure management. During the year, the Group did not use any financial instruments to hedge foreign currency exposure and the Group did not have any hedging instruments outstanding as at 31 December 2018.

於二零一八年十二月三十一日，本集團有計息之一間中間控股公司貸款約1,380,100,000港元(二零一七年十二月三十一日：3,139,600,000港元)。該等貸款以英鎊及港元計值，且須於二零一九年至二零二三年期間償還。於二零一八年十二月三十一日，本集團亦有不計息之同一間中間控股公司貸款約743,700,000港元，其中678,300,000港元及65,400,000港元分別以美元及歐元(「歐元」)計值。以美元計值之貸款須於二零二零年償還，而以歐元計值之貸款須於二零一九年償還。

由於本集團繼續透過其轉型舉措尋求商機，故將在適當時候考慮包括債務、銀行貸款及股權等不同之融資渠道。於二零一八年十二月三十一日，本集團資本支出之已訂約承擔約為4,235,900,000港元(二零一七年十二月三十一日：12,627,900,000港元)。該減幅主要是由於於二零一八年七月六日完成出售倫敦項目所致。

外匯及利率風險

本集團之業務主要以人民幣及美元進行。本集團於中國及美利堅合眾國(「美國」)之附屬公司之功能貨幣分別為人民幣及美元，且彼等並未持有以彼等各自功能貨幣以外之貨幣計值之重大貨幣資產或負債。本集團其他附屬公司之功能貨幣為港元。本集團主要承受分別以人民幣、英鎊、美元及歐元計值之貸款之貨幣風險。本集團維持保守之外匯風險管理方法。本年度內，本集團並無使用任何金融工具對沖外匯風險，而於二零一八年十二月三十一日，本集團亦無任何未平倉之對沖工具。

Financial Review

財務回顧

During the year, the Group had interest-bearing loans from financial institutions, third parties and an intermediate holding company. Accordingly, the Group's cost of loans was affected by changes in interest rates. As at 31 December 2018, interest-bearing borrowings of HK\$1,192.9 million, being approximately 40% of the total interest-bearing borrowings, were on a floating rate basis. The remaining interest-bearing borrowings of HK\$1,765.7 million were on fixed interest rate basis. During the year, the Group had monitored the suitability and cost efficiency of hedging instruments and had considered a mix of fixed and floating rate loans in order to manage interest rate risks. The Group will prudently consider entering into currency and interest rate hedging arrangements to minimise such exposures if and when appropriate.

PLEDGE OF ASSETS

As at 31 December 2018, the Group pledged certain of its assets to financial institutions in the PRC to secure the loans of approximately HK\$1,192.9 million granted by these financial institutions. The aggregate carrying value of these building held for own use, construction in progress, freehold land, prepaid land lease payments, investment properties, properties under development, completed properties held for sale and restricted bank deposits as at 31 December 2018 amounted to approximately HK\$5.5 million, HK\$608.1 million, HK\$159.1 million, HK\$16.7 million, HK\$850.5 million, HK\$3,113.7 million, HK\$7.7 million and HK\$4.9 million respectively.

CHANGES IN SHARE CAPITAL

There are no changes in the Company's share capital during the year ended 31 December 2018.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group had provided guarantees in an aggregate amount of approximately HK\$413.7 million to banks in favour of its customers in respect of mortgaged loans provided by the banks to these customers for their purchase of the Group's properties. Each of these guarantees would be released upon the execution of individual purchasers' collateral agreements.

本年度內，本集團有計息之金融機構、第三方及一間中間控股公司貸款，故本集團之貸款成本受利率變動影響。於二零一八年十二月三十一日，計息借款1,192,900,000港元(估計息借款總額約40%)按浮動利率基準計息，其餘1,765,700,000港元之計息借款則按固定利率基準計息。本年度內，本集團已監察對沖工具之合適性及成本效益，並考慮混合固定及浮動利率貸款，以管理利率風險。本集團將審慎考慮於適當時候訂立貨幣及利率對沖安排以將該等風險降至最低。

資產抵押

於二零一八年十二月三十一日，本集團將其若干資產抵押予中國數家金融機構，以獲得該等金融機構給予之貸款約1,192,900,000港元。該等持作自用之樓宇、在建工程、永久業權土地、預付土地租賃款項、投資物業、在建物業、持作出售之已竣工物業及受限制銀行存款於二零一八年十二月三十一日之賬面總值分別約為5,500,000港元、608,100,000港元、159,100,000港元、16,700,000港元、850,500,000港元、3,113,700,000港元、7,700,000港元及4,900,000港元。

股本變動

截至二零一八年十二月三十一日止年度，本公司之股本並無任何變動。

或然負債

於二零一八年十二月三十一日，本集團就數家銀行提供予客戶以購買本集團物業之按揭貸款以該等客戶為受益人向該等銀行提供總額約413,700,000港元之擔保。該等擔保各自將於個別買家的抵押品協議獲執行後予以解除。

Financial Review

財務回顧

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANY

Saved as disclosed elsewhere in this annual report, there was not any material acquisition and disposal of subsidiaries and associated company during 2018.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had around 538 full time employees, who are located in the PRC, Hong Kong and the USA.

During the year, the Group remunerated its employees based on their performance, experience and the prevailing market salaries. Performance bonuses were granted on a discretionary basis. Other employee benefits included insurance and medical cover, and subsidized educational and training programs.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No Director has the right to acquire shares or debentures of the Company or its subsidiaries.

DIVIDEND

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

EVENTS AFTER THE REPORTING PERIOD

Other than the matters outlined elsewhere in this report, there have been no matters that have occurred subsequent to the reporting date which have significantly affected, or may significantly affect the Group's operations, results or state of affairs.

附屬公司及聯營公司之重大收購及出售

除本年報其他部分所披露者外，於二零一八年概無附屬公司及聯營公司之任何重大收購及出售。

員工及薪酬政策

於二零一八年十二月三十一日，本集團於中國、香港及美國共聘用約538名全職僱員。

本年度內，本集團按員工表現、經驗及市場行情給予薪酬，而表現花紅則按酌情基準給予。其他僱員福利包括保險及醫療福利、教育津貼及培訓課程。

董事收購股份或債權證之權利

概無董事有任何權利收購本公司或其附屬公司之股份或債權證。

股息

董事不建議派發截至二零一八年十二月三十一日止年度之末期股息（二零一七年：無）。

報告期後事項

除本報告其他章節所概列之事項外，於報告日期後概無發生任何對本集團之經營、業績或財務狀況產生或可能產生重大影響之事項。

Directors and Senior Management 董事及高級管理層

NON-EXECUTIVE DIRECTORS

Mr. Ding Benxi, aged 64, has been a Non-executive Director and Chairman of the Board since July 2013. He has also been an executive director of DWCM since December 2009 and the chairman of the board of directors of DWCM since December 2012. He is also a director and the president of Dalian Wanda Group Co., Ltd. (“Dalian Wanda Group”) and the chairman of Beijing Wanda Culture Industry Group Co., Ltd (北京萬達文化產業集團有限公司)(“Wanda Culture”). From December 2009 to December 2012, he was the president of DWCM. Before joining DWCM in December 2009, Mr. Ding served in various positions of Dalian Wanda Group, including president, chief executive officer and vice president.

Mr. Ding completed the correspondence course of Renmin University of China (中國人民大學) in July 1998. He became a senior engineer of China State Construction Engineering Corporation (中國建築工程總公司) in August 1997.

Mr. Zhang Lin, aged 47, has been a Non-executive Director since November 2017. He has also been serving as the director of Dalian Wanda Group since February 2011. Mr. Zhang has concurrently been acting as the chairman and a director of Wanda Film Holding Co. Ltd (萬達電影股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code : 002739.SZ) since November 2006; the chairman and a director of AMC Entertainment Holdings, Inc. (a company listed on the New York Stock Exchange, stock code: AMC) from August 2012 to 12 March 2018; the chief executive officer of Wanda Culture since December 2012; the president of Wanda Culture since January 2014; the chairman of the board of Infront Holding AG since July 2015; and the chairman of World Triathlon Corporation since November 2015. In addition, Mr. Zhang had also been a non-executive director of DWCM since December 2009 to 29 January 2016. He joined Dalian Wanda Group in March 2000 and formerly held various positions, including but not limited to the vice president of Dalian Wanda Group and the finance director of Dalian Wanda Group and general manager of project companies in Chengdu, Shenyang and Nanjing respectively. Mr. Zhang has extensive experience in financial management and operation management of large property development, property management, and entertainment corporations, especially in corporate strategy and investment.

非執行董事

丁本錫先生，64歲，自二零一三年七月起擔任非執行董事及董事會主席。自二零零九年十二月起，彼同時擔任大連萬達商業管理執行董事並於二零一二年十二月起兼任董事會主席。彼亦擔任大連萬達集團股份有限公司(「大連萬達集團」)董事兼總裁以及北京萬達文化產業集團有限公司(「萬達文化」)董事長。丁先生曾於二零零九年十二月至二零一二年十二月擔任大連萬達商業管理總裁。於二零零九年十二月加入大連萬達商業管理前，丁先生曾擔任大連萬達集團多個職務，包括總裁、執行總裁及副總裁。

丁先生於一九九八年七月修畢中國人民大學的函授課程。彼於一九九七年八月成為中國建築工程總公司高級工程師。

張霖先生，47歲，自二零一七年十一月起擔任非執行董事。自二零一一年二月起，彼亦擔任大連萬達集團董事。自二零零六年十一月起，張先生同時擔任萬達電影股份有限公司(一間於深圳證券交易所上市的公司，股份代號：002739.SZ)之董事長兼董事；自二零一二年八月至二零一八年三月十二日，擔任美國AMC娛樂控股公司(AMC Entertainment Holdings, Inc.) (一間於紐約證券交易所上市的公司，股份代號：AMC)董事長兼董事；自二零一二年十二月起，擔任萬達文化執行總裁；自二零一四年一月起，擔任萬達文化總裁；自二零一五年七月起，擔任Infront Holding AG董事會主席；及自二零一五年十一月起，擔任World Triathlon Corporation董事長。此外，自二零零九年十二月至二零一六年一月二十九日，張先生亦擔任大連萬達商業管理的非執行董事。彼於二零零零年三月加入大連萬達集團，先前曾擔任多個職位，包括但不限於大連萬達集團副總裁及大連萬達集團財務總監以及分別在成都、瀋陽及南京的項目公司擔任總經理。張先生於大型物業開發、物業管理及娛樂企業的財務管理及營運管理，特別是企業策略及投資領域擁有豐富經驗。

Directors and Senior Management

董事及高級管理層

Mr. Zhang graduated from Dongbei University of Finance and Economics (東北財經大學) in July 1994 and obtained a bachelor's degree in accounting. In January 2012, Mr. Zhang received an Executive Master of Business Administration degree from Beijing University (北京大學). Mr. Zhang is a non-practicing member of the Chinese Institute of Certified Public Accountants and a non-practicing member of the China Certified Tax Agents Association.

Mr. Han Xu, aged 48, has been a Non-executive Director since March 2019, has extensive experience in finance and general management. From February 2017, Mr. Han has been serving as the Vice President of Dalian Wanda Group, a joint stock company incorporated in the PRC with limited liability, and a controlling shareholder of the Company and is responsible for overseeing all financial operations of Dalian Wanda Group. Prior to that, since his joining of the Dalian Wanda Group in 2002, Mr. Han served in various roles including General Manager of Finance Department, General Manager of the Group Financial Management Center, President Assistant and Senior President Assistant within the Dalian Wanda Group. He holds a Master degree in Business Administration in Dongbei University of Finance and Economics.

EXECUTIVE DIRECTOR

Mr. Ning Qifeng, aged 53, has been an Executive Director since November 2017. Mr. Ning has also been the president of Wanda Hotel Management (Shanghai) Co. Limited (萬達酒店管理(上海)有限公司) since July 2017. Mr. Ning had been a vice president of DWCM from December 2009 to June 2015 and had been a senior vice president of DWCM from June 2015 to July 2017. Mr. Ning formerly also served as a chief vice president of DWCM; a vice president and an assistant to the president of Dalian Wanda Group; the general manager of Wanda Hotel Construction Ltd. (萬達酒店建設有限公司) and the dean of Wanda Commercial Planning and Research Institute (萬達商業規劃研究院). Mr. Ning has extensive experience in property development and property management (including hotel development and hotel construction management).

Mr. Ning obtained his bachelor's degree in engineering from Northwest Architecture Engineering Institute (西北建築工程學院) in July 1986, a master's degree in engineering from Northwest Metallurgical Construction Institute (西北冶金建築學院) in July 1992 and a Ph.D in engineering from Tongji University (同濟大學) in May 2004.

張先生於一九九四年七月畢業於東北財經大學，取得會計學學士學位；於二零一二年一月取得北京大學高級管理人員工商管理碩士學位。張先生為中國註冊會計師協會之非執業會員及中國註冊稅務師協會之非執業會員。

韓旭先生，48歲，自二零一九年三月起擔任非執行董事，於財務及綜合管理方面擁有豐富經驗。自二零一七年二月起，韓先生一直擔任大連萬達集團（一間於中國註冊成立之股份有限公司，為本公司的控股股東）副總裁，負責管理大連萬達集團所有財務營運。在此之前，自二零零二年加入大連萬達集團以來，韓先生曾於大連萬達集團旗下擔任多個職位，包括財務部總經理、集團財務管理中心總經理、總裁助理及高級總裁助理。彼持有東北財經大學之工商管理碩士學位。

執行董事

寧奇峰先生，53歲，自二零一七年十一月起擔任執行董事。自二零一七年七月起，寧先生亦擔任萬達酒店管理(上海)有限公司總裁。自二零零九年十二月至二零一五年六月，寧先生曾擔任大連萬達商業管理之副總裁，並自二零一五年六月至二零一七年七月曾擔任大連萬達商業管理之高級副總裁。寧先生先前亦曾擔任大連萬達商業管理首席副總裁；大連萬達集團副總裁及總裁助理；萬達酒店建設有限公司總經理及萬達商業規劃研究院院長。寧先生於物業開發及物業管理領域（包括酒店發展及酒店建設管理）擁有豐富經驗。

寧先生於一九八六年七月自西北建築工程學院取得工學學士學位，於一九九二年七月自西北冶金建築學院取得工學碩士學位及於二零零四年五月自同濟大學取得工學博士學位。

Directors and Senior Management 董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. He Zhiping, aged 55, has been an Independent Non-executive Director since March 2018. He studied at the China Textile University (currently known as Donghua University) in Mechanical Engineering in 1979 and graduated with a master degree in engineering in 1986. Since 1987, Mr. He has previously served as the assistant to the general manager of the United Rail Ltd, Shenzhen Branch of China Nonferrous Metals Company (中國有色金屬深圳聯合公司科力鐵有限公司), the assistant to the general manager and vice general manager of Hainan Sanya Huaya Enterprise Group Corporation (海南三亞華亞企業集團公司) and a director of China Great Wall Securities, LLC (長城證券有限責任公司). He is currently the chairman of the board of directors and the general manager of China Wall King Holding Co., Ltd (中國華建投資控股有限公司), and a non-executive director of AviChina Industry & Technology Company Limited (a company listed on the Hong Kong Stock Exchange, stock code: 2357). Mr. He also serves social positions such as the vice president of the Revolutionary Area Development Association of Jiangxi Province, Executive Vice President of Gan General Chamber of Commerce and the Council of Donghua University.

Mr. Liu Jipeng, aged 63, has been an Independent Non-executive Director since July 2013. He has also been an independent non-executive director of DWCM from December 2009 to January 2016. Mr. Liu has 31 years of experience in economic & corporate research. Mr. Liu has served as the dean of the Business School of the China University of Political Science and Law (中國政法大學商學院) since November 2016; the chief, professor and doctoral tutor of the Capital Research Centre of the China University of Political Science and Law (中國政法大學資本金融研究院) since 2015; legal advisor of State-owned Assets Supervisory Management Committee of State Council (國務院國有資產監督管理委員會) since 2017; the deputy director of the independent directors committee of China Association for Public Companies (中國上市公司協會) since 2016 and a vice chairman of the China Enterprise Reform and Development Society (中國企業改革與發展研究會) since 2012. Mr. Liu is currently an independent non-executive director of China Oceanwide Holdings Limited (stock code: 715), whose shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), China Minsheng Banking Corp., Ltd., whose shares are dually listed on the Hong Kong Stock Exchange (Stock Code: 1988) and the Shanghai Stock Exchange (Stock Code: 600016), and China Tonghai International Financial Limited (stock code: 0952), whose shares

獨立非執行董事

何志平先生，55歲，自二零一八年三月起擔任獨立非執行董事。彼於一九七九年就讀於中國紡織大學(現稱東華大學)機械工程專業，並於一九八六年畢業及獲頒工學碩士學位。自一九八七年起，何先生曾任中國有色金屬深圳聯合公司科力鐵有限公司總經理助理、海南三亞華亞企業集團公司總經理助理及副總經理，以及長城證券有限責任公司董事。彼現任中國華建投資控股有限公司董事長兼總經理及中國航空科技工業股份有限公司(一家於香港聯交所上市的公司，股份代號：2357)的非執行董事。何先生亦擔任江西老區建設促進會副會長、贛商總會常務副會長、東華大學校董等社會職務。

劉紀鵬先生，63歲，自二零一三年七月起擔任獨立非執行董事。自二零零九年十二月至二零一六年一月，彼同時擔任大連萬達商業管理獨立非執行董事。劉先生在經濟與企業研究方面擁有31年經驗。自二零一六年十一月起，劉先生擔任中國政法大學商學院院長，並自二零一五年起，擔任中國政法大學資本金融研究院院長、教授及博士生導師，二零一七年起擔任國務院國有資產監督管理委員會法律顧問，二零一六年起擔任中國上市公司協會獨立董事委員會副主任，二零一二年起擔任中國企業改革與發展研究會副會長。劉先生現時為中泛控股有限公司(股份代號：715，其股份於香港聯合交易所有限公司(「香港聯交所」)上市)、中國民生銀行股份有限公司(其股份同時於香港聯交所(股份代號：1988)及上海證券交易所(股份代號：600016)上市)及中國通海國際金融有限公司(股份代號：0952，其股份於香港聯交所上市)之獨立非執行董事，以及中金黃金股份有限公司(股份代號：600489，其股份於上海證券交易所上市)及重慶長安汽車股

Directors and Senior Management

董事及高級管理層

are listed on the Hong Kong Stock Exchange, an independent director of Zhongjin Gold Corporation, Limited (Stock Code: 600489), whose shares are listed on the Shanghai Stock Exchange, and Chongqing Changan Automobile Co., Ltd. (Stock Code: 000625), whose shares are listed on the Shenzhen Stock Exchange. Mr. Liu also previously served as an independent director of AVIC Capital Co., Ltd, whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600705), from May 2011 to May 2017.

Mr. Liu graduated with a bachelor's degree in Economics from the Beijing School of Economics (北京經濟學院) in July 1983 and a master's degree in Economics from the Chinese Academy of Social Sciences (中國社會科學院) in July 1986.

Dr. Xue Yunkui, aged 55, has been an Independent Non-executive Director since July 2013. He has also been an independent non-executive director of DWCM from December 2009 to January 2016. Dr. Xue has 31 years of experience in accounting research and practice. He currently serves as the professor in accounting of the Cheung Kong Graduate School of Business (長江商學院), and he previously served as the vice president/professor in accounting of the Shanghai National Accounting Institute (上海國家會計學院) from 2000 to 2002, the associate dean/professor in accounting of the School of Accountancy of the Shanghai University of Finance and Economics (上海財經大學會計學院) from 1998 to 2000 and a post-doctorate fellow at the School of Accountancy of the Shanghai University of Finance and Economics (上海財經大學會計學院) from 1996 to 1998.

Dr. Xue served as an independent director for Shanghai Shentong Metro Co., Ltd. (上海申通地鐵股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 600834) from 2011 to 2016, and has served as independent director for Shanghai Baosight Software Co., Ltd. (上海寶信軟件股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 600845) since July 2013, for Dazzle Fashion Co., Ltd. (地素時尚股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 603587) since September 2013 and for Aeon Life Insurance Company, Ltd. (百年人壽保險股份有限公司) since April 2015, respectively.

份有限公司(股份代號：000625，其股份於深圳證券交易所上市)的獨立董事。劉先生亦曾於二零一一年五月至二零一七年五月擔任中航資本控股股份有限公司(股份代號：600705，其股份於上海證券交易所上市)的獨立董事。

劉先生於一九八三年七月畢業於北京經濟學院，取得經濟學士學位，及於一九八六年七月畢業於中國社會科學院，取得經濟學碩士學位。

薛雲奎博士，55歲，自二零一三年七月起擔任獨立非執行董事。自二零零九年十二月至二零一六年一月，彼同時擔任大連萬達商業管理獨立非執行董事。薛博士在會計研究與實踐方面擁有31年經驗。薛博士現任長江商學院會計學教授，於二零零零年至二零零二年曾擔任上海國家會計學院副院長／會計學教授。於一九九八年至二零零零年曾擔任上海財經大學會計學院副院長／會計學教授，並於一九九六年至一九九八年曾擔任上海財經大學會計學院博士後研究員。

自二零一一年至二零一六年，薛博士曾擔任上海申通地鐵股份有限公司(一家於上海證券交易所上市的公司，股份代號：600834)的獨立董事，自二零一三年七月起擔任上海寶信軟件股份有限公司(一家於上海證券交易所上市的公司，股份代號：600845)的獨立董事，自二零一三年九月起擔任地素時尚股份有限公司(一家於上海證券交易所上市的公司，股份代號：603587)的獨立董事，及自二零一五年四月起擔任百年人壽保險股份有限公司的獨立董事。

Directors and Senior Management

董事及高級管理層

Dr. Xue graduated with a bachelor's degree in economics from Sichuan Finance Institute (四川財經學院, now renamed as the Southwestern University of Finance and Economics (西南財經大學)) in July 1984. He received a Ph.D. from the Southwest Agriculture University (西南農業大學, now renamed as Southwest University (西南大學)) in June 1995 and completed postdoctorate research in accounting with the Shanghai University of Finance and Economics (上海財經大學) in July 1999.

薛博士於一九八四年七月畢業於四川財經學院(現更名為西南財經大學),取得經濟學學士學位。彼於一九九五年六月取得西南農業大學(現更名為西南大學)博士學位,並於一九九九年七月完成上海財經大學會計專業博士後研究。

SENIOR MANAGEMENT

Ms. Hui Wai Man, Shirley, aged 51, joined the Group in December 2000. She is the Company Secretary of the Company. She is responsible for the company secretarial affairs of the Group. Ms. Hui has over 20 years of professional experience in public accounting and corporate finance. She is a fellow member of The Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She is also a member of the Society of Chinese Accountants and Auditors and the Hong Kong Securities Institute.

Mr. Tse Chi Cheung, aged 39, joined the Group in November 2015. He is the Company's Deputy Chief Financial Officer and is responsible for the financial management of the Group. Mr. Tse holds a Master of Business Administration degree from City University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. Prior to joining the Group, Mr. Tse had held senior positions in an international accounting firm and listed companies in Hong Kong. Mr. Tse has more than 10 years of experience in financial management, corporate finance and auditing.

高級管理層

許惠敏女士, 51歲, 於二零零零年十二月加入本集團。彼為本公司之公司秘書。彼負責本集團之公司秘書工作。許女士在執業會計及企業融資方面擁有逾20年專業經驗。彼為英國特許公認會計師公會、香港會計師公會、英國特許秘書及行政人員公會以及香港特許秘書公會資深會員, 亦為香港華人會計師公會及香港證券專業學會會員。

謝志翔先生, 39歲, 於二零一五年十一月加入本集團。彼為本公司財務副總監, 負責本集團之財務管理。謝先生持有香港城市大學工商管理碩士學位。彼為香港會計師公會、香港特許秘書公會及英國特許秘書及行政人員公會之資深會員。在加入本集團前, 彼曾先後於一家國際會計師事務所及香港多家上市公司出任高級職位。謝先生在財務管理、企業融資及審計方面累積逾十年經驗。

Directors' Report

董事會報告書

The Directors are pleased to submit the annual report and the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Company and the Group are property development, property leasing, property management and investment holding activities. The principal activities and other particulars of the subsidiaries are set out in note 1 to the financial statements.

BUSINESS REVIEW

A review of the Group's business for the year ended 31 December 2018 is presented in Chairman's Statement, Business Review and Financial Review on page 4, pages 5 to 9 and pages 10 to 18 respectively. The Financial Review also includes an analysis of the Group's performance during the financial year ended 31 December 2018 in terms of financial key performance indicators on page 15. Likely future developments in the Group's business are disclosed in Chairman's Statement and Outlook section of Business Review which forms part of this Directors' Report on page 5 and page 9 respectively. The geographical analysis of the Group's revenue and operating profit is set out in note 5 to the financial statements. The particulars of important events affecting the Group that have occurred since 31 December 2018 (including but not limited to transactions in relation to subsidiaries) are set out in Business Review and Financial Review on page 18.

Principal risks and uncertainties facing the Group can be found in Business Review and note 47 to the financial statements on pages 5 to 9 and pages 282 to 293 respectively, with financial risk management policies and practices of the Group covered under the aforesaid note 47 to the financial statements.

The Group is committed to the sound performance of its corporate social responsibilities and believes that a high standard of performance is very helpful for maintaining sound relationships between corporate and society as well as promoting staff confidence. The Group is a keen supporter of environmental protection and takes the protection of ecological environment and promotion of sustainable development as its goal. We have introduced eco-friendly measures in our business of property development, leasing and management. For instance, we have reduced our carbon emission by implementing green building and

董事欣然提呈本公司及其附屬公司(「本集團」)截至二零一八年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司及本集團之主要業務為物業發展、物業租賃、物業管理及投資控股活動。附屬公司之主要業務及其他詳情載於財務報表附註1。

業務回顧

本集團截至二零一八年十二月三十一日止年度之業務之回顧分別於第4頁、第5頁至第9頁及第10頁至第18頁之主席致辭、業務回顧及財務回顧呈列。財務回顧亦包括第15頁本集團於截至二零一八年十二月三十一日止財政年度按主要財務表現指標計之表現分析。本集團業務之未來可能發展分別於第5頁及第9頁之主席致辭及業務回顧(構成本董事會報告書之一部分)之展望一節披露。本集團收益及經營溢利之地區分析載於財務報表附註5。自二零一八年十二月三十一日後所發生對本集團有影響的重大事件詳情(包括但不限於有關附屬公司的交易詳情)載於第18頁之業務回顧及財務回顧。

本集團面對之主要風險及不確定性分別載於第5頁至第9頁及第282頁至第293頁之業務回顧及財務報表附註47，而本集團財務風險管理政策及常規載於上述財務報表附註47。

本集團致力於積極履行其企業社會責任，並相信高水平的履行十分有益於維持企業與社會之間的良好關係以及提升員工信心。本集團全力支持環保，並以保護生態環境及推動可持續發展作為其目標。我們已於物業發展、租賃及管理業務推行環保措施。舉例而言，我們透過實行綠色建築及節約能源措施降低碳排放量。我們亦通過適當之廢物處置減低我們之業務對生態環境造成之潛在影響。環境、社會及管治事

Directors' Report

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energy-saving measures. We have also reduced the potential impact of our business on the ecological environment through proper waste disposal. Further discussion of environmental, social and governance matters, covering the Group's environmental policies and performance is set out in Corporate Governance Report and Environmental, Social and Governance Report on pages 48 to 70 and pages 71 to 91 respectively.

The Group recognises the importance of compliance with rules and regulations and the impact of non-compliance with such rules and regulations on the business. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators through effective communications. During the year ended 31 December 2018, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Company.

The Company strives to achieve corporate sustainability through providing quality services for our customers and collaborating with our suppliers. To enhance customer satisfaction and promote a customer-oriented culture within the Company, we take 'Customer First' as one of our core values. We value feedback from customers and have also established the mechanism in handling customer service, support and complaints. We also proactively collaborate with our suppliers and contractors to deliver quality and sustainable products and services. We have developed certain requirements in our standard tender documents. These requirements include regulatory compliance, labour practices, anti-corruption and other business ethics.

The Group values its employees and encourages its staff to achieve a good work-life balance. The Group continued to devote resources to improve staff benefits with a view to improving staff morale as well as attracting and retaining talents. We have established fair, open and comprehensive employment policies to attract talent.

The applicable discussion and analysis as cross-referenced above shall form an integral part of this Directors' Report.

宜(涵蓋本集團之環境政策及表現)之進一步討論分別載於第48頁至第70頁及第71頁至第91頁之企業管治報告及環境、社會及管治報告。

本集團深明遵守規則及規例的重要性，以及違反有關規則及規例對業務的影響。本集團已分配系統及人力資源，確保持續遵守規則及規例，並通過有效溝通與監管部門保持良好工作關係。於截至二零一八年十二月三十一日止年度，盡我們所知，本集團已遵守所有對本公司有重大影響的相關規則及規例。

本公司為顧客提供優質服務，同時與供應商協力同心，致力達至企業可持續發展。為提高客戶滿意度及在本公司內提倡以客為本的服務文化，我們奉「顧客至上」為核心價值之一。我們非常重視顧客的意見，亦訂立了處理顧客服務、支援和投訴的機制。此外我們亦積極與供應商及承建商合作，提供優質及可持續的產品及服務。我們並於招標文件中訂明若干規定。有關規定包括遵守法規、勞工僱傭守則、防貪及其他商業道德守則。

本集團十分重視其僱員，並鼓勵其員工在工作與生活之間達致良好平衡。本集團會繼續投放資源以改善員工福利，從而提高員工士氣以及吸納及挽留人才。我們已設立公平、公開及全面之僱傭政策以吸納人才。

上文交叉提述之適用討論及分析構成本董事會報告書之組成部分。

Directors' Report

董事會報告書

RESULTS

The results of the Group for the year ended 31 December 2018 and the Group's financial position at that date are set out in the financial statements on pages 100 to 103 of this annual report.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018.

DIVIDEND POLICY

The Company seeks to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable, stable and continuing dividend policy. The Company's dividend policy aims strike a balance between allowing Shareholders to participate in the Company's profit and allowing the Company to retain adequate reserves for business operations and future development. In proposing any dividend payout, the Company would consider in accordance with the Bye-Laws of the Company and applicable laws and regulations, various factors including (i) the earnings per share of the Company; (ii) the reasonable return in investment of investors and Shareholders in order to provide incentive to them to continue to support the Company in its long-term development; (iii) the financial conditions and business plan of the Company; and (iv) the market sentiment and circumstances. Compliant with the conditions under the dividend policy, the Board may propose final dividends, interim dividends or special dividends distribution as the Board considers appropriate based on the profitability and capital requirements of the Company. The Company shall review and reassess the dividend policy and its effectiveness on a regular basis or when necessary.

DONATIONS

During the year, the Group has made donations of approximately HK\$120,000 in total.

業績

本集團截至二零一八年十二月三十一日止年度之業績以及本集團於該日之財務狀況載於本年報第100頁至第103頁之財務報表。

股息

董事不建議派發截至二零一八年十二月三十一日止年度之末期股息。

股息政策

本公司致力通過可持續、穩定及貫徹實施之股息政策，在符合股東期望與審慎資本管理兩者之間保持平衡。本公司之股息政策旨在於讓股東分享本公司溢利與為本公司之業務營運及未來發展預留足夠儲備之間取得平衡。在建議宣派任何股息時，本公司會根據本公司之公司細則以及適用法律及法規考慮多項因素，包括(i)本公司之每股盈利；(ii)投資者及股東之合理投資回報，以激勵彼等繼續支持本公司之長期發展；(iii)本公司之財務狀況及業務計劃；及(iv)市場氣氛及情況。在遵守股息政策項下條件之情況下，董事會會於根據本公司之盈利能力及資本要求認為屬恰當之情況下宣派末期股息、中期股息或特別股息分派。本公司須定期或於必要時審閱及重新評估股息政策及其成效。

捐款

於本年度，本集團已作出合共約120,000港元的捐款。

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MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers accounted for 68.4% of the Group's total sales in 2018 while the sales attributable to the Group's largest customer was approximately 31.1% of the Group's total sales in 2018.

The aggregate purchases during the year attributable to the Group's five largest suppliers comprised approximately 94.6% of the Group's total purchases while the purchases attributable to the Group's largest supplier was approximately 86.1% of the Group's total purchases.

None of the Directors, their close associates or any shareholder, which to the knowledge of the Directors own more than 5% of the Company's issued share capital, had any interest in the five largest suppliers or customers of the Group.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 296 to 297. This summary does not form part of the audited financial statements.

INVESTMENT PROPERTIES

Details of the movements in investment properties of the Group during the year are set out in note 18 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

Particulars of the major properties and property interests of the Group are shown on pages 298 to 300 of the annual report.

主要客戶及供應商

於本年度，本集團五大客戶所佔銷售額共計佔本集團二零一八年總銷售額68.4%，而本集團最大客戶所佔銷售額為本集團二零一八年總銷售額之約31.1%。

於本年度，本集團五大供應商所佔採購額共計約為本集團總採購額之約94.6%，本集團最大供應商所佔之採購額約佔本集團總採購額之約86.1%。

董事、彼等之緊密聯繫人或任何股東（就董事所知擁有本公司已發行股本逾5%）於本集團五大供應商或客戶中概無任何權益。

財務概要

本集團最近五個財政年度之業績、資產及負債概要，摘自經審核財務報表並載於第296頁至297頁。此概要並不構成經審核財務報表之一部分。

投資物業

本集團投資物業於本年度之變動詳情載於財務報表附註18。

物業、廠房及設備

本集團物業、廠房及設備於本年度之變動詳情載於財務報表附註16。

本集團之主要物業及物業權益詳情於本年報第298頁至第300頁呈列。

Directors' Report

董事會報告書

RETIREMENT SCHEMES

The Group operates a Mandatory Provident Fund scheme in Hong Kong and certain subsidiaries outside Hong Kong are required to contribute a certain percentage of their payroll costs to pension schemes operated by the respective governments. The only obligation of the Group with respect to the pension schemes is to pay the required ongoing contributions.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 35 to the financial statements.

RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity to the financial statements.

DIRECTORS AND SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were as follows:

Executive Director:

Mr. Ning Qifeng

Non-executive Directors:

Mr. Ding Benxi (*Chairman*)

Mr. Zhang Lin

Mr. Han Xu

(appointed with effect from 14 March 2019)

Mr. Hui Yung, Chris

(resigned with effect from 13 February 2019)

Independent Non-executive Directors ("INED"):

Mr. He Zhiping

(appointed with effect from 29 March 2018)

Mr. Liu Jipeng

Dr. Xue Yunkui

Mr. Zhang Huaqiao

(retired with effect from 30 May 2018)

退休計劃

本集團於香港設立一項強制性公積金計劃及香港以外地區之若干附屬公司須按其薪金成本之若干百分比向當地政府設立之退休金計劃供款。本集團就退休金計劃須承擔之惟一責任為持續支付計劃所需之供款。

股本

本年度本公司之股本變動詳情載於財務報表附註35。

儲備

本集團儲備於本年度之變動載於財務報表之綜合股權變動表。

董事及服務合約

年內及直至本報告日期之本公司董事如下：

執行董事：

寧奇峰先生

非執行董事：

丁本錫先生(*主席*)

張霖先生

韓旭先生

(自二零一九年三月十四日起獲委任)

許勇先生

(自二零一九年二月十三日起辭任)

獨立非執行董事(「獨立非執行董事」)：

何志平先生

(自二零一八年三月二十九日起獲委任)

劉紀鵬先生

薛雲奎博士

張化橋先生

(自二零一八年五月三十日起退任)

Directors' Report

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In accordance with clause 99 of the Bye-Laws of the Company, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple by three, then the number nearest one-third, shall retire from office by rotation save any Director holding office as Chairman or Managing Director. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. The Company at any general meeting at which any Directors retire may fill the vacated offices.

In accordance with code provision A.4.2 in Appendix 14 of the Listing Rules, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

All of the directors of the Company have entered into services contracts with the Company. The term of appointment of Mr. Ding Benxi, Mr. Liu Jipeng and Dr. Xue Yunkui is 3 years from 3 July 2013 to 2 July 2016; the term of appointment of Mr. Ning Qifeng and Mr. Zhang Lin is 3 years from 17 November 2017 to 16 November 2020; the term of appointment of Mr. He Zhiping is 3 years from 29 March 2018 to 28 March 2021; the term of appointment of Mr. Han Xu is 3 years from 14 March 2019 to 13 March 2022; the term of appointment of Dr. Teng Bing Sheng and Dr. Chen Yan is 3 years from 21 March 2019 to 20 March 2022; each of which is renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term, unless terminated by not less than three months' notice in writing served by either party. None of the above service contracts is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

根據本公司之公司細則第99條，在每屆股東週年大會上，三分之一當時在任之董事（或倘董事人數並非三或三之倍數，則最接近三分之一之人數）須輪席退任，惟任何出任主席或董事總經理之董事除外。每年退任之董事指自上次當選後出任時間最長者，惟於同日出任董事之人士（除彼等之間已有協定者外）須以抽籤方式決定。退任董事符合資格可膺選連任。本公司在任何有董事退任之股東大會中均可選出填補空缺之董事。

根據上市規則附錄十四之守則條文A.4.2條，所有為填補臨時空缺而被委任之董事應在接受委任後之首次股東大會上接受股東選舉。每名董事（包括有指定任期之董事）應輪席退任，至少每三年一次。

本公司全體董事已與本公司訂立服務合約。丁本錫先生、劉紀鵬先生及薛雲奎博士之任期為三年，自二零一三年七月三日至二零一六年七月二日；寧奇峰先生及張霖先生之任期為三年，自二零一七年十一月十七日至二零二零年十一月十六日；何志平先生之任期為三年，自二零一八年三月二十九日至二零二一年三月二十八日；韓旭先生之任期為三年，自二零一九年三月十四日至二零二二年三月十三日；Dr. Teng Bing Sheng（滕斌聖博士）及陳艷博士之任期為三年，自二零一九年三月二十一日至二零二二年三月二十日；各自之任期可於當期任期屆滿後翌日起自動續約一年，惟任何一方以書面形式向另一方發出不少於三個月的終止合約通知除外。概無上述服務合約不得由本公司於一年內終止而毋須支付賠償（法定賠償除外）。

Directors' Report

董事會報告書

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2018, the interests of the Directors and their associates in the ordinary shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and Hong Kong Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Interests in shares of DWCM (Note 1)

Name of Director	Long position/ Short position	Capacity/Nature of interest	Interest in Shares of DWCM	Approximate percentage of the issued share capital of DWCM 佔大連萬達商業管理已發行股本之概約百分比
董事姓名	好倉／淡倉	身份／權益性質	於大連萬達商業管理股份中之權益	
Mr. Ding Benxi 丁本錫先生	Long 好倉	Beneficial owner 實益擁有人	50,000,000	1.10%
Mr. Ning Qifeng 寧奇峰先生	Long 好倉	Beneficial owner 實益擁有人	6,000,000	0.13%
Mr. Zhang Lin 張霖先生	Long 好倉	Beneficial owner 實益擁有人	10,000,000	0.22%
Mr. Han Xu 韓旭先生	Long 好倉	Beneficial owner 實益擁有人	1,600,000	0.035%
Mr. He Zhiping 何志平先生	Long 好倉	Beneficial owner 實益擁有人	25,000,000	0.55%

Notes:

(1) DWCM, being an indirect holding company of the Company, is an associated company of the Company under Part XV of the SFO. The calculation is based on the total number of 4,527,347,600 shares in issue as at 31 December 2018.

董事之證券權益

於二零一八年十二月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條之規定而存置之登記冊所記錄或根據上市公司董事進行證券交易的標準守則（「標準守則」）而知會本公司及香港聯交所，董事與彼等之聯繫人於本公司及其相聯法團（定義見證券及期貨條例第XV部）之普通股之權益如下：

於大連萬達商業管理股份中之權益（附註1）

附註：

(1) 根據證券及期貨條例第XV部，本公司之間接控股公司大連萬達商業管理為本公司之聯營公司。計算乃基於於二零一八年十二月三十一日已發行股份總數4,527,347,600股進行。

Directors' Report

董事會報告書

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); or which have been entered in the register maintained by the Company pursuant to Section 352 of the SFO; or which have been notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE OPTIONS SCHEME

The Company did not have any effective share option scheme during the year ended and as at 31 December 2018.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company or any of its subsidiaries, a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and neither the Directors nor chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

除上文所披露者外，於二零一八年十二月三十一日，概無董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及第8分部已知會本公司及香港聯交所之任何權益或淡倉（包括董事及本公司主要行政人員根據證券及期貨條例之該等條文被當作或視為擁有之權益及淡倉）；或根據證券及期貨條例第352條記入本公司所存置登記冊之任何權益或淡倉；或根據標準守則已知會本公司及香港聯交所之任何權益或淡倉。

購股權計劃

本公司於截至二零一八年十二月三十一日止年度以及於二零一八年十二月三十一日並無任何仍然生效之購股權計劃。

董事收購股份或債權證之權利

本公司、其控股公司或其任何附屬公司於年內任何時間並無訂立任何安排，致使本公司董事可透過收購本公司或任何其他法人團體之股份或債權證獲得利益，亦無董事、主要行政人員或彼等之配偶或18歲以下子女有任何權利認購本公司證券或行使任何此等權利。

Directors' Report

董事會報告書

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 December 2018, so far as was known to the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company pursuant to section 336 of Part XV of the SFO, or were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

根據證券及期貨條例股東須披露之權益及淡倉

於二零一八年十二月三十一日，就本公司所知，以下人士（董事及本公司主要行政人員除外）於股份及相關股份中擁有根據證券及期貨條例第XV部第336條須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可在任何情況下於本集團任何成員公司之股東大會上投票之任何類別股本面值5%或以上之權益或淡倉如下：

Name	Long position/ Short position	Capacity/Nature of interest	Interest in shares and underlying shares of the Company 於本公司股份及相關股份中之權益	Approximate percentage of the issued share capital of the Company 於本公司已發行股本之概約百分比
姓名／名稱	好倉／淡倉	身份／權益性質		
Wanda Commercial Properties Overseas Limited ("Wanda Overseas") 萬達商業地產海外有限公司 〔萬達海外〕	Long 好倉	Beneficial owner 實益擁有人	3,055,043,100	65.04%
Wanda Real Estate Investments Limited 萬達地產投資有限公司	Long 好倉	Interest in controlled corporation (Note 1) 於受控制法團之權益 (附註1)	3,055,043,100	65.04%
Wanda HK 萬達香港	Long 好倉	Interest in controlled corporation (Note 2) 於受控制法團之權益 (附註2)	3,055,043,100	65.04%
DWCM 大連萬達商業管理	Long 好倉	Interest in controlled corporation (Note 3) 於受控制法團之權益 (附註3)	3,055,043,100	65.04%
Dalian Wanda Group 大連萬達集團	Long 好倉	Interest in controlled corporation (Note 4) 於受控制法團之權益 (附註4)	3,055,043,100	65.04%

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Name	Long position/ Short position	Capacity/Nature of interest	Interest in shares and underlying shares of the Company 於本公司股份及相關股份中之權益	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
姓名／名稱	好倉／淡倉	身份／權益性質		
Dalian Hexing Investment Co., Ltd. ("Dalian Hexing") 大連合興投資有限公司 〔大連合興〕	Long 好倉	Interest in controlled corporation (Note 5) 於受控制法團之權益 (附註5)	3,055,043,100	65.04%
Mr. Wang Jianlin 王健林先生	Long 好倉	Interest in controlled corporation (Note 6) 於受控制法團之權益 (附註6)	3,055,043,100	65.04%
Mr. Chen Chang Wei ("Mr. Chen") 陳長偉先生 〔陳先生〕	Long 好倉	Beneficial owner and held by controlled corporation (Note 7) 實益擁有人及 由受控制法團持有(附註7)	297,460,230	6.33%
	Long 好倉	Interest of spouse (Notes 7 and 8) 配偶權益 (附註7及8)	27,683,423	0.59%
Ms. Chan Sheung Ni 陳双妮女士	Long 好倉	Beneficial owner 實益擁有人	27,683,423	0.59%
	Long 好倉	Interest of spouse (Note 9) 配偶權益(附註9)	297,460,230	6.33%
Ever Good Luck Limited (Note 10)	Long	Beneficial owner	73,860,230	1.57%
Ever Good Luck Limited (附註10)	好倉	實益擁有人		
	Long 好倉	Trustee 受託人	204,237,800	4.35%

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Notes:

- (1) Wanda Real Estate Investments Limited holds more than one-third of the issued shares of Wanda Overseas and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda Overseas is interested.
- (2) Wanda HK holds more than one-third of the issued shares of Wanda Real Estate Investments Limited and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda Real Estate Investments Limited is deemed to be interested. Mr. Ding Benxi, being a non-executive Director and Chairman of the Board, is a director of Wanda HK.
- (3) DWCM holds more than one-third of the issued shares of Wanda HK and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda HK is deemed to be interested. Mr. Ding Benxi, being a Non-executive Director and the Chairman of the Board, is an executive director and the chairman of the board of directors of DWCM. Mr. Ning Qifeng, being an Executive Director, was a senior vice president of DWCM from June 2015 to July 2017.
- (4) Dalian Wanda Group holds more than one-third of the issued shares of DWCM and is therefore deemed to have an interest in the shares and underlying shares of the Company in which DWCM is deemed to be interested. Mr. Ding Benxi, being a Non-executive Director and the Chairman of the Board, is a director and the president of Dalian Wanda Group. Mr. Zhang Lin, being a Non-executive Director, is a director of Dalian Wanda Group.
- (5) Dalian Hexing holds more than one-third of the issued shares of Dalian Wanda Group and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Dalian Wanda Group is deemed to be interested.
- (6) Mr. Wang Jianlin holds more than one-third of the issued shares of Dalian Hexing and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Dalian Hexing is deemed to be interested.
- (7) As at 31 December 2018, Mr. Chen was deemed to have a long position of 325,143,653 Shares, of which (i) 19,362,200 Shares were beneficially and legally owned by him, (ii) 204,237,800 Shares were held on trust for him by Ever Good Luck Limited ("Ever Good"), (iii) 73,860,230 Shares were beneficially owned by Ever Good, and (iv) 27,683,423 Shares were held by his spouse, Ms. Chan Sheung Ni, as beneficial owner.

附註：

- (1) 萬達地產投資有限公司持有超過三分之一萬達海外已發行股份，因此被視為於本公司(萬達海外在其中擁有權益)之股份及相關股份中擁有權益。
- (2) 萬達香港持有超過三分之一萬達地產投資有限公司已發行股份，因此被視為於本公司(萬達地產投資有限公司被視為在其中擁有權益)之股份及相關股份中擁有權益。非執行董事兼董事會主席丁本錫先生為萬達香港之董事。
- (3) 大連萬達商業管理持有超過三分之一萬達香港已發行股份，因此被視為於本公司(萬達香港被視為在其中擁有權益)之股份及相關股份中擁有權益。非執行董事兼董事會主席丁本錫先生為大連萬達商業管理之執行董事兼董事會主席。執行董事寧奇峰先生曾於二零一五年六月至二零一七年七月擔任大連萬達商業管理之高級副總裁。
- (4) 大連萬達集團持有超過三分之一大連萬達商業管理已發行股份，因此被視為於本公司(大連萬達商業管理被視為在其中擁有權益)之股份及相關股份中擁有權益。非執行董事兼董事會主席丁本錫先生為大連萬達集團之董事兼總裁。非執行董事張霖先生為大連萬達集團之董事。
- (5) 大連合興持有超過三分之一大連萬達集團已發行股份，因此被視為於本公司(大連萬達集團被視為在其中擁有權益)之股份及相關股份中擁有權益。
- (6) 王健林先生持有超過三分之一大連合興已發行股份，因此被視為於本公司(大連合興被視為在其中擁有權益)之股份及相關股份中擁有權益。
- (7) 於二零一八年十二月三十一日，陳先生被視為擁有325,143,653股股份之好倉，其中(i) 19,362,200股股份由彼實益合法擁有，(ii) 204,237,800股股份由Ever Good Luck Limited(「Ever Good」)以信託方式為彼持有，(iii) 73,860,230股股份由Ever Good實益擁有，及(iv) 27,683,423股股份由其配偶陳双妮女士作為實益擁有人持有。

Directors' Report

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- (8) Ms. Chan Sheung Ni is the spouse of Mr. Chen.
- (9) Ms. Chan Sheung Ni is the spouse of Mr. Chen. Ms. Chan Sheung Ni is therefore deemed to have an interest in the shares of the Company in which Mr. Chen is interested.
- (10) The entire issued share capital of Ever Good Luck Limited is ultimately owned by Mr. Chen and Mr. Chen is the sole director of Ever Good Luck Limited. See note (7) in the section headed "Discloseable interest and short positions of shareholders under the SFO" in this Directors' Report.

CONNECTED TRANSACTION

The Group has conducted the following connected transactions during the year ended 31 December 2018.

Acquisition of Wanda Hotel Management HK

On 26 September 2017, the Company and Wanda HK entered into a sale and purchase agreement, pursuant to which the Company agreed to purchase and Wanda HK agreed to sell the entire equity interest in Wanda Hotel Management HK at a cash consideration of HK\$878 million (subject to downward adjustment). The acquisition was approved in the special general meeting convened on 8 December 2017 and was completed on 31 December 2018.

Since Wanda HK is directly and wholly-owned by DWCM, an indirect holding company and a controlling shareholder and therefore a connected person of the Company, Wanda HK is an associate of DWCM and therefore a connected person of the Company under the Listing Rules. Wanda Hotel Management HK is a leading hotel services provider in China and is principally engaged in the business of hotel management and operation, hotel design, hotel construction management and related consultancy and other ancillary business, with comprehensive capabilities in hotel management and operation. The Company considers that the hotel management and operation business of Wanda Hotel Management HK are in line with the Group's business aspiration and closely related to the existing property development and management business of the Group. The acquisition serves as further development and expansion of the existing business of the Group.

- (8) 陳双妮女士為陳先生之配偶。
- (9) 陳双妮女士為陳先生之配偶。陳双妮女士因此被視為於本公司(陳先生在其中擁有權益)之股份中擁有權益。
- (10) Ever Good Luck Limited 全部已發行股本由陳先生最終擁有，而陳先生為Ever Good Luck Limited 之唯一董事。見本董事會報告書「根據證券及期貨條例股東須披露之權益及淡倉」一節附註(7)。

關連交易

本集團已於截至二零一八年十二月三十一日止年度進行以下關連交易。

收購萬達酒管(香港)

於二零一七年九月二十六日，本公司與萬達香港訂立買賣協議，據此，本公司同意收購及萬達香港同意出售萬達酒管(香港)之全部股權，現金代價為878,000,000港元(可向下調整)。收購已於二零一七年十二月八日召開的股東特別大會上獲得批准並已於二零一八年十二月三十一日完成。

由於萬達香港由本公司之間接控股公司及控股股東大連萬達商業管理直接全資擁有，並因此成為本公司之關連人士，故此萬達香港為大連萬達商業管理之聯繫人，並因此根據上市規則成為本公司之關連人士。萬達酒管(香港)為中國領先酒店服務供應商，主要從事酒店管理及營運業務，以及酒店設計、酒店建設管理、相關顧問及其他附屬業務，於酒店管理及營運方面具備全方位能力。本公司認為萬達酒管(香港)之酒店管理及營運業務符合本集團之業務願景，並與本集團之現有物業發展及管理業務息息相關。有關收購將進一步發展及擴大本集團之現有業務。

Directors' Report

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

The Group has conducted the following continuing connected transactions during the year ended 31 December 2018.

Leasing of premises for children entertainment, playground and related business ("Kidsland Tenancy Agreement")

Pursuant to the Kidsland Tenancy Agreement dated 8 June 2015 entered into between Guilin Gaoxin Wanda Plaza Co., Ltd. ("Guilin Project Company") as landlord and Wanda Kidsplace Group Co. Limited, formerly known as Wanda Kidsland Co. Limited ("Wanda Kidsland") as tenant, certain portions of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of five years commencing from 12 September 2015 to 11 September 2020 for the operation of children entertainment and playground business and other related business, including the sale of kids clothing and food and beverage.

Guilin Project Company is an indirect non-wholly owned subsidiary of the Company. Since Wanda Kidsland is indirectly wholly-owned by Mr. Wang Jianlin who is a controlling shareholder of the Company, Wanda Kidsland is a connected person of the Company under the Listing Rules.

The annual cap of the total rent payable to the Guilin Project Company under the Kidsland Tenancy Agreement for the year ended 31 December 2018 was RMB1,522,000, and the actual amount incurred was approximately RMB1,447,000.

Leasing of premises for operation of cinema and related business ("Cinema Tenancy Agreement")

Pursuant to the Cinema Tenancy Agreement dated 8 September 2015 entered into between Guilin Project Company as landlord and Wanda Cinema Line Co., Ltd. ("Wanda Cinema") as tenant, certain portions of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of 20 years commencing from 12 September 2015 to 11 September 2035 for the operation of cinema business and related business, including sale of food and beverages.

Guilin Project Company is an indirect non-wholly owned subsidiary of the Company. Since Wanda Cinema is indirectly wholly-owned by Dalian Wanda Group which is a controlling shareholder of the Company, Wanda Cinema is a connected person of the Company under the Listing Rules.

持續關連交易

本集團已於截至二零一八年十二月三十一日止年度進行以下各項持續關連交易。

租賃物業以經營兒童娛樂、遊樂場及相關業務（「兒童娛樂租賃協議」）

根據桂林高新萬達廣場有限公司（「桂林項目公司」，作為業主）與萬達寶貝王集團有限公司（前稱萬達兒童娛樂有限公司）（「萬達兒童娛樂」，作為租戶）於二零一五年六月八日訂立之兒童娛樂租賃協議，位於中國桂林市桂林高新廣場之若干部分乃被租賃用以經營兒童娛樂及遊樂場業務以及其他相關業務，包括銷售童裝以及食品及飲料。租期由二零一五年九月十二日起至二零二零年九月十一日止，為期五年。

桂林項目公司為本公司之間接非全資附屬公司。由於萬達兒童娛樂由本公司之控股股東王健林先生間接全資擁有，故根據上市規則，萬達兒童娛樂為本公司之關連人士。

截至二零一八年十二月三十一日止年度，兒童娛樂租賃協議項下應付桂林項目公司租金總額之年度上限為人民幣1,522,000元，而產生之實際金額為約人民幣1,447,000元。

租賃物業經營電影院線及相關業務（「電影院線租賃協議」）

根據桂林項目公司（作為業主）與萬達電影院線股份有限公司（「萬達電影院線」，作為租戶）於二零一五年九月八日訂立之電影院線租賃協議，中國桂林市桂林高新廣場之若干部分已被租賃用以經營電影院線業務及相關業務，包括銷售食品及飲料。租期由二零一五年九月十二日起至二零三五年九月十一日止，為期20年。

桂林項目公司為本公司之間接非全資附屬公司。由於萬達電影院線由本公司之控股股東大連萬達集團間接全資擁有，故根據上市規則，萬達電影院線為本公司之關連人士。

Directors' Report

董事會報告書

The annual cap of the total rent payable to the Guilin Project Company under the Cinema Tenancy Agreement for the year ended 31 December 2018 was RMB3,846,000, and the actual amount incurred was approximately RMB2,009,000.

Leasing of premises for children entertainment, playground and other related business under the brand of "Wanda Kidsplace * (萬達寶貝王)" ("Kidsplace Tenancy Agreement")

Pursuant to the Kidsplace Tenancy Agreement dated 29 June 2018 entered into between Guilin Project Company as landlord and Guilin Gaoxin Wanda Kids Entertainment Co., Ltd ("Guilin Wanda Kids") as tenant, certain portions of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of ten years commencing from 1 July 2018 to 30 June 2028 for the operation of children entertainment and playground business and other related business, including the sale of kids clothing and food and beverage, under the brand of "Wanda Kidsplace * (萬達寶貝王)".

Guilin Project Company is an indirect non-wholly owned subsidiary of the Company. Since Guilin Wanda Kids is indirectly wholly-owned by Mr. Wang Jianlin who is a controlling shareholder of the Company, Guilin Wanda Kids is a connected person of the Company under the Listing Rules.

The annual cap of the total rent payable to the Guilin Project Company under the Kidsplace Tenancy Agreement for the year ended 31 December 2018 was RMB99,000, and the actual amount incurred was approximately RMB94,000.

Leasing of premises for kids experience business under the brand of "Wanda Kidsplace International Early Education Club* (萬達寶貝王國際早教俱樂部)" ("Early Education Tenancy Agreement")

Pursuant to the Early Education Tenancy Agreement dated 29 June 2018 entered into between Guilin Project Company as landlord and Horgos Wanda Education Technology Co., Ltd Guilin Branch ("Horgos Wanda Education") as tenant, certain portions of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of five years commencing from 1 July 2018 to 30 June 2022 for the operation of kids experience business under the brand of "Wanda Kidsplace International Early Education Club * (萬達寶貝王國際早教俱樂部)".

截至二零一八年十二月三十一日止年度，電影院線租賃協議項下應付桂林項目公司租金總額之年度上限為人民幣3,846,000元，而產生之實際金額為約人民幣2,009,000元。

租賃物業以「萬達寶貝王」品牌經營兒童娛樂、遊樂場及相關業務（「寶貝王租賃協議」）

根據桂林項目公司（作為業主）與桂林高新萬達兒童娛樂有限公司（「桂林兒童娛樂」，作為租戶）於二零一八年六月二十九日訂立之寶貝王租賃協議，位於中國桂林市桂林高新廣場之若干部分乃被租賃用以「萬達寶貝王」品牌經營兒童娛樂及遊樂場業務以及其他相關業務，包括銷售童裝以及食品及飲料。租期由二零一八年七月一日起至二零二八年六月三十日止，為期十年。

桂林項目公司為本公司之間接非全資附屬公司。由於桂林兒童娛樂由本公司之控股股東王健林先生間接全資擁有，故根據上市規則，桂林兒童娛樂為本公司之關連人士。

截至二零一八年十二月三十一日止年度，寶貝王租賃協議項下應付桂林項目公司租金總額之年度上限為人民幣99,000元，而產生之實際金額為約人民幣94,000元。

租賃物業以「萬達寶貝王國際早教俱樂部」品牌經營兒童體驗業務（「早教租賃協議」）

根據桂林項目公司（作為業主）與霍爾果斯萬達教育科技有限公司桂林分公司（「霍爾果斯萬達教育」，作為租戶）於二零一八年六月二十九日訂立之早教租賃協議，位於中國桂林市桂林高新廣場之若干部分乃被租賃用以「萬達寶貝王國際早教俱樂部」品牌經營兒童體驗業務。租期由二零一八年七月一日起至二零二二年六月三十日止，為期五年。

Directors' Report

董事會報告書

Guilin Project Company is an indirect non-wholly owned subsidiary of the Company. Since Horgos Wanda Education is indirectly wholly-owned by Dalian Wanda Group who is a controlling shareholder of the Company, Horgos Wanda Education is a connected person of the Company under the Listing Rules.

The annual cap of the total rent payable to the Guilin Project Company under the Early Education Tenancy Agreement for the year ended 31 December 2018 was RMB386,000, and the actual amount incurred was approximately RMB367,000.

Leasing of premises for carpark business ("Carpark Tenancy Agreement")

Pursuant to the Carpark Tenancy Agreement dated 29 June 2018 entered into between Guilin Project Company as landlord and Guilin Wanda Shopping Plaza Business Management Co., Ltd ("Wanda Plaza Business Management") as tenant, certain carpark premises of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of one year commencing from 1 July 2018 to 30 June 2019 for the operation of carpark business.

Guilin Project Company is an indirect non-wholly owned subsidiary of the Company. Since Wanda Plaza Business Management is indirectly wholly-owned by DWCM who is an indirect holding company and a controlling shareholder of the Company, Wanda Plaza Business Management is a connected person of the Company under the Listing Rules.

The annual cap of the total amount payable to the Guilin Project Company under the Carpark Tenancy Agreement for the year ended 31 December 2018 was RMB1,520,000, and the actual amount incurred was approximately RMB1,393,000.

桂林項目公司為本公司之間接非全資附屬公司。由於霍爾果斯萬達教育由本公司之控股股東大連萬達集團間接全資擁有，故根據上市規則，霍爾果斯萬達教育為本公司之關連人士。

截至二零一八年十二月三十一日止年度，早教租賃協議項下應付桂林項目公司租金總額之年度上限為人民幣386,000元，而產生之實際金額為約人民幣367,000元。

租賃物業經營停車場業務（「停車場租賃協議」）

根據桂林項目公司（作為業主）與桂林萬達廣場商業管理有限公司（「萬達廣場商業管理」，作為租戶）所訂立日期為二零一八年六月二十九日之停車場租賃協議，位於中國桂林市桂林高新廣場之若干停車場物業乃被租賃用以經營停車場業務，租期由二零一八年七月一日至二零一九年六月三十日止為期一年。

桂林項目公司為本公司之間接非全資附屬公司。由於萬達廣場商業管理由本公司之間接控股公司及控股股東大連萬達商業管理間接全資擁有，故根據上市規則，萬達廣場商業管理為本公司之關連人士。

截至二零一八年十二月三十一日止年度，停車場租賃協議項下應付桂林項目公司之總額之年度上限為人民幣1,520,000元，而產生之實際金額約為人民幣1,393,000元。

Directors' Report

董事會報告書

Provision of hotel management services to DWCM

Pursuant to the hotel management framework agreement (the “Hotel Management Framework Agreement”) dated 13 November 2018 entered into between the Company and DWCM, DWCM may from time to time engage the Group (including Wanda Hotel Management HK and its subsidiaries) to provide hotel management services (the “Hotel Management Services”) which may include, among others:

- pre-opening support and technical advisory services regarding specification standards required for hotels being managed and other coordination services to facilitate the pre-opening preparation;
- procurement of services and products for operation of hotels;
- carrying out marketing and business development activities and providing accounting, finance, human resources and information technology functions;
- setting the prices of guest rooms and other services; and
- other relevant functions and services for the operation of hotels

for the property projects of DWCM for a term from 1 January 2019 to 31 December 2038. Members of the Group and DWCM and its subsidiaries (the “DWCM Group”) shall enter into separate agreements (“Individual Hotel Management Agreement(s)”) in relation to the provision of Hotel Management Services for relevant projects, which shall be subject to the terms and conditions under the Hotel Management Framework Agreement and the applicable annual caps. The duration of each Individual Hotel Management Agreement shall not exceed the term of the Hotel Management Framework Agreement and the terms of the Individual Hotel Management Agreements shall be made on normal commercial terms. DWCM is a controlling shareholder of the Company, and DWCM Group is a connected person of the Company and the Hotel Management Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

向大連萬達商業管理提供酒店管理服務

根據本公司與大連萬達商業管理訂立日期為二零一八年十一月十三日之酒店管理框架協議（「酒店管理框架協議」），大連萬達商業管理可能不時委聘本集團（包括萬達酒管（香港）及其附屬公司），以提供酒店管理服務（「酒店管理服務」），當中可能包括自二零一九年一月一日至二零三八年十二月三十一日期間為大連萬達商業管理之物業項目提供下列服務：

- 有關所管理之酒店所需之規格標準之開業前支援及技術諮詢服務，以及為促進開業前籌備工作之其他協調服務；
- 酒店營運之採購服務及產品；
- 進行市場推廣及業務發展活動，並提供會計、財務、人力資源及資訊科技職能；
- 釐定客房及其他服務之價格；及
- 酒店營運之其他相關職能及服務。

本集團成員公司與大連萬達商業管理及其附屬公司（「大連萬達商業管理集團」）須根據酒店管理框架協議之條款及條件以及適用之年度上限，就向相關項目提供酒店管理服務另行訂立協議（「獨立酒店管理協議」）。各獨立酒店管理協議之期限不得超過酒店管理框架協議之期限，而獨立酒店管理協議之條款須按一般商業條款訂立。大連萬達商業管理為本公司控股股東，而大連萬達商業管理集團為本公司關連人士，根據上市規則第14A章，酒店管理框架協議及其項下擬進行之交易構成本公司之持續關連交易。

Directors' Report

董事會報告書

The service fees payable by the DWCM Group to the Group for the Hotel Management Services for each hotel shall be fair and reasonable and shall be charged on the following basis:

- (i) management fees comprising a base management fee at a rate of 2.5% of the gross operating revenue of the relevant hotel and an incentive management fee at a rate between 6% and 8% (inclusive) of the gross operating profit of the relevant hotel;
- (ii) group service fees for the relevant financial, human resources and/or information technology services provided by the Group charged at a rate of 2% of the gross operating revenue of the relevant hotel;
- (iii) pre-opening fees, comprising a hotel pre-opening support fee of RMB500,000 (or other currency equivalent) for each hotel and a technical services fee of RMB2 million (or other currency equivalent) for each hotel; and
- (iv) 6% of the room income for each room booking made via the official reservation systems of hotels under Wanda Hotel Brands; 5.6% of the of aggregate revenue contributed by each customer introduced by the regional sale department of hotels of Wanda Hotel Brands; and 5% of certain spending of any member of Wanda Club, a club for customers of the hotels of Wanda Hotel Brands.

The annual caps of the total amount payable by DWCM Group for each of the three years ending 31 December 2021 for the provision of Hotel Management Services by the Group are approximately RMB81,118,000, RMB80,804,000 and RMB81,988,000 respectively.

大連萬達商業管理集團就各酒店之酒店管理服務應付本集團之服務費用應屬公平合理，並按下列基準收取：

- (i) 管理費用，包括基本管理費用（按相關酒店營運總營業收入之2.5%比率收取）及獎勵管理費（按相關酒店總營業利潤介乎6%至8%（首尾包括在內）比率收取）；
- (ii) 本集團提供相關財務、人力資源及／或資訊科技服務之集團服務費用（按相關酒店總營業收入之2%比率收取）；
- (iii) 開業前費用，包括各酒店人民幣500,000元（或以其他貨幣計值之等值金額）之酒店開業前支援費用及各酒店人民幣2,000,000元（或以其他貨幣計值之等值金額）之技術服務費用；及
- (iv) 透過萬達酒店品牌旗下酒店之官方預訂系統作出之各客房預訂之客房收入之6%；萬達酒店品牌旗下酒店之地區銷售部門介紹之每名顧客所貢獻總收入之5.6%；及萬悅會（為萬達酒店品牌旗下酒店顧客而設之會所）任何會員之若干消費之5%。

大連萬達商業管理集團於截至二零二一年十二月三十一日止三個年度各年就本集團所提供之酒店管理服務應付最高總額之年度上限分別約為人民幣81,118,000元、人民幣80,804,000元及人民幣81,988,000元。

Directors' Report

董事會報告書

Leasing of property (including office, storage and parking space) in the PRC for daily operation needs and provide property management services for the leased properties (the "Management Services") by DWCM Group to the Group

Pursuant to property leasing framework agreement (the "Property Leasing Framework Agreement") dated 13 November 2018 entered into between the Company as lessee and the DWCM Group as lessor, DWCM Group may from time to time (i) lease property (including office, storage and parking space) in the PRC to Wanda Hotel Management HK and its subsidiaries for its daily operation needs and (ii) provide Management Services in accordance with the terms and conditions thereto.

Management Services to be provided by the DWCM Group will be specific to the leased property, and may include but are not limited to the management and maintenance of shared and public facilities (such as rooftops, corridors, flowerbeds, trees, outdoor pipes, drains, ponds, car parks, etc.) and traffic and parking management at the leased property. Members of the Group and DWCM Group shall enter into separate agreements ("Individual Lease Agreement(s)") in relation to the lease of property by DWCM Group to Wanda Hotel Management HK and its subsidiaries (depending on the particular property being leased, this may include Management Services), which shall be subject to the terms and conditions under the Property Leasing Framework Agreement and the annual caps thereunder. The duration of each Individual Lease Agreement shall not exceed the term of the Property Leasing Framework Agreement and the terms of the Individual Lease Agreements shall be made on normal commercial terms.

The annual caps in respect of the transactions contemplated under the Property Leasing Framework Agreement for each of the three years ending 31 December 2021 are approximately RMB15,438,000, RMB16,114,000 and RMB16,824,000 respectively.

大連萬達商業管理集團租賃於中國之物業(包括辦公室、倉庫及泊車位)予本集團以滿足日常營運需要及就租賃物業提供物業管理服務(「管理服務」)

根據本公司(作為承租人)及大連萬達商業管理集團(作為出租人)訂立日期為二零一八年十一月十三日之物業租賃框架協議(「物業租賃框架協議」)，大連萬達商業管理集團可能不時(i)租賃於中國之物業(包括辦公室、倉庫及泊車位)予萬達酒管(香港)及其附屬公司，以滿足其日常營運需要及(ii)根據有關協議之條款及條件提供管理服務。

大連萬達商業管理集團將向租賃物業提供特定管理服務，可能包括但不限於管理及維護租賃物業的共享及公共設施(例如屋頂、走廊、花園、樹木、室外管道、排水道、池塘及泊車位等)以及交通及泊車管理。本集團成員公司與大連萬達商業管理集團將另行訂立協議(「獨立租賃協議」)，內容有關大連萬達商業管理集團向萬達酒管(香港)及其附屬公司租賃物業(視乎所租賃的特定物業，其可能包括管理服務)，該等協議須受物業租賃框架協議之條款及條件以及其項下年度上限所規限。各獨立租賃協議之期限不得超過物業租賃框架協議之期限，而獨立租賃協議之條款應按一般商業條款訂立。

截至二零二一年十二月三十一日止三個年度各年，物業租賃框架協議項下擬進行交易之年度上限分別約為人民幣15,438,000元、人民幣16,114,000元及人民幣16,824,000元。

Directors' Report

董事會報告書

Review by and Confirmation of INEDs

The INEDs have reviewed the continuing connected transactions conducted during the year ended 31 December 2018, and confirmed that such transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better to the Group; and
- (3) according to the terms in the relevant transaction agreements, which are fair and reasonable, and in the interests of the shareholders as a whole.

Confirmation by the Auditors

Pursuant to Rule 14A.56 of the Listing Rules, the Directors engaged the auditors of the Company to perform certain work on continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. The auditors of the Company have confirmed by way of a letter to the Board that, for the year ended 31 December 2018:

- (1) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

獨立非執行董事進行之審閱及確認

獨立非執行董事已審閱於截至二零一八年十二月三十一日止年度進行之持續關連交易，並確認有關交易乃：

- (1) 於本集團日常及一般業務過程中訂立；
- (2) 按正常商業條款或對本集團更佳之條款訂立；及
- (3) 根據相關交易協議屬公平及合理之條款訂立，並符合股東之整體利益。

核數師確認

根據上市規則第14A.56條，董事已根據香港會計師公會頒佈之香港核證委聘準則第3000號*歷史財務資料審核或審閱以外之核證委聘*，並參照《實務說明》第740號*關於香港上市規則所述持續關連交易的核數師函件委聘*本公司核數師進行有關本集團持續關連交易之工作。本公司核數師已致函董事會，確認於截至二零一八年十二月三十一日止年度：

- (1) 彼等並不知悉任何致使彼等相信已披露之持續關連交易未獲董事會批准之事項；
- (2) 就涉及由本集團提供商品或服務之交易而言，彼等並不知悉任何致使彼等相信有關交易於所有重大方面均未遵守本集團定價政策之事項；
- (3) 彼等並不知悉任何致使彼等相信有關交易於所有重大方面均未根據規管該等交易之相關協議訂立之事項；及

Directors' Report

董事會報告書

(4) with respect to the aggregate amount of each of the continuing connected transactions set out in this annual report, nothing has come to their attention that causes them to believe that such continuing connected transactions have exceeded the annual cap set and disclosed by the Company.

During the year, the Group has not entered into any other significant connected transaction or continuing connected transaction which should be disclosed pursuant to the requirement under the Listing Rules. The Directors confirmed that the Company has complied with the applicable requirements under Chapter 14A of the Listing Rules with regard to the related party transactions set out in note 42 to the financial statements which were also connected transactions or continuing connected transactions.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance to which the Company, its holding company or any of their respective subsidiaries was a party, and in which a Director or any entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2018.

MANAGEMENT CONTRACTS

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

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors are reviewed and recommended by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

(4) 就本年報所載各項持續關連交易之總金額而言，彼等並不知悉任何致使彼等相信有關持續關連交易已超出本公司設定及披露之年度上限之事項。

本集團於年內並無訂立任何其他根據上市規則之規定須予披露之重大關連交易或持續關連交易。就財務報表附註42所載亦屬關連交易或持續關連交易之關連人士交易而言，董事確認本公司已遵守上市規則第十四A章項下之適用規定。

董事之重大合約權益

本公司、其控股公司或任何彼等各自之附屬公司概無訂有董事或任何與董事有關之實體於其中直接或間接擁有重大權益，而於年末或截至二零一八年十二月三十一日止年度內任何時間仍然有效之重大交易、安排或合約。

管理合約

於本年度，本公司並無訂立或存在任何與本公司全部或任何重大部分業務有關之管理及行政合約。

酬金政策

本集團之僱員酬金政策由薪酬委員會按僱員之表現、資格及能力而釐定。

董事之酬金由薪酬委員會參照本集團之經營業績、個人表現及可資比較市場統計數據作出檢討及建議。

Directors' Report

董事會報告書

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID DIRECTORS/EMPLOYEES

Details of emoluments of the Directors and the five highest paid Directors/employees of the company are set out in notes 10 and 11 to the financial statements.

董事及五名最高薪董事／僱員之酬金

董事及本公司五名最高薪董事／僱員之酬金詳情載於財務報表附註10及11。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2018, the interest of Directors and their respective associates in businesses which compete or are likely to compete, either directly or indirectly, with business of the Group:

董事於競爭業務之權益

於二零一八年十二月三十一日，董事及其各自聯繫人於與本集團業務（不論直接或間接）構成競爭或可能構成競爭之業務中擁有權益如下：

Name of Director/ associate 董事／聯繫人姓名	Name of company 公司名稱	Nature of interest in the company 於該公司中權益之性質	Business of the company 該公司之業務
Mr. Ding Benxi	DWCM	Being a director and shareholder with 1.10% interest	Engaging in property development, property lease, property management and investment holding
丁本錫先生	大連萬達商業管理	擔任董事及股東，擁有1.10%權益	從事物業開發、物業租賃、物業管理及投資控股
Mr. Ning Qifeng	DWCM	Being a shareholder with 0.13% interest	Engaging in property development, property lease, property management and investment holding
寧奇峰先生	大連萬達商業管理	擔任股東，擁有0.13%權益	從事物業開發、物業租賃、物業管理及投資控股
Mr. Zhang Lin	DWCM	Being a shareholder with 0.22% interest	Engaging in property development, property lease, property management and investment holding
張霖先生	大連萬達商業管理	擔任股東，擁有0.22%權益	從事物業開發、物業租賃、物業管理及投資控股

Directors' Report

董事會報告書

Name of Director/ associate 董事／聯繫人姓名	Name of company 公司名稱	Nature of interest in the company 於該公司中權益之性質	Business of the company 該公司之業務
Mr. Han Xu	DWCM	Being a shareholder with 0.035% interest	Engaging in property development, property lease, property management and investment holding
韓旭先生	大連萬達商業管理	擔任股東，擁有0.035%權益	從事物業開發、物業 租賃、物業管理及 投資控股
Mr. He Zhiping	DWCM	Being a shareholder with 0.55% interest	Engaging in property development, property lease, property management and investment holding
何志平先生	大連萬達商業管理	擔任股東，擁有0.55%權益	從事物業開發、物業 租賃、物業管理及 投資控股

As at 31 December 2018, save as disclosed above, none of the Directors or their respective associates was interested in any business which competes or is likely to compete either directly or indirectly, with business of the Group.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each INED an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the INEDs to be independent.

於二零一八年十二月三十一日，除上文所披露者外，概無董事或其各自之聯繫人於任何與本集團業務（不論直接或間接）構成競爭或可能構成競爭之業務中擁有權益。

購買、出售或贖回本公司之上市證券

於本年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

獨立非執行董事之確認書

本公司已接獲每名獨立非執行董事根據上市規則第3.13條發出有關獨立性之年度確認書，並認為所有獨立非執行董事均為獨立。

Directors' Report

董事會報告書

PRE-EMPTIVE RIGHTS

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

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-Laws, subject to the relevant statutes, every Director of the Company shall be indemnified and secured harmless by the Company from and against all actions, costs, charges, losses, damages and expenses which they incur in the execution of their duty or supposed duty. Such provisions were in force during the course of the financial year ended 31 December 2018 and remained in force as of the date of this report.

In addition, the Company has taken out and maintained insurance for the Directors against liabilities to third parties that may be incurred in the course of performing their duties as at the date of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 December 2018.

AUDIT COMMITTEE

The consolidated financial statements for the year ended 31 December 2018 have been reviewed by the Audit Committee.

優先購買權

本公司之公司細則或百慕達法例並無要求本公司須按持股比例向現有股東提呈發售新股之優先購買權規定。

獲准許之彌償條文

根據本公司之公司細則，在有關法規規限下，本公司各董事於執行其職責或假定職責時招致之所有訴訟、費用、收費、損失、損害及開支，須由本公司作出彌償保證，使其免受任何損害。該等條文於截至二零一八年十二月三十一日止財政年度有效，並於截至本報告日期仍然有效。

此外，本公司已為董事就可能於本報告日期履行彼等職責時招致之第三方責任進行投保及續保。

充足公眾持股量

於本報告日期，根據本公司之公開資料及就本公司董事所知，本公司於截至二零一八年十二月三十一日止年度一直維持上市規則規定之公眾持股量。

審核委員會

截至二零一八年十二月三十一日止年度之綜合財務報表經由審核委員會審閱。

Directors' Report

董事會報告書

AUDITORS

During the year, Ernst & Young was re-appointed as the Company's auditors for the year ended 31 December 2018 at the Company's Annual General Meeting held on 30 May 2018 and to hold office until the conclusion of the next Annual General Meeting.

On behalf of the Board

NING Qifeng

Executive Director

Hong Kong, 20 March 2019

核數師

年內，安永會計師事務所於二零一八年五月三十日舉行之本公司股東週年大會上再次獲委任為本公司截至二零一八年十二月三十一日止年度之核數師，任期直至下屆股東週年大會結束為止。

代表董事會

寧奇峰

執行董事

香港，二零一九年三月二十日

Corporate Governance Report

企業管治報告

The Company is committed to maintaining a high standard of corporate governance with an emphasis on the principles of transparency, accountability and independence. The Board of Directors of the Company (the “Board”) believes that good corporate governance is essential for the effective management, a healthy corporate culture and balancing of business risk. Furthermore, it is also essential to the success of the Company and the enhancement of shareholders’ value.

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the “CG Code”) during the period from 1 January 2018 to 31 December 2018 as contained in Appendix 14 to the Listing Rules. Except for deviation from CG Code provision A.6.7 as explained in the relevant paragraphs on page 52 in this report, the Company has complied with the code provision set out in the CG Code throughout the year ended 31 December 2018.

The Board will continue to monitor and review the Company’s corporate governance practices to ensure compliance.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 December 2018.

本公司致力維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。本公司董事會（「董事會」）相信優良之企業管治是有效管理、健康之企業文化及均衡之業務風險之關鍵，亦對本公司之成功及提升股東之價值至關重要。

企業管治守則

本公司已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採納上市規則附錄十四所載之企業管治守則（「企業管治守則」）。除本報告第52頁之相關段落所述偏離企業管治守則條文A.6.7條外，本公司於截至二零一八年十二月三十一日止整個年度已遵守企業管治守則所載之守則條文。

董事會將繼續監察及檢討本公司之企業管治常規以確保遵守該等常規。

董事之證券交易

本公司已採納上市規則附錄十所載之標準守則作為有關董事進行證券交易之行為守則。經本公司作出特定查詢後，全體董事均確認彼等於截至二零一八年十二月三十一日止年度已遵守標準守則所載之規定準則。

Corporate Governance Report

企業管治報告

THE BOARD OF DIRECTORS

The Board currently comprises seven Directors, including one Executive Director, three Non-executive Directors and three Independent Non-executive Directors. The Company has maintained three Independent Non-executive Directors which represent over one-third of the Board during the year ended 31 December 2018. The Board's composition during the year ended 31 December 2018 and up to the date of this report is set out as follows:

Executive Director:

Mr. Ning Qifeng

Non-executive Directors:

Mr. Ding Benxi (*Chairman*)

Mr. Zhang Lin

Mr. Han Xu

(appointed with effect from 14 March 2019)

Mr. Hui Yung, Chris

(resigned with effect from 13 February 2019)

Independent Non-executive Directors ("INED"):

Mr. He Zhiping

(appointed with effect from 29 March 2018)

Mr. Liu Jipeng

Dr. Xue Yunkui

Mr. Zhang Huaqiao

(retired with effect from 30 May 2018)

All Directors have distinguished themselves in their respective fields of expertise and have exhibited high standards of personal and professional ethics and integrity. The brief biographical details of the Directors are set out in the "Directors and Senior Management" section on pages 19 to 23. There are no financial, business, family or other material relationships amongst the Directors.

董事會

董事會目前由七名董事組成，包括一名執行董事、三名非執行董事及三名獨立非執行董事。本公司保持擁有三名獨立非執行董事，佔截至二零一八年十二月三十一日止年度內董事會成員人數逾三分之一。截至二零一八年十二月三十一日止年度及截至本報告日期止，董事會成員載列如下：

執行董事：

寧奇峰先生

非執行董事：

丁本錫先生(主席)

張霖先生

韓旭先生

(自二零一九年三月十四日起獲委任)

許勇先生

(自二零一九年二月十三日起辭任)

獨立非執行董事(「獨立非執行董事」)：

何志平先生

(自二零一八年三月二十九日起獲委任)

劉紀鵬先生

薛雲奎博士

張化橋先生

(自二零一八年五月三十日起退任)

所有董事均為彼等專業範疇內之翹楚，以及具備高度的個人及專業道德誠信。董事之簡歷詳情載於第19頁至第23頁之「董事及高級管理層」一節內。董事之間概無任何財務、業務、家族或其他重大關係。

Corporate Governance Report

企業管治報告

BOARD PRACTICE

The Board is collectively and ultimately responsible for how the Company is managed, its strategic direction and performance. There is a formal schedule of matters specifically reserved to and delegated by the Board. The Board has given clear directions to the management team that certain matters (including the following) must be reserved to the Board:

- Publication of final and interim results of the Company;
- Dividend distribution or other distributions;
- Treasury, accounting and remuneration policies;
- Review on internal control system and risk management;
- Changes to major group corporate structure or Board composition requiring notification by announcement;
- Notifiable transactions and non-exempted connected transactions/ continuing connected transactions;
- Proposed transactions requiring shareholders' approval;
- Capital re-structuring and issue of new securities;
- Joint-ventures with outside party involving capital commitment from the Group of over 5% of the relevant size test of the Company; and
- Financial assistance to Directors.

Day-to-day operations of the Group and implementation of the Board's decisions and strategy are delegated to the Company's management team.

The Chairman, assisted by the Company Secretary, has ensured that the Board adheres strictly to all rules and requirements for its meetings and the maintenance of full and proper records. Procedures are established for every Director to have access to Board papers and related information, to have the services of the Company Secretary, and to seek independent professional advice at the Company's expense upon reasonable request.

董事會常規

董事會對本公司之管理、策略性方向及表現集體及最終負責。本公司具有一項正式的預定計劃，列載特別要董事會決定的事項及授權決定的事項。董事會已就須董事會決定的若干事項（包括以下各項）給予管理層清晰的指引：

- 發佈本公司全年及中期業績；
- 股息分派或其他分派；
- 財務政策、會計政策及酬金政策；
- 檢討內部監控系統及風險管理；
- 須以公告通知有關集團主要企業架構或董事會組成之變動；
- 須予公佈的交易及非豁免關連交易／持續關連交易；
- 需股東批准之建議交易；
- 資本重組及發行新證券；
- 與外來方組建需要本集團出資超過本公司相關規模測試5%之合資企業；及
- 對董事之財務援助。

本集團之日常營運及董事會決定及策略之執行則授權本公司管理層處理。

公司秘書協助主席確保董事會嚴格遵守所有會議規則及要求，並保存全面與適當之會議記錄。相關程序經已確立，以便每位董事有權查閱董事會文件及相關資料、向公司秘書尋求服務，並在提出合理要求時，由本公司付費以尋求獨立專業建議。

Corporate Governance Report

企業管治報告

The Board acknowledges their responsibilities for the preparation of the financial statements of the Company and ensures that they are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publications of such financial statements.

The Board held five meetings during the year ended 31 December 2018, to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. At least 14 days' notice is given for all regular Board meetings together with the meeting agenda such that all Directors are given the opportunity to include matters for discussion in the agenda. In addition, three general meetings were held during the year ended 31 December 2018 and attendance of each Director at these meetings is set out as follows:

董事會明白須負責編製本公司之財務報表，並確保其符合法定要求及適用之會計準則編製而成。董事會亦需確保及時發佈該等財務報表。

截至二零一八年十二月三十一日止年度內，董事會已舉行五次會議，以討論本集團之整體策略以及營運及財務表現，並審閱及批准本集團之全年及中期業績。所有董事會常規會議均會於最少十四日前發出連同會議議程的通知，以令所有董事均有機會於議程內加入討論事項。此外，於截至二零一八年十二月三十一日止年度內已舉行三次股東大會，各董事出席該等會議之情況載列如下：

		Number of Board meetings attended/held 董事會會議次數 出席/舉行	Number of general meetings attended/held 股東大會次數 出席/舉行
Executive Director:	執行董事：		
Mr. Ning Qifeng	寧奇峰先生	5/5	0/3
Non-executive Directors:	非執行董事：		
Mr. Ding Benxi (Chairman)	丁本錫先生(主席)	5/5	0/3
Mr. Zhang Lin	張霖先生	5/5	0/3
Mr. Hui Yung, Chris (resigned with effect from 13 February 2019)	許勇先生(自二零一九年二月十三日起辭任)	5/5	3/3
Mr. Han Xu (appointed with effect from 14 March 2019)	韓旭先生(自二零一九年三月十四日起獲委任)	N/A 不適用	N/A 不適用
Independent Non-executive Directors:	獨立非執行董事：		
Mr. He Zhiping (appointed with effect from 29 March 2018)	何志平先生(自二零一八年三月二十九日起獲委任)	2/2	0/2
Mr. Liu Jipeng	劉紀鵬先生	5/5	0/3
Dr. Xue Yunkui	薛雲奎博士	5/5	0/3
Mr. Zhang Huaqiao (retired with effect from 30 May 2018)	張化橋先生(自二零一八年五月三十日起退任)	3/3	0/2

Corporate Governance Report

企業管治報告

CG Code provision A.6.7 stipulates that Independent Non-executive Directors and other Non-executive Directors should attend general meetings. Due to other business engagements, certain Independent Non-executive Directors and Non-executive Directors did not attend the annual general meeting and special general meeting. Please refer to the preceding table for details of attendance of the Non-executive Directors and the Independent Non-executive Directors.

General meeting is one of the channels for communication between the Board and the Company's shareholders. The Company's auditors, were available to answer questions at the annual general meeting held on 30 May 2018. Other than the general meetings, the shareholders may also communicate with the Company through the contact information listed on the Company's website. Measures for effective communication between the Board and the shareholders are described in the paragraphs under "Communication with Shareholders" and "Shareholders' Rights" in this report.

Mr. Ding Benxi was appointed as Non-executive Director and Chairman of the Company on 3 July 2013, and Mr. Ning Qifeng was appointed as Executive Director on 17 November 2017. Whilst the Company has not appointed a chief executive officer, the duties of the chief executive officer have been performed by Mr. Ning Qifeng, the Executive Director of the Company. The Board considers that the current arrangement is adequate in view of the size and complexity of the Group's operations. The Board will consider appointing chief executive officer at an appropriate stage when the Group has increased the size of operation.

NON-EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Non-executive Directors and Independent Non-executive Directors provide the Group with a wide range of expertise and experience. Their active participation in Board and committee meetings brings independent judgment on issues relating to the Group's strategy, performance and management process, taking into account the interests of all shareholders.

The Company has three Non-executive Directors and three Independent Non-executive Directors representing over one-third of the Board. One of the Independent Non-executive Directors has appropriate accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each Independent Non-executive Director an annual confirmation of his independence in accordance with Rule 3.13 of the Listing Rules and considers that all the Independent Non-executive Directors are independent.

企業管治守則條文A.6.7條訂明獨立非執行董事及其他非執行董事應出席股東大會。由於其他公務在身，部分獨立非執行董事以及非執行董事並未出席股東週年大會及特別股東大會。有關非執行董事及獨立非執行董事出席情況之詳情，請參閱上文列表。

股東大會乃董事會及本公司股東之溝通渠道之一。本公司核數師出席於二零一八年五月三十日舉行之股東週年大會上解答提問。除股東大會外，股東亦可透過本公司網站所載之聯絡資料與本公司溝通。董事會與股東有效進行溝通之方法載於本報告「與股東之溝通」及「股東權利」各段。

丁本錫先生於二零一三年七月三日獲委任為本公司非執行董事兼主席，而寧奇峰先生於二零一七年十一月十七日獲委任為執行董事。本公司並無委任行政總裁，行政總裁之職務由本公司執行董事寧奇峰先生履行。鑒於本集團營運之規模及複雜性，董事會認為現時的安排屬充份。董事會將於本集團營運規模增長時在適當階段考慮委任行政總裁。

非執行董事及獨立非執行董事

非執行董事及獨立非執行董事為本集團提供廣泛之專業知識及經驗。彼等積極參與董事會及委員會會議，對本集團之策略、表現及管理過程等事宜提供獨立判斷，並顧及全體股東之利益。

本公司之三名非執行董事及三名獨立非執行董事佔董事會人數逾三分之一。其中一名獨立非執行董事具備上市規則第3.10條所指適當之會計或相關財務管理專業知識。董事會已接獲每名獨立非執行董事根據上市規則第3.13條發出之有關其獨立性之年度確認書，並認為所有獨立非執行董事均為獨立人士。

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According to the service contracts, terms of appointment of the Non-executive Directors are three years, from 3 July 2013 to 2 July 2016 for Mr. Ding Benxi, from 17 November 2017 to 16 November 2020 for Mr. Zhang Lin, and from 14 March 2019 to 13 March 2022 for Mr. Han Xu. The terms of appointment for all Non-executive Directors are renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term, unless terminated by not less than three months' notice in writing served by either the Non-executive Director or the Company.

According to the service contracts, terms of appointment of the Independent Non-executive Directors are three years, from 3 July 2013 to 2 July 2016 for Mr. Liu Jipeng and Dr. Xue Yunkui and from 29 March 2018 to 28 March 2021 for Mr. He Zhiping. The terms of appointment for all Independent Non-executive Directors Mr. He Zhiping, Mr. Liu Jipeng and Dr. Xue Yunkui are renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term, unless terminated by not less than three months' notice in writing served by either the Independent Non-executive Director or the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board has established and adopted a written nomination policy (the "Nomination Policy") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

Selection criteria

The Nomination Committee shall, based on those criteria as set out in the Nomination Policy (such as reputation for integrity, qualifications and experience, time commitment and contribution to diversity of the Board according to the Board Diversity Policy, etc.), identify and recommend the proposed candidate to the Board for approval of an appointment. In the case of re-appointment of Director, the Nomination Committee would take into account factors such as contribution, attendance in meetings and level of participation from the retiring Directors. Where the candidate is appointed for the position of independent non-executive Director, the Nomination Committee will also assess his/her independence with reference to the requirements set out in the Listing Rules.

根據服務合約，非執行董事之委任期限為期三年，丁本錫先生之任期為自二零一三年七月三日起至二零一六年七月二日止，張霖先生之任期為自二零一七年十一月十七日起至二零二零年十一月十六日止，而韓旭先生之任期則自二零一九年三月十四日起至二零二二年三月十三日止。全體非執行董事之任期可於當時任期屆滿後翌日起計自動續任一年，惟非執行董事或本公司可透過發出不少於三個月的書面通知予以終止。

根據服務合約，獨立非執行董事之委任期限為期三年，劉紀鵬先生及薛雲奎博士之任期為自二零一三年七月三日起至二零一六年七月二日止，而何志平先生之任期則自二零一八年三月二十九日起至二零二一年三月二十八日止。全體獨立非執行董事（何志平先生、劉紀鵬先生及薛雲奎博士）之任期可於當時任期屆滿後翌日起計自動續任一年，惟獨立非執行董事或本公司可透過發出不少於三個月的書面通知予以終止。

董事之委任及重選

董事會已設立並採納一套以書面載列之提名政策（「提名政策」），具體列明本公司董事候選人之挑選及推薦程序及準則。

甄選準則

提名委員會應以提名政策所載之準則（如誠信聲譽、資格及經驗、投放時間及根據董事會成員多元化政策對董事會成員多元化作出的貢獻等）作為基礎向董事會物色及建議人選以供批准委任。就重新委任董事而言，提名委員會將考慮退任董事之貢獻、出席會議次數及參與度等因素。倘委任候選人為獨立非執行董事，則提名委員會亦將參照上市規則所載之規定以評估其獨立性。

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Nomination procedures

In appointing a new Director, the Nomination Committee and/or the Board will first call a meeting of the Nomination Committee and invite nominations of candidates from Board members for its consideration prior to the meeting. The Nomination Committee may also put forward candidates who are not nominated by the Board. The Nomination Committee shall then make recommendations for the Board's consideration and approval. The information, including biography, independence (for nomination of non-executive or independent non-executive directors only), proposed remuneration and other information as required under the applicable laws and regulations will be included in the circular to shareholders. A shareholder may also serve to the principal place of business of the Company in Hong Kong a notice in writing for its intention to propose a resolution to elect a certain candidate as Director and a notice by the nominated person of his/her willingness to be elected according to the Articles of Association, without the Board's recommendation or nomination of the Nomination Committee other than those candidates as set out in the circular. The Board shall then consider and have the final decision on all matters relating to whether to have the recommended candidates to stand for election at a general meeting. The Nomination Committee shall ensure the transparency and fairness of the selection procedure.

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's operations, business and activities.

提名程序

於委任新董事時，提名委員會及／或董事會將先召開提名委員會會議，並於會議前邀請董事會成員提名人選供其考慮。提名委員會亦可建議並非由董事會提名之人選。提名委員會其後可提出建議供董事會考慮及批准。適用法例及法規所規定之有關資料（包括履歷、獨立性（僅就提名非執行或獨立非執行董事而言）、建議薪酬及其他資料）將載於寄發予股東之通函內。根據組織章程，股東亦可向本公司之香港主要營業地點發出書面通知，表示其擬提呈決議案以選舉通函所載候選人以外且並非由董事會推薦或提名委員會提名之若干人士參選董事，並載列獲提名人士願意參選之通知書。董事會其後將考慮並就有關是否讓推薦候選人於股東大會上膺選之一切事宜作出最終決定。提名委員會須確保甄選程序之透明度及公平性。

新董事在獲委任後將會取得一份就任資料，載有所有主要法律及上市規則規定，以及董事應遵守之責任及義務之指引。資料亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理人員其後將於有需要時提供說明，為新董事提供更多有關本集團營運、業務及活動之詳細資料。

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According to Clause 99 of the Bye-Laws of the Company, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office by rotation save any Director holding office as Chairman or Managing Director. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. The Company at any general meeting at which any Directors retire may fill the vacated offices. Further, any Director appointed to fill a casual vacancy or as an addition to the Board should hold office only until the next general meeting and shall then be eligible for re-election at the meeting.

According to code provision A.4.2 of the CG Code of the Listing Rules, all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

During the year, no amount was paid or payable by the Company to the Directors or any of the 5 highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a Director waived or agree to waive any remuneration during the year.

根據本公司之公司細則第99條，在每屆股東週年大會上，三分之一當時在任之董事（或倘董事人數並非三或三之倍數，則最接近三分之一之人數）須輪席退任，惟任何出任主席或董事總經理之董事除外。每年退任之董事指自上次當選後出任時間最長者，惟於同日出任董事之人士（除彼等之間已有協定者外）須以抽籤方式決定。退任董事符合資格可膺選連任。本公司在任何有董事退任之股東大會中均可選出填補空缺之董事。再者，任何填補臨時空缺而獲委任之董事或為董事會新增之成員僅可任職至下屆股東大會為止，屆時彼將合資格可於會上膺選連任。

根據上市規則企業管治守則之守則條文A.4.2條，所有為填補臨時空缺而被委任之董事應在接受委任後之首次股東大會上接受股東選舉。每名董事（包括有指定任期之董事）應輪席退任，至少每三年一次。

年內，本公司概無已付或應付予董事或任何五名最高薪人士之酬金，作為彼等加盟或於加盟本集團時之獎勵或離職補償。年內，概無董事放棄或同意放棄任何酬金之安排。

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BOARD COMMITTEES

The Board has established various committees, including a Remuneration Committee, an Audit Committee and a Nomination Committee, each of which has its specific written terms of reference, which are available on the websites of the Hong Kong Stock Exchange and the Company. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned on pages 50 to 52 in the section headed “Board Practice” above, have been adopted for the committee meetings so far as practicable.

Remuneration Committee

The Remuneration Committee meet at least once a year. One committee meeting was held in 2018 to, among other things, assess the performance of Executive Director, review and discuss the existing policy and structure for the remuneration of Directors, and the remuneration packages of the Directors. The members of the Remuneration Committee and the attendance of each member at the committee meeting are set out as follows:

Committee member	委員會成員	Number of Committee meetings attended/held 委員會會議次數 出席/舉行
Mr. Liu Jipeng (<i>Chairman</i>)	劉紀鵬先生(主席)	1/1
Mr. He Zhiping (appointed with effect from 29 March 2018)	何志平先生(自二零一八年三月二十九日起獲委任)	0/0
Mr. Zhang Huaqiao (retired with effect from 30 May 2018)	張化橋先生(自二零一八年五月三十日起退任)	1/1
Mr. Hui Yung, Chris (resigned with effect from 13 February 2019)	許勇先生(自二零一九年二月十三日起辭任)	1/1

Details of the Directors' remuneration are set out in note 10 to the financial statements.

董事委員會

董事會已成立多個委員會，包括薪酬委員會、審核委員會及提名委員會，各委員會均以書面具體列明其職權範圍(載於香港聯交所及本公司網站)。委員會之所有會議記錄及決議案由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需向董事會匯報其決定及建議(倘適用)。董事會會議之程序及安排(上文第50頁至第52頁之「董事會常規」一節所述)在可行情況下已獲委員會會議所採納。

薪酬委員會

薪酬委員會每年至少召開一次會議。於二零一八年已舉行一次委員會會議，以(其中包括)評估執行董事之表現，檢討及討論董事現時之薪酬政策及架構，以及董事之薪酬待遇。薪酬委員會之成員以及各成員出席委員會會議之情況載列如下：

董事薪酬之詳情載於財務報表附註10。

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The Remuneration Committee of the Company has been established since June 2005 to comply with Rule 3.25 of the Listing Rules. The Remuneration Committee currently consists of two members, all of them are Independent Non-executive Directors. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (i) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and establish a formal and transparent procedure for developing remuneration policy;
- (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) to make recommendations to the Board on the remuneration package of individual executive directors and senior management;
- (iv) to make recommendations to the Board on the remuneration of Non-executive Directors;
- (v) to consider salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the group of which the Company is a member company;
- (vi) to review and approve compensation payable to Executive Directors and senior management for any loss or termination of their office or appointment;
- (vii) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- (viii) to ensure that no Director or any of his associates is involved in deciding his own remuneration.

本公司自二零零五年六月成立薪酬委員會，以遵守上市規則第3.25條。薪酬委員會現時由兩名成員組成，全部均為獨立非執行董事。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司之政策在認為有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能為：

- (i) 就本公司董事及高級管理人員之全體薪酬政策及架構，及就設立正規而具透明度之程序制訂薪酬政策，向董事會提出建議；
- (ii) 參照董事會訂立之公司目標及宗旨，檢討並批准管理層之薪酬提案；
- (iii) 就個別執行董事及高級管理層之薪酬待遇向董事會提出建議；
- (iv) 就非執行董事之薪酬向董事會提出建議；
- (v) 考慮同類公司支付之薪酬、須付出的時間及職責以及本公司為成員公司之集團內其他職位之僱用條件；
- (vi) 檢討並批准向執行董事及高級管理層支付任何喪失或終止職務或委任之賠償；
- (vii) 檢討並批准因董事行為失當而遭解僱或罷免所涉及之賠償安排；及
- (viii) 確保概無董事或其任何聯系人參與釐定其本身之薪酬。

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For the year ended 31 December 2018, the remuneration of the members of the senior management who are not Directors are within the following bands:

截至二零一八年十二月三十一日止年度，並非董事之高級管理層成員之薪酬介乎以下範圍：

Total remuneration bands (HK\$)	薪酬總額範圍(港元)	Number of individuals 人數
HK\$2 million or below	2,000,000 港元或以下	2

Audit Committee

審核委員會

The Audit Committee meet at least twice each year. In 2018, the Audit Committee met two times to, among other things, consider the annual results of the Group for the financial year ended 31 December 2017 and the interim results of the Group for the 6 months ended 30 June 2018, discuss with the auditors of the Company on internal control, risk management, compliance with rules and regulations, auditors' independence, auditors' remuneration and the scope of work in relation to the annual audit. The members of the Audit Committee and the attendance records of each member at the committee meetings in 2018 are set out as follows:

審核委員會每年至少召開兩次會議。審核委員會於二零一八年已舉行兩次會議，以(其中包括)考慮本集團截至二零一七年十二月三十一日止財政年度之年度業績及本集團截至二零一八年六月三十日止六個月之中期業績，與本公司核數師討論內部監控、風險管理、遵守規則及規例的情況、核數師獨立性、核數師薪酬及年度核數工作範圍。於二零一八年，審核委員會成員以及各成員出席委員會會議之情況載列如下：

Committee member	委員會成員	Number of Committee meetings attended/held 委員會會議次數 出席/舉行
Dr. Xue Yunkui (Chairman)	薛雲奎博士(主席)	2/2
Mr. He Zhiping (appointed with effect from 29 March 2018)	何志平先生(自二零一八年三月二十九日起獲委任)	1/1
Mr. Zhang Huaqiao (retired with effect from 30 May 2018)	張化橋先生(自二零一八年五月三十日起退任)	1/1
Mr. Hui Yung, Chris (resigned with effect from 13 February 2019)	許勇先生(自二零一九年二月十三日起辭任)	2/2

The Company has established the Audit Committee with written terms of reference, which was amended and re-adopted by the Board with effect from 1 January 2019, in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. As at the date of this report, the Audit Committee is comprised of two Independent Non-executive Directors, namely Dr. Xue Yunkui and Mr. He Zhiping.

本公司已成立審核委員會，根據企業管治守則之規定以書面具體列明其職權範圍，並經董事會修訂及重新採納，自二零一九年一月一日起生效，以檢討及監督本集團之財務報告程序及內部監控。於本報告日期，審核委員會由兩名獨立非執行董事薛雲奎博士及何志平先生組成。

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The major roles and functions of the Audit Committee are:

- (i) to consider and recommend to the Board on the appointment, re-appointment and removal of the external auditors;
- (ii) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (iii) to approve the engagement of the external auditors to perform non-audit services;
- (iv) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication quarterly reports and to review significant financial reporting judgments contained in them;
- (v) to liaise with the Board and senior management and must meet with the Company's auditors;
- (vi) to review the Company's financial controls, internal control and risk management systems;
- (vii) to discuss the risk management and internal control system with management to ensure that management has performed its duty to have effective internal control and risk management systems;
- (viii) to review the Group's financial and accounting policies and practices;
- (ix) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (x) to ensure coordination between the internal and external auditors;
- (xi) to review the external auditors' management letter;
- (xii) to ensure the Board will provide a timely response to the issues raised in the external auditors' management letter; and
- (xiii) to review reports on the Company's compliance with the CG Code and disclosures in this report.

審核委員會之主要角色及職能為：

- (i) 考慮外聘核數師之委任、重新委任及罷免，並向董事會提出建議；
- (ii) 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；
- (iii) 批准僱用外聘核數師執行非審計服務；
- (iv) 監察本公司的財務報表以及年度報告及賬目、半年度報告及(若擬編製刊發)季度報告的完整性，並審閱報表及報告所載有關財務申報的重大判斷；
- (v) 與董事會及高級管理人員聯絡，並須與本公司核數師會面；
- (vi) 檢討本公司的財務監控、內部監控及風險管理制度；
- (vii) 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的內部監控及風險管理系統；
- (viii) 檢討本集團的財務及會計政策及實務；
- (ix) 應董事會的委派或主動就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；
- (x) 確保內部和外聘核數師的工作得到協調；
- (xi) 檢查外聘核數師給予管理層的函件；
- (xii) 確保董事會及時回應於外聘核數師給予管理層的函件中提出的事宜；及
- (xiii) 審閱有關本公司遵守企業管治守則之情況及於本報告內之披露資料之報告。

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The Audit Committee has explicit authority to investigate into any matter under the scope of its duties and the authority to obtain independent professional advice. It is given full access to and assistance from management and reasonable resources to discharge its duties properly. The Audit Committee meets with the external auditors at least twice every year.

Nomination Committee

The Nomination Committee shall meet at least once a year. One committee meeting was held in 2018 to, among other things, review the composition of the Board, consider the independence of the Independent Non-executive Directors and the retirement and re-election of directors. The members of the Nomination Committee and the attendance of each member at the committee meeting are set out as follows:

Committee member	委員會成員	Number of Committee meetings attended/held 委員會會議次數 出席／舉行
Mr. Ding Benxi (<i>Chairman</i>)	丁本錫先生 (<i>主席</i>)	1/1
Mr. Liu Jipeng	劉紀鵬先生	1/1
Dr. Xue Yunkui	薛雲奎博士	1/1

The Company established the Nomination Committee with written terms of reference in June 2005, which was amended and re-adopted by the Board with effect from 1 January 2019. It currently consists of three members, including a Non-executive Director and two Independent Non-executive Directors. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

審核委員會對任何其職權範圍內之事宜有明確之權力進行調查，並有權向獨立專業人士尋求建議。審核委員會可全面接觸管理層及獲得管理層之協助，並可合理地獲得所需資源以妥為履行其職責。審核委員會最少每年與外聘核數師開兩次會議。

提名委員會

提名委員會每年須至少召開一次會議。於二零一八年已舉行一次委員會會議，以(其中包括)檢討董事會之組成、考慮獨立非執行董事之獨立性以及董事之退任及重選。提名委員會成員以及各成員出席委員會會議之情況載列如下：

本公司於二零零五年六月成立提名委員會，並以書面具體列明其職權範圍。並經董事會修訂及重新採納，自二零一九年一月一日起生效。其現時由三名成員組成，包括一名非執行董事及兩名獨立非執行董事。提名委員會獲提供充裕資源以履行其職務，並可按本公司之政策在認為有需要時尋求獨立專業意見。

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The major roles and functions of the Nomination Committee are:

- (i) to review the performance of the Board and ensure that the Board and its committees consist of directors with the appropriate balance of skills, diversity and knowledge of the Company to enable it to discharge its duties effectively;
- (ii) to assist the Board in succession planning for the Board and senior management;
- (iii) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. When reviewing the structure, size and composition of the Board, the Nomination Committee shall take into consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience in accordance with the Board diversity policy adopted by the Company from time to time to achieve Board diversity;
- (iv) to draw up, review and update, as appropriate, the diversity policy for the Board's approval having due regard to the requirements of the Listing Rules in place from time to time, review and update the objectives that the Board has set for implementing such policy, and disclose the policy on diversity or a summary of the policy in the Company's corporate governance report;
- (v) to develop, review and implement, as appropriate, the policy for the nomination of Board members, which includes the criteria, process and procedures for the identification, selection and nomination of candidates for Directors for the Board's approval. Such criteria include but are not limited to the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity in accordance with the Company's diversity policy. The Nomination Committee should disclose in the Company's corporate governance report the nomination policy and the progress made towards achieving the objectives set in the policy;

提名委員會之主要角色及職能為：

- (i) 檢討董事會的表現，並確保組成董事會及其委員會的董事的技能、多元化及對本公司的認識達致適當平衡，讓董事會能有效履行其職責；
- (ii) 協助董事會制定董事會及高級管理層的繼任計劃；
- (iii) 至少每年一次檢討董事會的架構、規模及組成（包括技能、知識及經驗），並就任何為配合本公司的企業策略而擬作出的變動向董事會提出建議。在檢討董事會的架構、規模及組成時，提名委員會必須根據本公司不時採納的董事會成員多元化政策考慮多項因素，包括但不限於性別、年齡、文化及教育背景或專業經驗，以達致董事會成員多元化；
- (iv) 充分參照不時生效的上市規則規定，制定、檢討及更新（如適用）成員多元化政策供董事會批准，並檢討及更新董事會為落實該政策而制定的目標，以及於本公司的企業管治報告內披露成員多元化政策或政策的概要；
- (v) 制定、檢討及落實（如適用）提名董事會成員的政策，其中包括物色、甄選及提名董事候選人供董事會批准的準則、過程及程序。按照本公司的成員多元化政策，該等準則包括但不限於候選人在資格、技能、經驗、獨立性及性別多元化方面可為董事會帶來的潛在貢獻。提名委員會須於本公司的企業管治報告內披露提名政策及達致政策設定的目標的進度；

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- (vi) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
 - (vii) to assess the independence of independent non-executive directors having regard to relevant guidelines or requirements of the Listing Rules in place from time to time and, if a proposed director will be holding their seventh (or more) listed company directorship, his/her ability to devote sufficient time to Board matters;
 - (viii) to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors and senior management, in particular the chairman and the chief executive, taking into account all factors which the Nomination Committee considers appropriate including objective criteria and potential contributions a candidate can bring with due regard for the benefits of diversity on the Board, the challenges and opportunities facing the Group and skills and expertise required in the future and ensure that senior management succession planning is discussed at the Board at least once annually;
 - (ix) to keep under review the leadership needs and leadership training and development programmes of the Group, with a view to ensuring the continued ability of the Group to function effectively and compete in the market;
 - (x) to evaluate the needs for, and monitor the training and development of, directors;
 - (xi) to develop the procedures for the performance evaluation of the Board committees:
 - (a) review and assess the skills, knowledge and experience required to serve on various Board committees, and make recommendations on the appointment of members of the Board committees and the chairman of each committee;
- (vi) 物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
 - (vii) 參照不時生效的上市規則的相關指引或規定評核獨立非執行董事的獨立性，及倘擬任董事將出任其第七間(或以上)上市公司的董事職位，則評核其投入足夠時間處理董事會事務的能力；
 - (viii) 就董事委任或重新委任以及董事及高級管理層(尤其是主席及主要行政人員)的繼任計劃向董事會提出建議，當中已考慮提名委員會認為屬恰當的所有因素，包括客觀準則，及經參照董事會成員多元化的好處、本集團面對的挑戰及機遇以及未來需要的技能及專長後候選人可帶來的潛在貢獻，並確保董事會至少每年一次討論高級管理層的繼任計劃；
 - (ix) 持續檢討本集團對領導才能的需要以及領導培訓及發展課程，以確保本集團持續有效運作及在市場上競爭的能力；
 - (x) 評估董事對培訓及發展的需要並監察董事的培訓及發展；
 - (xi) 制定評估董事委員會表現的程序：
 - (a) 檢討並評核任職不同董事委員會所需的技能、知識及經驗，並就委任董事委員會成員及各委員會主席提出建議；

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- (b) recommend candidates to the Board to fill vacancies or new positions on the Board committees as necessary or desirable;
 - (c) review the feedback in respect of the role and effectiveness of the Board committees arising from the evaluation of the Board and/or any Board committees and make recommendations for any changes;
- (xii) to do any such things to enable the Nomination Committee to discharge its powers and functions conferred on it by the Board; and
- (xiii) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board.
- (b) 在必要或適宜的情況下，向董事會推薦候選人填補董事委員會的空缺或新職位；
 - (c) 檢討自評估董事會及／或任何董事委員會所得的對董事委員會角色及效能的意見，並就任何變動提出建議；
- (xii) 採取任何行動使提名委員會可履行董事會賦予的權力及職能；及
- (xiii) 符合董事會不時指定的任何要求、指示及規例。

Board Diversity

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length service. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. 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, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. According to Rule 13.92 of the Listing Rules, the above Board diversity policy of the Company has been approved by the Board and adopted by the Nomination Committee on 23 August 2013 and amended with effect from 1 January 2019 in compliance with the Listing Rules.

董事會成員多元化

為達致可持續的均衡發展，本公司視董事會層面日益多元化為支援其達到戰略目標及維持可持續發展的關鍵元素。本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則。並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。根據上市規則第13.92條，上述本公司之董事會成員多元化政策已於二零一三年八月二十三日由董事會通過及由提名委員會採納並經修訂（於二零一九年一月一日起生效），以遵守上市規則。

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The Nomination Committee holds meeting at least once a year to review the diversity of the Board and discuss the measurable objectives, including knowledge, appropriate professional qualifications, relevant business background and experience, skills, relevant management expertise and independence of Directors, and give recommendation to the Board. During the year, the Nomination Committee takes the view that the measurable objectives were achieved to a large extent. It paid particular attention on the cultural and educational background, professional and technical experience, and skills of the members of Board and also reviewed the composition between Executive Directors and Independent Non-executive Directors so as to ensure appropriate independence within the Board.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from the Group's finance department, the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group. The Directors also confirm that, to the best of their knowledge, information and belief, having made all reasonable enquires, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as going concern.

The report of the Company's external auditors, Ernst & Young, and their reporting responsibilities on the financial statements of the Group are set out in the Independent Auditors' Report from pages 92 to 99.

提名委員會每年最少舉行一次會議，審閱董事會成員多元化政策，並討論可計量目標(包括知識、適當之專業資格、相關業務背景及經驗、技能、相關管理專長、以及董事之獨立性)及向董事會提供意見。年內提名委員會認為在相當程度上達致可計量目標。提名委員會專注文化及教育背景、專業及技能專長、董事會成員技能，並審閱執行董事及獨立非執行董事之組成，以確保董事會內適當之獨立性。

問責及審核

財務匯報

董事確認彼等於本集團財務部之協助下編製本集團財務報表之責任，並確保財務報表符合法定要求及適用之會計準則。董事亦確保及時發佈本集團之財務報表。董事經作出一切合理查詢後確認，就彼等所知、所悉及所信，董事並不知悉有任何重大不明朗因素，乃有關於可能使本公司按持續基準經營之能力存在重大疑問之事件或狀況。

本公司外聘核數師安永會計師事務所之報告及其對本集團財務報表之匯報責任載於第92頁至第99頁之獨立核數師報告。

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External Auditors' Independence and Remuneration

The Audit Committee is mandated to monitor the independence of the external auditors to ensure the objectivity in the financial statements. Members of the Committee are of the view that the Company's external auditors are independent. During the year, the remuneration paid/payable to the Company's external auditors are set out as follows:

外聘核數師之獨立性及酬金

審核委員會獲授權監察外聘核數師之獨立性，以確保財務報表之客觀性。委員會成員認為本公司之外聘核數師具獨立性。於年內，已付／應付本公司外聘核數師之酬金載列如下：

Services rendered for the Group	向本集團提供之服務	Fee paid/payable 已付／應付費用 HK\$'000 千港元
Annual audit services	年度核數服務	1,110
Non-audit services:	非核數服務：	
Review of interim report	審閱中期報告	380
Special projects	特別項目	2,840

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibilities for maintaining sound and effective risk management and internal control systems of the Group. The Group's system of risk management and internal control includes a defined management structure with limited authority, and is designed to achieve business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provisions of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is put in place to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives. The Board has conducted review of the Group's risk management and internal control systems during the year ended 31 December 2018 including financial, operational controls and risk management functions and ensured the adequacy of resources, staff qualifications and experience, training programmes and budget for the Group's accounting and financial reporting functions at least annually. The Board has also reviewed the effectiveness of the risk management and internal control systems and considered them to be effective and adequate.

風險管理及內部監控

董事會全面負責維持本集團良好有效之風險管理及內部監控系統。本集團之風險管理及內部監控系統包括界定管理層架構之權力範圍，並旨在達致業務目標、保護資產以防未經授權使用或處置、確保適當之會計記錄得以保存以便提供可靠之財務資料供內部使用或對外發放，並保證遵守有關法例及規例。上述已制訂之系統合理（但並非絕對）保證並無重大失實陳述或損失，及管理（但並非完全消除）營運系統失誤及本集團未能達標之風險。董事會於截至二零一八年十二月三十一日止年度內對本集團風險管理及內部監控系統進行至少每年一次之檢討，包括財務、營運監控及風險管理職能，並確保本集團在會計及財務匯報職能方面的資源、員工資歷及經驗、培訓以及預算均為足夠。董事會亦已檢討風險管理及內部監控系統的有效性，認為該等系統均為有效、充足。

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In relation to the Board's risk management and internal control functions, the Board fulfils its duties by determining the policy for the corporate governance of the Company by reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, developing and monitoring the codes of conduct applicable to employees and the Directors of the Company, reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, and receiving and monitoring the training and continuous professional development of Directors and senior management of the Company. Where any significant risks are identified, the Board will evaluate and manage such risks by considering the severity of the impact of the risk on the Company's financial results, the probability that the risk will occur and the imminence of the risk.

The Group does not have an internal audit function, but instead shares and benefits from the internal audit function of its parent, DWCM, which operates an internal audit function for all of its subsidiaries, including the Group. The Board has reviewed the effectiveness of the risk management and internal control systems of the Company and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the efficiency and effectiveness of the current internal audit arrangement. The situation will be reviewed from time to time.

The Group has adopted procedures for the handling and dissemination of inside information in a timely manner and in compliance with the SFO. The procedures and their effectiveness are subject to review on a regular basis. Unless the inside information falls within any of the safe harbors as permitted under the SFO, the Group is required to disseminate such information through the electronic publication system operated by the Stock Exchange to the public in a timely manner. All Directors, officers and relevant employees are required to take reasonable precautions for preserving the confidentiality of inside information and the relevant announcement (if applicable) before publication. If the Group believes that the necessary degree of confidentiality cannot be maintained, the Group will immediately disclose the information to the public as soon as reasonably practicable.

Directors' Training

Pursuant to CG Code Provision A.6.5, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Directors have been given relevant guideline

關於董事會的風險管理和內部監控職能，董事會已通過審閱和監督本公司對遵守法律與監管要求的政策和慣例以制定本公司治理政策，發展並監察適用於本公司職工和董事的行為守則，審閱本公司遵守企業管治守則情況及企業管治報告中披露情況，接受和監督本公司董事、高級管理人員的培訓和持續專業發展等各項以履行職責。如果發現重大風險，董事會將通過考慮該等風險對本公司財務業績影響的嚴重程度、該等風險發生的可能性和即將發生與否，以評估和管理該等風險。

本集團並無設有內部審計職能部門，但受惠自其母公司大連萬達商業管理（為其所有附屬公司（包括本集團）運作內部審計職能部門）之內部審計職能。董事會已檢討本公司風險管理及內部監控系統之成效，目前認為鑒於當前之內部審計安排之效率及成效，毋須即時於本集團設立內部審計職能部門。本集團將不時檢討該情況。

本集團已實行及時處理及發佈內幕消息的程序，並遵守證券及期貨條例。該等程序及其有效性須定期檢討。除非內幕消息屬於證券及期貨條例所允許的任何安全港範圍內，否則本集團須透過聯交所營運之電子登載系統及時向公眾人士發佈有關消息。所有董事、高級人員及相關僱員須在發佈前採取合理預防措施，將內幕消息及相關公佈（如適用）保密。倘本集團認為無法維持必要的保密程度，本集團將即時在合理可行情況下盡快向公眾披露有關資料。

董事培訓

根據企業管治守則條文A.6.5條，所有董事應參與持續專業發展，發展及更新其知識及技能。各董事已獲相關指引材料，以確保其獲

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materials to ensure that they are apprised of the latest changes in the commercial, legal and regulatory requirements in relation to the Company's businesses, and to refresh their knowledge and skills on the roles, functions and duties of a director of a listed company.

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board.

The Company also continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are also issued to Directors where appropriate to ensure their awareness of best corporate governance practices.

The Directors are continually updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged where necessary. Individual Directors also participated in the courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of attending training courses or via online aids or reading relevant materials.

All the Directors (namely, Mr. Ding Benxi, Mr. Zhang Lin, Mr. Han Xu, Mr. Ning Qifeng, Mr. Liu Jipeng, Dr. Xue Yunkui and Mr. He Zhiping) have participated in relevant trainings and have provided the relevant records to the Company. The Directors developed and updated their knowledge and skills through participation in the training programmes, which in turn ensures that they could make suitable contribution to the Board.

Company Secretary's Training

Pursuant to Rule 3.29 of the Listing Rules, the Company Secretary must take no less than 15 hours of relevant professional training in each financial year. The Company Secretary provided her training records to the Company indicating more than 15 hours of relevant professional development by means of attending in-house briefings, attending seminars and reading relevant guideline materials for the financial year ended 31 December 2018.

悉與本公司業務相關的商業、法律與監管規定的最新變化，並更新其作為上市公司董事於角色、職能及職責方面的知識及技能。

新董事在獲委任後將會取得一份就任資料，載有所有主要法律及上市規則規定，以及董事應遵守之責任及義務之指引。資料亦將包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。

本公司亦持續為董事提供有關上市規則及其他適用監管規定之最新發展，以確保董事遵守該等規則及提高其對良好企業管治常規之意識。在適當的情況下，本公司亦會向董事發出通函或指引附註，以確保彼等對最佳企業管治常規保持警覺性。

董事將持續獲提供有關法定及監管制度以及業務環境之最新資料，以協助彼等履行職責。本公司將於有需要時持續向董事提供資訊及專業發展。個別董事亦參與有關上市公司董事角色、職能及職責之課程或透過參加培訓課程或透過網上支援或閱讀有關資料而進一步提高其專業發展水平。

全體董事(即丁本錫先生、張霖先生、韓旭先生、寧奇峰先生、劉紀鵬先生、薛雲奎博士及何志平先生)已參與有關培訓，並向本公司提供有關記錄。董事透過參與培訓計劃發展及更新彼等之知識及技能，亦確保彼等能為董事會作出適當貢獻。

公司秘書培訓

根據上市規則第3.29條，公司秘書必須於每個財政年度接受不少於15小時的相關專業培訓。截至二零一八年十二月三十一日止財政年度，公司秘書向本公司提供其培訓記錄，顯示其透過出席內部簡介會、出席講座及閱讀相關指引材料的方式接受超過15小時的相關專業培訓。

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COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good and effective communication with its shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim reports, annual reports, announcements, notices and circulars, which are published to the website of the Stock Exchange and the Company's own website.

The Company's annual general meeting (the "AGM") is a valuable forum for the Board to communicate directly with the Company's shareholders. The Chairman actively seeks to participate at the AGM and personally chair the AGM to answer any questions from the Company's shareholders. A separate resolution is proposed by the Chairman in respect of each issue to be considered at the AGM. An AGM circular is distributed to all shareholders at least 21 days prior to the AGM, setting out details of each propose resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. The Chairman explains the procedures for demanding and conducting a poll again at the beginning of the AGM, and (except where a poll is demanded) reveals how many proxies for and against have been received in respect of each resolution.

SHAREHOLDERS' RIGHTS

Set out below is a summary of certain rights of the Company's shareholders as required to be disclosed pursuant to the CG Code.

Convening an Extraordinary General Meeting and Procedures for Putting Forward Proposals by Shareholders at General Meeting

Shareholders may request the Company to convene a general meeting according to the provision as set out in the Company's Bye-Laws and the Companies Act of Bermuda. A copy of the Company's Bye-Laws is available on the Company's website.

Shareholders holding not less than one-twentieth (5%) of the total voting rights of the Company, or not less than 100 shareholders, can put forward a proposal at a general meeting of the Company pursuant to and in accordance with the Companies Act of Bermuda. The requisition specifying the proposal, duly signed by the requisitionists, together with

與股東之溝通

董事會瞭解與其股東保持良好及有效聯繫之重要性。有關本集團之資料乃透過多種正式途徑適時向股東傳達，包括於聯交所網站及本公司本身的網站內刊登之中期報告、年報、公告、通告及通函。

本公司股東週年大會（「股東週年大會」）乃董事會直接與本公司股東聯繫之寶貴機會。主席尋求積極參與並親自主持股東週年大會，以於股東週年大會上回應本公司股東之任何詢問。主席就每項將於股東週年大會上審議之議題提呈個別之決議案。股東週年大會之通函於股東週年大會舉行前最少二十一天發送予全體股東，通函載列每項擬提呈決議案之詳情、投票程序（包括要求以投票方式進行表決之程序）及其他相關資料。主席於股東週年大會開始時，會再次解釋要求以投票方式進行表決之程序，及（要求以投票方式表決者除外）宣佈就每項決議案已接獲委任代表之贊成及反對票數。

股東權利

以下為本公司股東根據企業管治守則須予披露之若干權利之概要。

召開股東特別大會及股東於股東大會上提呈建議之程序

股東可要求本公司根據本公司之公司細則及百慕達公司法所載之條文召開股東大會。本公司之公司細則副本載於本公司網站。

根據及按照百慕達公司法，持有本公司不少於二十分之一（5%）總投票權之股東，或不少於100名股東，可於本公司股東大會上提呈建議。經請求人簽妥的要求書須註明提呈之建議，載有關於該建議內所述事宜，並隨附合理

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a statement with respect to the matter referred to in the proposal, must be deposited at the principal office of the Company in Hong Kong or the Company's Hong Kong branch share registrar and transfer office with a sum reasonably sufficient to meet the Company's relevant expenses.

The procedure for Shareholders to nominate a person for election as a Director is also available on the Company's website. Subject to the Bye-Laws of the Company, any shareholder wishing to nominate an individual for election as a Director of the Company at the AGM shall, no later than 7 days prior to the relevant general meeting, submit a completed form of nomination to the principal place of business of the Company in Hong Kong, and in default the form of nomination submitted shall be treated as invalid. Any such form of nomination shall be accompanied by a biographical profile of each proposed nominee and a written statement from the proposed nominee consenting to be nominated and, if nominated and elected, consenting to serve as a Director of the Company. The biographical profile of each proposed nominee shall include at least the following information: (i) full name, age and address of the proposed nominee; (ii) past and present directorships (if any) and employment of the proposed nominee; (iii) the information as required to be include in the announcement of the Company under Rule 13.51(2) of the Listing Rules.

Enquiries from shareholders to the Board

In order to ensure effective communication between the Company's shareholders and the Board, the Company adopted the shareholders communication procedures on 28 February 2012. According to the shareholders communication procedures, the Board is responsible for maintaining an on-going dialogue with the Company's shareholders and in particular, use AGMs or other general meetings to communicate with them and encourage their participation. The chairman of the Board should attend the annual general meeting. He should also invite the Independent Non-executive Directors, the chairmen of the Audit, Remuneration, Nomination and any other Committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the AGM.

The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval.

足夠金額以滿足本公司相關開支的要求，送交本公司香港主要辦事處或本公司的香港股份過戶登記分處。

股東提名人士參選董事之程序亦載於本公司網站。根據本公司之公司細則，任何股東如欲於股東週年大會上提名個別人士參選本公司董事，須於有關股東大會前七天將已填妥之提名表格遞交本公司之香港主要營業地點，未能如期遞交提名表格即視作無效。任何提名表格須連同每名建議提名人士之履歷，以及建議提名人士同意被提名及(如獲提名及參選)同意出任本公司董事之書面陳述遞交。每名建議提名人士之履歷須最少包括以下資料：(i) 建議提名人士之全名、年齡及住址；(ii) 建議提名人士過去及現時擔任之董事職務(如有)及職業；(iii) 根據上市規則第13.51(2)條須載於本公司公告之資料。

股東向董事會作出查詢

為確保本公司股東與董事會能有效溝通，本公司於二零一二年二月二十八日採納股東溝通程序。根據股東溝通程序，董事會應負責與本公司股東持續保持對話，尤其是藉股東週年大會或其他股東大會與股東溝通及鼓勵彼等參與。董事會主席應出席股東週年大會，亦應邀請獨立非執行董事、審核委員會、薪酬委員會、提名委員會及任何其他委員會之主席(視何者適用而定)出席。倘彼等未克出席，主席應邀請委員會另一名成員或如該成員未克出席，則其適當委任之代表出席。該等人士應在股東週年大會上回答提問。

獨立董事委員會的主席(如有)亦應在任何批准關連交易或須獨立股東批准之任何其他交易之股東大會上回答提問。

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Shareholders may at any time send their enquiries and concerns to the Board in writing, whose contact details are as follows:

The Board of Directors
Wanda Hotel Development Company Limited
Unit 3007, 30th Floor
Two Exchange Square
8 Connaught Place
Central, Hong Kong

The Board and/or relevant board committees of the Company will consider the enquiries and concerns raised by the shareholders and reply as appropriate.

CONSTITUTIONAL DOCUMENTS

There are no significant changes in the Company's constitutional documents during the year ended 31 December 2018.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders are also welcome.

股東可隨時以書面形式向董事會提出查詢及關注事項，董事會的聯絡資料如下：

香港中環
康樂廣場8號
交易廣場2座
30樓3007室
萬達酒店發展有限公司
董事會

董事會及／或本公司相關董事委員會將會審議股東提出的查詢及關注事項，並於適當時候作出回覆。

章程文件

截至二零一八年十二月三十一日止年度，本公司之章程文件並無重大改變。

提升企業管治水平

提升企業管治並非單純應用及遵守企業管治守則，乃關乎推動及建立道德與健全之企業文化。本公司將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司亦歡迎股東提供任何意見及建議。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

This Environmental, Social and Governance Report (the “Report”) highlights the Group’s environmental, social and governance (“ESG”) strategy, measures and achievements covering the period from 1 January to 31 December 2018, which is consistent with our financial year. We strive to implement the established principle of materiality, quantitative, balance and consistency and are dedicated to maximising the interests of our stakeholders by upholding the sustainability approaches.

The Report was prepared in accordance with the ESG Reporting Guide set out in Appendix 27 of the Main Board Listing Rules issued by the Hong Kong Stock Exchange. An independent consulting firm was appointed to provide professional advice with regards to the preparation of the Report.

The policy documents, statements and data published in the Report cover the ESG performances of the Group’s business in Hong Kong, the PRC and the USA. As a result of the Disposal of the London Project and the Australian Projects in 2018, this Report does not include these projects for the year. Wanda Hotel Management HK was acquired by the Company on 31 December 2018 and it is also not included in this Report.

The Report has been approved by the Board before publication.

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

Actively managing ESG matters is vital to the sustainable growth of the Group. We do our utmost to construct a harmonious society by paying due care and respect to the environment, our staff, business partners and the community.

關於本報告

本環境、社會及管治報告(下稱「本報告」)重點列出本集團由二零一八年一月一日至十二月三十一日期間(與我們的財政年度一致)的環境、社會及管治(「ESG」)策略、措施及成果。我們努力實踐既定的重要性、量化、平衡及一致性原則，並致力透過維持可持續發展方法追求持份者的利益最大化。

本報告根據香港聯交所頒佈之《主板上市規則》附錄二十七《環境、社會及管治報告指引》進行編製。就編製本報告而言，本集團委任獨立顧問機構提供專業意見。

本報告中公佈的政策文件、聲明、數據等覆蓋本集團在香港、中國及美國的ESG表現。於本年度，由於我們於二零一八年出售倫敦項目及澳洲項目，故本報告不包括該等項目。於二零一八年十二月三十一日本公司已收購萬達酒管(香港)，惟亦不包括於本報告內。

本報告於發佈前已經過董事會批核通過。

我們的可持續發展理念

積極管理ESG事宜對本集團的可持續發展至關重要。透過對環境、員工、業務夥伴及社區給予應有的關注及尊重，我們盡最大努力建構和諧社會。

Environmental, Social and Governance Report

環境、社會及管治報告

Sustainability Governance

The Group has established a sound and solid governance practice over ESG matters. The Board takes full responsibility for developing ESG approaches, evaluating and monitoring ESG-related risks, assessing the effectiveness of the ESG measures launched within the Group. Management of regional operations handles the daily ESG matters by following the guidance provided by the Board and report in due course, to ensure the Group strictly complies with the local ESG regulations and ordinances. ESG performance is reviewed and evaluated on a regular basis, and the results are disclosed to stakeholders in our annual ESG report to manifest the effort we have made towards a sustainable environment and society.

The Group stresses the full implication of integrity in the workplace to maintain a fair and efficient working environment. We uphold the highest ethical and governance standards in our business operations, and the Group has zero tolerance for corrupt activities. We reinforce our anti-corruption commitment through the implementation of a set of anti-corruption policies and procedures and require all Group members and staff to comply. For instance, employees are prohibited for a request, and to receive or obtain any advantage from any persons, companies or organizations that have business dealings with the Group. There is no legal cases associated with corrupt practice were brought against the Group and its employees during the reporting year.

Stakeholders Engagement

The Group a broad spectrum of stakeholders, including employees, shareholders and investors, suppliers, customers, tenants and community partners span in places where we operate. We endeavour to create long-term value for our stakeholders, as such, we anticipate their needs and expectations by listening to their opinions and feedbacks and has been in a close liaison with different stakeholders continuously through daily communications, general meetings and periodic ESG-targeted engagements.

可持續發展的管治

本集團實行良好和穩健的ESG管治常規。董事會對制定ESG策略、評估及監視與ESG相關的風險以及評估本集團內部推出的ESG措施的有效性承擔全面責任。區域營運管理人員按照董事會提供的指引處理日常ESG事宜，並在適當時候匯報，以確保本集團嚴格遵守當地ESG法規及條例。ESG表現定期進行審核及評估，並於年度的ESG報告中向持份者披露結果，以體現我們為可持續發展的環境及社會所作出的貢獻。

本集團強調於工地全面秉承誠信原則，以維持一個公平及高效的工作環境。我們於業務營運中維持最高道德及管治標準，而本集團亦不會容忍任何貪污活動。我們透過實施一系列反貪污政策及程序以加強我們的反貪污決心，並要求所有本集團成員公司及員工遵守。例如，員工嚴禁向與本集團有業務往來之任何人士、公司或機構要求、收取或接受任何利益。本集團及其員工於報告年度內未有涉及任何貪污訴訟的案件。

與持份者溝通

本集團的持份者涉及廣泛層面，包括員工、股東及投資者、供應商、顧客、租戶及社區合作夥伴等，遍佈我們的營運地區。我們致力為持份者創建長遠價值，為此，我們聆聽各持份者的意見及回饋，以預測彼等的需求及期望，並透過日常溝通、股東大會及針對ESG事宜的定期溝通，與不同持份者維持緊密聯繫。

Environmental, Social and Governance Report

環境、社會及管治報告

Materiality Analysis

A detailed survey on ESG issues is conducted every two to three years to ensure comments, advices and expectations from stakeholders are communicated effectively to our senior management, helping us to understand and evaluate the Group's ESG strategies and performance by identifying ESG issues that are material to the Group's operations and our stakeholders. Also, stakeholders' responses are reviewed annually by our senior management to reevaluate the focuses of the Group's ESG strategies. The results are then confirmed by the Board to ensure our ESG policies are in line with the needs of our stakeholders, significant to the business and adhere to relevant laws and regulations.

Upon the annual review of ESG issues, a total of nine ESG issues identified from last year remain material to the Group:

重要範疇評估

本集團每兩至三年就 ESG 事宜進行詳細調查，以確保持份者的意見、建議及期望能有效傳達予我們的高級管理層，有助我們透過識別對本集團營運及持份者而言屬重大的 ESG 事宜，了解及評估集團的 ESG 策略及表現。此外，我們的高級管理層每年均會審閱持份者的回應，以重新評估本集團 ESG 策略的重點，有關結果其後由董事會確認，確保我們的 ESG 政策與持份者的需求一致，且對業務具有重大意義，並符合相關法律法規。

於就 ESG 議題進行年度審核後，我們共識別出九個於上年度識別而對本集團而言仍然屬重大的 ESG 議題：

Key Areas 主要範疇	Material ESG Issues Identified 已識別的重大 ESG 議題
Environmental protection 環境保護	<ul style="list-style-type: none"> Waste management 廢棄物管理
Employment and labour practices 僱傭及勞工常規	<ul style="list-style-type: none"> No child labour/forced labour 不存在童工及強迫勞動 Equal opportunities 平等機會 Diversity and non-discrimination 多元化及不歧視 Safe working environment 安全的工作環境
Operating practices 營運慣例	<ul style="list-style-type: none"> Anti-corruption 反貪污 Health and safety of products and services 產品及服務的健康與安全 Customer satisfaction 顧客滿意度 Customer data privacy 客戶資訊隱私

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環境、社會及管治報告

ENVIRONMENTAL PROTECTION

The Group spares no effort in supporting sustainable development and reducing our environmental footprint by introducing green elements into our property development, leasing and management businesses. Over the years, we have placed strenuous efforts in promoting green building to support water and energy conservation measures to reduce carbon dioxide emissions. We have also been practising proper waste management and effective use of resources with the aim to minimise the potential impact of our business on the ecological environment. Above all, the Group is committed to ensuring that each business unit and operation complies with relevant local environmental regulations, including but not limited to the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) and the Solid Waste Pollution Prevention and Control Law of the People's Republic of China. In 2018, the management did not note any regulatory violations related to the environment, as well as the complaints, fines or sanctions caused by breach of environmental regulations.

Promoting Sustainable Buildings

The Group actively seeks opportunities to apply green building designs and strategies during the design and construction of projects to minimise the use of energy, water and materials and the generation of waste in the life cycle of the buildings. The Guilin Gaoxin Wanda Plaza is one of the examples of the Group's best practices in promoting green building.

Guilin Gaoxin Wanda Plaza is equipped with green features that reduce the negative impact on the environment and has attained the "1-star" level criteria of the China Green Building Label as a recognition. It adopts the "Huiyun Smart Management System", an innovative system developed by its parent company DWCM, which promotes safe, green and smart operation. It integrates five management systems of fire-fighting, security, equipment, operation and energy conservation into one standardised platform for operation. This system not only ensures high-quality services with lowered operating costs but also improves the energy efficiency of the building through the improvement of the electric and mechanic system. Along with the adoption of the particular measures, including but not limited to energy conservation device, water saving system, and natural lighting design, the Guilin Gaoxin Wanda Plaza demonstrates the concept of green building.

環境保護

本集團於物業開發、租賃及管理的業務中引入綠色元素，不遺餘力地支持可持續發展及減少對環境的影響。多年來，我們一直致力推動綠色建築，以支持節水、節能措施，以減少二氧化碳排放。我們亦實施適當的廢棄物管理及有效利用資源，盡量減少我們的業務對生態環境的潛在影響。最重要的是，本集團致力確保每個業務單位及營運點遵守當地相關的環境保護法規，包括但不限於《廢物處置條例》（香港法例第354章）和《中華人民共和國固體廢物污染環境防治法》。於二零一八年，管理層並無察覺任何與環境保護相關的違規事件，亦無因違反環境保護法規而引起的投訴、罰款或制裁。

推動可持續發展建築

本集團於項目設計及建設過程中積極尋找機會應用綠色建築設計及策略，令建築物於生命週期內盡量節能、節水及節材，並減少廢棄物。桂林高新萬達廣場是本集團推廣綠色建築的最佳實踐之一。

桂林高新萬達廣場配備綠色環保功能，減少對環境的負面影響，並獲得中國綠色建築的「一星」標準認證。桂林高新萬達廣場採用了母公司大連萬達商業管理研發的創新系統——「慧雲智慧化管理系統」，推動安全、綠色及智慧的營運。此系統將消防、安防、設備、營運和節能五大管理體系集合於一個平台上統一操作；不但能確保服務品質並減低營運成本，同時透過提升機電系統改善建築物的能源效益。桂林高新萬達廣場更採用特定措施，包括但不限於節能裝置、節水系統及自然採光設計，體現了綠色建築的理念。

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Green Building Features 綠色建築特色	Functions 功能
Huiyun Smart Management System 慧雲智慧化管理系統	Standardise operation to ensure service quality, and at the same time, increase energy efficiency. 規範營運以確保服務質素並同時提高能源效益。
Rainwater catchment system 雨水收集系統	Collect and reuse rainwater for landscaping to reduce water consumption. The system collects about 1,500 cubic meter of rainwater on average every year ¹ . 收集及重用雨水灌溉園林景觀以減少用水量。 系統每年平均收集大約1,500立方米雨水 ¹ 。
Dome skylights 圓頂天窗	Provide natural daylight for indoor areas to reduce energy consumption for lightings. 為室內地方提供自然光以減少照明造成的能源消耗。
Electric sunshade 電動遮陽板	Lower the indoor temperature in the daytime to reduce energy consumption for air-conditioning. 於日間降低室內溫度以減少空調造成的能源消耗。

Using Resources Wisely

The Group recognises that the exploitation of resources poses an impact on the environment. To minimise adverse environmental effects brought by our business operations, the Group adopts effective management measures in our day-to-day operations to improve the efficiency of resources use. These initiatives are also useful in reducing greenhouse gas emissions.

In terms of energy conservation and greenhouse gas emissions reduction, the newly acquired electrical appliances in Hong Kong offices will consider the most energy efficient device in the market. Those certified with Grade 1 energy labels will be considered at a higher priority. The air-conditioners are automatically turned off during non-office hours and be cleaned and inspected regularly to maintain their high efficiency. For most of our leased offices, we require the lighting to be controlled by the smart building management system to reduce energy wastage. When travel is inevitable, the Group strongly recommends our staff to use public transportation whenever possible.

¹ The system was not operating at its optimal range in 2018. Maintenance work is currently being carried out.

善用資源

本集團意識到開採資源對環境造成一定的影響。為盡量減低業務營運所帶來的負面環境影響，本集團於日常營運中採取有效的管理措施，提高資源使用效率。此等舉措亦有助減少溫室氣體排放。

在節省能源及減少溫室氣體排放方面，香港辦公室全新添置的電器將會考慮市場上最佳節能的設備。獲得一級能源效益標籤的電器產品將獲優先考慮。冷氣機會在非辦公時間自動關掉，並定期進行清潔及檢查，維持其高效率。就大部分租用的辦公室而言，我們要求燈光由智能建築管理系統控制，從而減少浪費能源。如必須外出辦事，本集團大力鼓勵員工盡量使用公共交通工具。

¹ 系統未在一二零一八年最大化運行。目前我們正進行維護工作。

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In terms of materials conservation, the Group highly encourages our staff to adopt a paperless culture. We recommend our employees to file drawings, reports, contracts and other documents in electronic versions and choose double-sided printing in case printing is unavoidable.

在節約資源方面，本集團極度鼓勵員工追求無紙文化。我們建議員工就圖紙、報告、合約等文件的歸檔採用電子版本，並在必須要列印的情況下盡量選擇雙面列印。

	Unit 單位	2018 ² 二零一八年 ²
Total greenhouse gas emissions and intensity³ 溫室氣體總排放量及密度 ³		
Total greenhouse gas emissions 溫室氣體總排放量	Tonnes (carbon dioxide equivalent) 公噸(二氧化碳當量)	5,627
Greenhouse gas emissions intensity 溫室氣體排放密度	Tonnes (carbon dioxide equivalent)/ square meter 公噸(二氧化碳當量)/平方米	0.1
Total energy consumption and intensity 能源總耗量及密度		
Total energy consumption — electricity 總能源消耗量 — 電力	kWh 千瓦時	8,726,018
Total energy consumption intensity 總能源消耗密度	kWh/square meter 千瓦時/平方米	210
Total water consumption and intensity⁴ 總耗水量及密度 ⁴		
Total water consumption 總耗水量	Cubic meter 立方米	150,806
Total water consumption intensity 總耗水量密度	Cubic meter/square meter 立方米/平方米	4

² As a result of the disposal of overseas projects, London Project and Australia Projects are excluded from the data. The comparative figures of 2017 are therefore not provided here.

³ The figure includes only indirect (Scope 2) greenhouse gas emissions as the emission of direct (Scope 1) greenhouse gas is insignificant during the reporting year.

⁴ The data excludes water consumption from the Hong Kong office.

² 由於出售海外項目，數據並不包括倫敦項目及澳洲項目。因此，2017年的比較數據未有在此披露。

³ 由於本年度的直接(範疇一)溫室氣體排放量並不顯著，數據只涉及間接(範疇二)溫室氣體排放。

⁴ 數據不包括香港辦公室的耗水量。

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Managing Waste Responsibly

Waste management was rated as one of the nine most material ESG issues to the Group in our past stakeholder engagement exercises. To this end, the Group has been committed to adopting effective waste management measures to reduce the environmental impact of waste generated from our business. We adopted a three-tiered approach that prioritises waste avoidance along with reduction and recovery over disposals in all of our operations to achieve sustainable solid waste management. Waste management companies are appointed to ensure waste is handled properly and legally.

For instance, wastes is sorted before disposal to identify recyclables. Materials with recycling values, such as paper, are recycled to extend their life cycle and reduce the wastage of resources. During the year, approximately 2,184 tonnes of non-hazardous waste is generated while a total of 156 kg of waste paper is recycled.

WALK ALONG WITH EMPLOYEES

Our employees are the key to the corporate development of the Group. Our staffs do not only contribute to maintaining a good business operation, but also play a crucial role in providing quality services and products to our customers. The Group continued to deploy resources for the staff welfare enhancement to raise staff morale and to attract and retain talents. This includes providing diversified training to equip our staff with the necessary skills to perform their roles and creating a friendly and safe working environment. A series of fair, open and comprehensive employment policies have been established and implemented across our offices to support our management and to ensure our compliance against employment-related regulations and laws. In particular, we comply to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) in Hong Kong, as well as the Labour Law and Labour Contract Law of the People's Republic of China. In 2018, no confirmed major violations associated with labour and dismissal rule and legislation were brought against to the Company and its employees.

可靠的廢棄物管理

於過去的持份者參與溝通活動中，廢棄物管理被評為對本集團而言九個最為重要的ESG議題之一。為此，本集團一直致力採取有效的環保措施，減低因業務而產生的廢棄物對環境所造成的影響。我們採用三層架構，優先考慮避免產生廢物，同時減少和回收所有業務的廢棄物，以實現可持續固體廢物管理。我們委派廢物管理公司確保廢物得到妥善和合法的處理。

例如，我們對廢棄物進行分類處置，以識別可回收物品；並對具有回收價值的物料如紙張等進行回收，延長其生命週期並減少資源浪費。年內產生約2,184噸無害廢棄物，並回收共156公斤廢紙。

與員工同行

員工是推動集團企業發展的關鍵。員工不但能維持良好的業務營運，更能擔當重要角色，為客戶提供優質服務和產品。集團持續投放資源，增加員工福利，藉此提高員工士氣，吸納及保留人才，當中包括提供多元化培訓，裝備員工所需技能以履行職務及創建一個友善、安全的工作環境。我們亦制定並於辦公室推行一系列公平、公開及全面的僱傭政策，以支持內部管理及確保所有事項均符合與僱傭相關的規例及法律，當中包括《僱傭條例》（香港法例第57章）、《中華人民共和國勞動法》和《中華人民共和國勞動合同法》。於二零一八年，本集團及其員工並無與勞動及解聘法規法例相關的已確認重大違規事件。

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Talents Acquisition and Retention

The Group's recruitment process adheres to the principle of openness and transparency, and we are committed to providing fair career development opportunities to all employees. According to our employment policy, it clearly states the prohibition of child labour employment and forced labours as to ensure compliance with the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) and the Provisions on the Prohibition of Using Child Labour under respective legislations. As such, we run background check for all job applicants and review our employment policy where necessary. The management will take reasonable actions in respect to the interests of the child or forced labour if any potential contravention is observed.

The Group offered competitive pay subject to staff performance, experience and market salary level, while the distribution of discretionary bonus is subject to the profitability of the company and employees' performances. Other employee benefits include provident funds, social insurance, personal accident insurance, annual health check, medical welfare, housing subsidy, free working meals, education subsidy and training programs.

The Group has provided staff with a clear promotion ladder and promotion opportunities to retain talents as well as to appreciate their contributions. Employee performance appraisal is carried out annually, with appeal channels available to ensure the review process is fair and just. Besides from external recruitment, the staff is nominated for internal promotion where there are vacancies to increase employee's career mobility.

The Group promotes a diversified working environment and stands against any form of discrimination. We strive to develop a friendly workplace by encouraging uninhibited dialogues and cooperation among employees and upholding a harmonious working relationship. We support employees to organise different forms of teambuilding activities to foster team spirits, such as birthday parties, gatherings, outings, and festive celebrations.

人才吸納及保留

本集團的招聘流程遵循公開透明的原則，我們亦致力為全體員工提供平等的職業發展機會。根據我們的僱傭政策，明確規定嚴禁聘用童工及強迫勞動，確保遵守《僱用兒童規例》（香港法例第57B章）及《禁止使用童工規定》。因此，我們對所有求職者進行背景調查，並適時檢討我們的僱傭政策。若發現任何潛在違規行為，管理層將就童工或強迫勞動的利益採取合理行動。

本集團按員工表現、經驗及市場薪酬水平給予具有競爭力的薪酬，而表現掛鉤花紅分派則視乎公司盈利能力及員工表現而定。其他僱員福利包括公積金、社會保險、人身意外傷害保險、年度體檢、醫療福利、住房補貼、免費工作餐、教育補貼及培訓課程。

本集團為員工提供明確的晉升階梯和晉升機會，從而保留人才，並重視員工的貢獻。本集團每年對員工進行考核，亦提供申訴渠道，確保考核過程公平、公正。如出現職位空缺，在外部招聘的同時，本集團亦會推薦員工進行內部調升，增加員工的職業流動性。

本集團提倡多元化的工作環境，並反對任何形式的歧視。我們鼓勵員工之間不受約束的溝通與合作，維持和諧的工作關係，努力營造友好的工作環境。我們亦支持員工組織不同形式的團隊建立活動，如慶生會、聚會、郊遊及節慶活動等，從而培養團隊精神。

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During the reporting year, the Group has 229 employees in Hong Kong, the PRC and the USA.

於報告年度，集團於香港、中國及美國共聘用 229 名員工。

Employee Distribution⁵

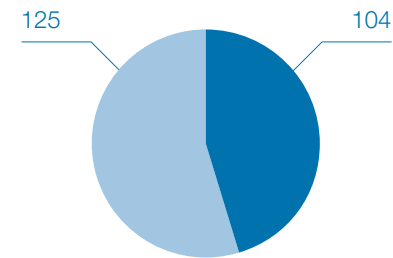
員工分佈⁵

As of 31 December 2018

截至二零一八年十二月三十一日

Distribution by gender 按性別分佈

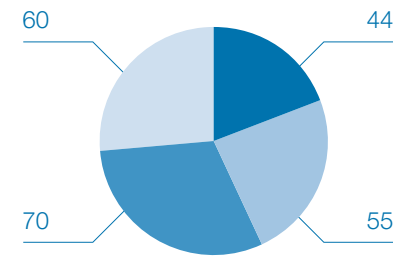
Number of employees
員工人數



■ Male 男性
■ Female 女性

Distribution by age 按年齡分佈

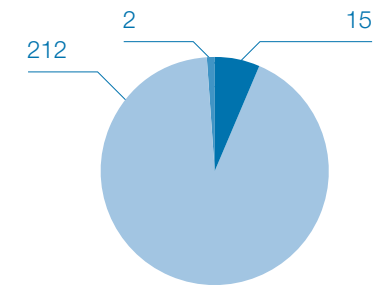
Number of employees
員工人數



■ Aged 30 or below 30歲或以下
■ Aged 31-40 31-40歲
■ Aged 41-50 41-50歲
■ Aged above 50 50歲以上

Distribution by geographical location 按地區分佈

Number of employees
員工人數



■ Hong Kong 香港
■ The PRC 中國
■ The USA 美國

Training and Development

Talent development is at the forefront of our planning. By facilitating our employees to participate in various on-the-job training and continuous learning initiatives, we hope to foster their career development in the workplace. In 2018, the Group provided comprehensive training to our employees that focused on improving work-related skills and knowledge. The total training delivered in 2018 has reached 3,697 hours with the average of 16 hours per employee.

⁵ As a result of the disposal of overseas projects, London Project and Australia Projects are excluded from the data.

培訓及發展

人才發展是我們規劃的重中之重。透過促進員工參與各類在職培訓及持續學習計劃，我們希望於本集團培育他們的職業發展。於二零一八年，本集團為員工提供全面培訓，重點改善工作相關的技能及知識。於二零一八年，總培訓時數達3,697小時，每名員工的平均培訓時數則達16小時。

⁵ 由於出售海外項目，數據並不包括倫敦項目及澳洲項目。

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During the year, the Group continues to arrange training for all employees from basic induction training and pension insurance awareness training to targeted training covering team building skills, workplace health and safety, the latest information technologies, knowledge on corporate governance and corporate social responsibility awareness. Regular anti-corruption refresher training are also delivered with resources provided by the Hong Kong Independent Commission Against Corruption (ICAC) to ensure all employees comply with and uphold the behaviours set out in relevant policies, laws, and regulations, in particular the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and the Anti-money Laundering Law of the People's Republic of China. Additionally, we offer professional development training to employees under the "Talent Scheme" and "Quality Talent Scheme" as a platform to prepare staff and managers for senior roles.

In order to enhance our property management and the quality of customer service, a series of the training programme is tailored specifically to our frontline staff at Guilin Gaoxin Wanda Plaza for at least ten times a month. Training courses are designed against seven pillars, namely operations, investment, marketing, finance, human resources and administration, and property engineering. Over 70 sessions are organised during the reporting year to enhance business competitiveness and performance.

We nurture employees to receive more professional training with sufficient resources. Employees are eligible to reimburse expenses related to maintaining their professional qualifications, such as course fees, transportation fees, accommodation fees and wages during in-service training courses.

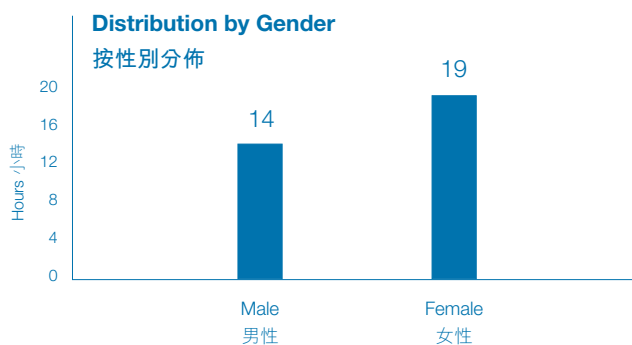
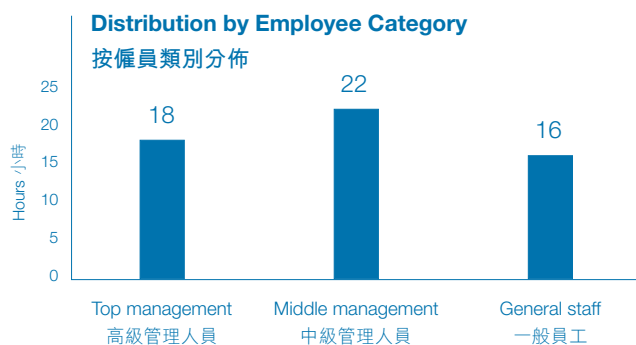
年內，本集團繼續為所有員工安排培訓，包括基本入職培訓、養老保險意識培訓以及專題培訓，如團隊建設技巧、工地健康和 safety、最新信息技術、公司管治知識及企業社會責任意識。我們亦會善用香港廉政公署 (ICAC) 的資源，定期提供反貪污複習培訓，確保所有員工遵守及堅持相關政策、法律和規例中規定的行為，包括《防止賄賂條例》(香港法例第 201 章) 和《中華人民共和國反洗錢法》。此外，我們制定「英才計劃」及「優才計劃」，為員工提供專業發展培訓，作為擬晉升高職的員工及經理的發展專業平台。

為了提升我們的物業管理及客戶服務質素，我們為桂林高新萬達廣場的前線員工特設一系列培訓課程，進行每月至少十次的培訓。針對七大重點，即營運、投資、營銷、財務、人力資源和行政管理以及物業工程。於報告年度，我們舉辦超過 70 場培訓，以提高業務競爭力及表現。

另外，我們亦提供充足資源，有助員工接受更多專業培訓。員工亦能夠報銷其維持專業資格所需費用，如課程費、交通費、住宿費及在職培訓期間的工資。

Average Training Hours Completed per Employee

每名僱員完成受訓的平均時數



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Taking Care of Employees' Health and Safety

We treat our employees as our most important asset of all. Therefore, we invest in resources to create a safe, healthy and comfortable working environment and encouraging a work-life balance culture among our employees. We are in compliance with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the legal requirement on occupational health and safety outlined in Labour Law of the People's Republic of China.

It is of utmost importance that our staff can handle emergencies and prevent accidents in the long term, so we have arranged safety education and training during induction to raise their safety awareness and equip them with relevant skills. On top of those, we provide adequate personal protection equipment for staff that needs to perform high potential hazard activities especially when entering project sites and performing maintenance work at our operations, reducing the chance to occupational accidents. During the reporting year, there is no fatal incidents recorded.

Besides, we champion work-life balance in our workplace, advocating the importance for our staff to maintain a close relationship with families and friends and embrace challenges and lives. Under a five-day-work-week and an eight-hour working hour culture, we facilitate employees to stay close to their personal and family lives and not allow mental or physical health to be affected by work. With a membership card for the gym and free fruits distributed to every staff in some operating offices, we wish to see a behavioural change from employees in achieving better physical health for themselves.

重視員工健康與安全

集團視員工為我們最重要的資產。因此，我們投放大量資源，建設一個安全、健康與舒適的工作環境，同時鼓勵員工追求工作與生活平衡的文化。我們遵守《職業安全及健康條例》（香港法例第509章）和《中華人民共和國勞動法》中有關職業健康及安全的法定要求。

長遠而言，我們的員工能夠具備應急處理和事故預防的能力至關重要。因此，我們已為員工於入職時安排安全教育和培訓，以提高他們的安全意識，使他們掌握相關技能。除此之外，我們亦為需要進行潛在高危活動（如進入工地和於經營地點進行維修工作）的員工提供足夠的個人防護裝備，從而減少發生職業事故。於本報告年度，集團並無錄得致命事故。

另外，我們支持工作和生活的平衡，提倡員工與家人朋友維繫密切關係，正面積極迎接挑戰，享受生活。集團推行每周五天、每天八小時工作制的文化，鼓勵員工維持個人和家庭生活，不讓工作影響身心健康。部分營運點更為員工提供健身會員卡及免費水果。我們期望見證員工改變生活習慣，擁有更健康的身體。

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RESPONSIBLE OPERATION

Acting responsibly and with integrity is the Group's commitment to securing long-term success and bringing positive outcomes. We pay attention to how we approach our suppliers, customers and the wider community to ensure that we always act lawfully and ethically. For instance, the Group maintains close communication with suppliers and aims to achieve an open, honest and responsible supply chain. Our zero-tolerance policy on anti-corruption is practiced thoroughly along our supply chain, and employees are encouraged to raise any concerns about suspected misconduct, malpractice, impropriety, or unethical treatment through our established whistle-blowing channels. All reported cases are handled promptly by department managers and will be escalated to the Group's management where necessary. We hold a high standard of quality when delivering products and services by respecting the needs and rights of our customers. To the boarder community, we hope to support people in need with the resources and workforce we have. Together with our employees and supported by policies and initiatives introduced by the Group, we continue to work towards becoming a responsible business. During the reporting year, there is no breach of laws and regulations relating to health and safety, advertisement and privacy matters.

Managing Our Supply Chain

We strive to achieve comprehensive and effective supply chain management during the process of selecting suppliers and contractors, from establishing a standardised tendering procedure, performance monitoring to maintaining the diversity of suppliers.

負責任的營運

集團承諾以負責任和具誠信的方式營運，確保長遠成功，並帶來正面成果。我們重視與供應商、客戶和更廣泛社區的溝通及合作，確保我們一直按法律和道德規範行事。例如，本集團與供應商保持緊密溝通，旨在建立公開、廉潔及負責任的供應鏈。我們於供應鏈貫徹實施對貪污零容忍的政策。我們鼓勵員工通過我們既定的舉報渠道，對可疑的不當行為或失職或不道德待遇提出關注。所有舉報的案件均由部門經理迅速處理，並在必要時提交至集團管理層。在尊重客戶需求和權利的同時，我們堅持提供高標準品質的產品及服務。就更廣泛的社區而言，我們希望善用所擁有的資源和勞動力為有需要的人提供支援。在集團推出的政策和措施的支持下，我們繼續與員工攜手致力成為一間負責任的企業。於報告年度內，集團並無違反與健康安全、廣告及私隱事宜有關的法律法規。

管理我們的供應鏈

我們致力於甄選供應商及承包商的流程中對供應鏈實現全面有效管理，例如制定標準化的招標流程、監督供應商的表現以及保持供應商多元化。

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For instance, suppliers are subject to internal primary selection, audit and public tendering process in order to be included in our suppliers list. Extra attention is given where the total procurement amount worth over a preset standard, where multiple suppliers will be engaged in the selection process in order to phase out unsatisfactory suppliers that do not meet our pricing and quality requirements. In achieving effective risk management, tendering procedures are standardised to avoid any corruption, bribery, blackmail, fraud and money laundering. At the same time, employees are required to stay alert on the possible conflicts of interest caused or led by the tendering procedures. Multiple personnel across departments are involved in the process to ensure fairness and rationality of the results.

The Company endeavour to provide quality products and services, while receiving support from suppliers is fundamental to the success of the company. In 2018, the Group worked closely with 649 suppliers and contractors to ensure the stability of the operation of supply chains. Meanwhile, we paid attention to avoid over-reliance of specific suppliers and to uphold the diversity of suppliers.

The Group's business locates in multiple regions. During our supplier selection process, priorities will be given to local suppliers to promote local economic development and reduce the carbon footprint caused by transportation.

Improving Quality of Product and Services

The Group advocates a high-level of integrity and professional ethics. Employees are required to respect and protect the intellectual property during the daily operation. Apart from regular evaluation on internal policies and measures, the Group continued to monitor the intellectual property activities including the use of authentic computer system, to avoid any infringement occurs in the operation process. We respect and protect customer privacy; and employees are required to abide by the local regulations, in particular the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and the Protection of Consumer Rights and Interests of the People's Republic of China, related to the collection, holding and use, disclosure and transfer of personal data. The data collection process in operation is kept confidential and strictly follow the privacy and confidentiality regulations stated in the internal policies.

舉例而言，供應商需經過內部的初選、審計及公開招標等流程，才能納入集團的供應商清單。倘進行總值超過預定金額的採購，及倘多個供應商參與甄選流程，本公司會加倍注意，淘汰未能滿足我們定價及質量要求之不理想供應商。在達致有效風險管理方面，集團制定了標準化的招標流程，避免任何貪污、行賄、勒索、欺詐及洗黑錢行為；同時亦要求員工對招標流程中可能造成或引致的利益衝突保持警惕。過程會涉及多個部門的員工，確保結果的公平性和合理性。

本公司致力於提供優質的產品和服務，而獲得供應商的支持是公司成功的基礎。於二零一八年，集團與649個供應商和承包商緊密合作，努力確保供應鏈保持穩定運作。同時，我們亦避免過度依賴特定的供應商，保持供應商的多元化。

本集團的業務遍佈多個地區。於物色供應商的過程中，我們將優先選擇本地供應商，以推動本地經濟發展並減少運輸過程中產生的碳足跡。

提升產品及服務質素

本集團提倡高度誠信和職業道德，而員工必須於日常營運中尊重及保護知識產權。除了定期評估內部政策及措施外，本集團持續監察知識產權活動，包括使用正版的電腦系統，以避免在營運過程中發生任何侵權行為。我們尊重及保護客戶私隱；而員工必須遵守與收集、持有及使用、披露及轉移個人資料相關的本地法規，特別是《個人資料(私隱)條例》(香港法例第486章)和《中華人民共和國消費者權益保護法》。於業務過程中的資料收集過程必須保密，並嚴格遵守內部政策中規定的私隱和保密規定。

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“Customer First” is the key to quality service as we strive to enhance customer satisfaction and promote customer-based services. For instance, a dedicated team is formed to provide customer support service at Guilin Gaoxin Wanda Plaza. Customers are welcomed to provide feedback through our established channels where inquiries and complaints are handled properly, including formal customer satisfaction surveys that are conducted twice a year and a customer complaint phone that is set up all the time at the concierge of the mall. All complaints received are directed to our Operations Department for review. Once the claim is accepted, it will immediately be directed to respective departments for follow up. All follow up actions have to be discussed with the Operations Department to ensure compliance with our internal procedures. It is our policy that all complaints have to be followed up within a time frame of 24 hours. During the reporting period, we did not receive any complaint regarding the products and services of the Group from external parties or regulatory authorities

Caring for the Community

The Group proactively engaged with the local communities in places where it operates and support their needs through direct donations and volunteering in community activities. We target specifically at the underprivileged as they are the most vulnerable group in society. This year, we continue to donate a part of our profits to the community and encourage our staff to be volunteers. In May, a group of volunteers visited an elderly centre in the PRC, hoping to show some love and support.

我們深明「顧客至上」是優質服務的關鍵，故此我們努力提高客戶滿意度和促進以客為本的服務。例如，桂林高新萬達廣場成立專責團隊，提供客戶支援服務。我們歡迎客戶透過已有渠道提供反饋，以便妥善處理查詢和投訴，包括每年進行兩次正式客戶滿意度調查以及於商場禮賓部長期設置客戶投訴電話。收到的所有投訴均會發送至我們的營運部門作出審核。一旦投訴被接納，個案將立即被轉達至相關部門進行跟進，並必須與營運部門討論所有跟進行動，以確保遵守我們的內部程序。我們的政策列明所有投訴必須於24小時內跟進。報告期內，我們並無接獲外界或監管機構對本集團的產品和服務的任何投訴。

致力關懷社區

本集團積極與營運所在地的當地社區合作，並透過直接捐款和社區活動義工服務來支持社區的需求。社會中最脆弱的弱勢社群是我們的主要服務對象。今年，我們繼續將部分利潤捐贈予社區，並鼓勵我們的員工成為義工。同年五月，我們的一群義工到中國一間老人中心進行探訪，希望送上愛心和支持。

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CONTENT INDEX OF THE ESG REPORTING GUIDE OF HONG KONG EXCHANGES AND CLEARING LIMITED

香港交易及結算所有限公司 《環境、社會及管治指引》內 容索引

General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
Environmental		
環境		
Aspect A1: Emissions		
層面 A1：排放物		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Environmental Protection 環境保護
KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Not Applicable — The operations of the Group do not cause any significant air emissions, and no relevant data is disclosed accordingly 不適用 — 本集團的營運並無顯著的氣體排放，因此並未有披露相關數據
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity. 溫室氣體總排放量（以噸計算）及（如適用）密度。	Environmental Protection — Using Resources Wisely 環境保護 — 善用資源

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General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生有害廢棄物總量(以噸計算)及(如適用)密度。	Not applicable — The Group did not produce significant amount of hazardous waste during the reporting year 不適用 — 本集團於報告年度並無大量產生有害廢棄物
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity. 所產生無害廢棄物總量(以噸計算)及(如適用)密度。	Environmental Protection — Managing Waste Responsibly 環境保護 — 負責任的廢棄物管理
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Environmental Protection — Promoting Sustainable Buildings, Using Resources Wisely 環境保護 — 推動可持續發展建築、善用資源
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Environmental Protection — Managing Waste Responsibly 環境保護 — 可靠的廢棄物管理 The Group did not produce significant amount of hazardous waste during the reporting year 本集團於報告年度並無大量產生有害廢棄物
Aspect A2: Use of Resources 層面 A2：資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources. 有效使用資源的政策。	Environmental Protection 環境保護
KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity. 按類型劃分的直接及／或間接能源總耗量(以千個千瓦時計算)及密度。	Environmental Protection — Using Resources Wisely 環境保護 — 善用資源
KPI A2.2 關鍵績效指標 A2.2	Water consumption in total and intensity. 總耗水量及密度。	Environmental Protection — Using Resources Wisely 環境保護 — 善用資源

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KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Environmental Protection — Promoting Sustainable Buildings, Using Resources Wisely 環境保護 — 推動可持續發展建築、善用資源
KPI A2.4 關鍵績效指標 A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Environment — Promoting Sustainable Buildings 環境保護 — 推動可持續發展建築 The Group did not encounter any issue in sourcing water for daily operations during the reporting year 本集團的日常營運於報告年度並無遇上求取適用水源的問題
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位估量。	Not Applicable — The Group's products do not require the use of packaging material 不適用 — 集團的產品無須使用包裝材料
Aspect A3: The Environment and Natural Resources 層面 A3：環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Environmental Protection 環境保護
KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Environment — Promoting Sustainable Buildings 環境保護 — 推動可持續發展建築

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General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
Social – Employment and Labour Practices		
社會 — 僱傭及勞工常規		
Aspect B1: Employment		
層面 B1：僱傭		
General Disclosure 一般披露	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	Walking Along with Employees 與員工同行
Aspect B2: Health and Safety		
層面 B2：健康與安全		
General Disclosure 一般披露	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p> <p>有關提供安全工作環境及保障僱員避免職業性危害的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	Walking Along with Employees – Taking Care of Employees’ Health and Safety 與員工同行 — 重視員工健康與安全

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General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
Aspect B3: Development and Training 層面 B3：發展及培訓		
General Disclosure 一般披露	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。</p>	Walking Along with Employees — Training and Development 與員工同行 — 培訓及發展
Aspect B4: Labour Standards 層面 B4：勞工準則		
General Disclosure 一般披露	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p> <p>有關防止童工或強制勞工的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	Walking along with Employees — Talent Acquisition and Retention 與員工同行 — 人才吸納及保留
Social — Operating Practices		
社會 — 營運慣例		
Aspect B5: Supply Chain Management 層面 B5：供應鏈管理		
General Disclosure 一般披露	<p>Policies on managing environmental and social risks of the supply chain.</p> <p>管理供應鏈的環境及社會風險政策。</p>	Responsible Operation 負責任的營運

Environmental, Social and Governance Report

環境、社會及管治報告

General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
<p>Aspect B6: Product Responsibility 層面 B6：產品責任</p> <p>General Disclosure 一般披露</p>	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p> <p>有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	<p>Responsible Operation — Improving Quality of Product and Services 負責任的營運 — 提升產品及服務質素</p>
<p>Aspect B7: Anti-corruption 層面 B7：反貪污</p> <p>General Disclosure 一般披露</p>	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p> <p>有關防止賄賂、勒索、欺詐及洗黑錢的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	<p>Our Approach to Sustainable Development; Responsible Operation 我們的可持續發展理念、負責任的營運</p>

Environmental, Social and Governance Report

環境、社會及管治報告

General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
Social – Community 社會 — 社區 Aspect B8: Community Investment 層面 B8：社區投資 General Disclosure 一般披露	<p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p> <p>有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。</p>	<p>Responsible Operation — Caring for the Community</p> <p>負責任的營運 — 致力關懷社區</p>

Independent Auditor's Report

獨立核數師報告



To the shareholders of
Wanda Hotel Development Company Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Wanda Hotel Development Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 100 to 295, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致萬達酒店發展有限公司股東之
獨立核數師報告
(於百慕達註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第100頁至第295頁萬達酒店發展有限公司(「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、截至該日止年度的綜合損益表、綜合全面收入表、綜合股權變動表和綜合現金流量表以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一八年十二月三十一日的綜合財務狀況，及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審計。我們就該等準則承擔的責任在本報告的核數師就審計綜合財務報表承擔的責任一節中進一步闡述。根據香港會計師公會的職業會計師道德守則（「守則」），我們獨立於貴集團，並已履行守則中的其他道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，對本期間綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表時進行處理及以此出具審計意見。我們不會對這些事項提供單獨的意見。下文載有我們的審計如何處理以下各項事項的資料。

我們已履行本報告核數師就審計綜合財務報表承擔的責任一節所述的責任，包括有關該等事項的責任。因此，我們的審計包括執行為應對綜合財務報表重大錯誤陳述風險的評估而設的程序。審計程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p data-bbox="164 472 523 534"><i>Fair value of investment properties</i> 投資物業之公允價值</p> <p data-bbox="164 556 786 955">As at 31 December 2018, the carrying amount of investment properties, which were stated at fair value, was approximately HK\$3,345.2 million. Management engages an external valuer to support its determination of the fair value of the investment properties. The valuation of the investment properties is highly dependent on estimates and assumptions, such as prevailing monthly market rents, prevailing market prices, the reversionary yield, capitalisation rates, occupancy rates and market knowledge. The use of different estimates and assumptions could result in significantly different fair values.</p> <p data-bbox="164 1004 786 1181">The disclosures about investment properties are included in note 3.4 “Summary of significant accounting policies”, note 4 “Significant accounting judgements and estimates” and note 18 “Investment properties” to the consolidated financial statements”.</p> <p data-bbox="164 1263 786 1479">於二零一八年十二月三十一日，按公允價值列賬之投資物業賬面值約為3,345,200,000港元。管理層委聘一名外部估值師幫助釐定投資物業之公允價值。投資物業之估值主要取決於各種估計及假設，如現行每月市場租金、現行市場價格、復歸收益率、資本化比率、租用率及市場知識。採用不同的估計及假設可導致公允價值出現重大差異。</p> <p data-bbox="164 1526 786 1629">有關投資物業的披露載於綜合財務報表附註3.4「主要會計政策概要」、附註4「重大會計判斷及估計」以及附註18「投資物業」。</p>	<p data-bbox="810 556 1431 1106">Our audit procedures included, among others, assessing the competence, capabilities and objectivity of the external valuer; reviewing the valuation report and holding discussion with management and the valuer to understand and assess the relevance and appropriateness of the valuation basis, methodology used and underlying assumptions applied; and obtaining and verifying the underlying data including comparable market transactions used by the valuer. We also involved our internal valuation specialists to assist us in evaluating the assumptions and methodologies used and assessing the reasonableness of data used in the valuation report, by comparing the prevailing monthly market rents, prevailing market prices, reversionary yield, capitalisation rates, occupancy rates with comparative cases in active markets.</p> <p data-bbox="810 1153 1431 1215">Moreover, we assessed the adequacy of the related disclosures in the consolidated financial statements.</p> <p data-bbox="810 1263 1431 1591">我們的審計程序包括(其中包括)評估外部估值師之資歷、能力及客觀性；審閱估值報告並與管理層及估值師討論，以了解及評估估值基準、所採用之方法及所應用之相關假設之相關性及適當性；及取得並核實相關數據(包括估值師所採用之可資比較市場交易)。我們亦委聘內部估值專家協助我們評估所採用之假設及方法，並透過將現行每月市場租金、現行市場價格、復歸收益率、資本化比率及租用率與活躍市場之比較案例進行比較，評估估值報告所採用數據之合理性。</p> <p data-bbox="810 1638 1431 1701">此外，我們已評估綜合財務報表中相關披露資料之充足性。</p>

Independent Auditor's Report

獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<i>Net realisable values of properties under development and completed properties held for sale</i> 在建物業及待售已竣工物業的可變現淨值	
<p>As at 31 December 2018, the Group's properties under development and completed properties held for sale were stated at HK\$3,113.7 million and HK\$137.9 million respectively, and they were carried at the lower of cost and net realisable value. The determination of the net realisable value is highly dependent on management's judgement and estimates, such as assumptions of the expected sales price and costs to be incurred until completion and sale. The assumptions adopted in the valuation are affected by expectations of future market or economic conditions. To assist management with the determination of the net realisable value, the Group has engaged an external valuer to perform valuation of certain selected properties.</p> <p>The disclosures about the net realisable values of properties under development and completed properties held for sale are included in note 3.4 "Summary of significant accounting policies", note 4 "Significant accounting judgements and estimates", note 22 "Properties under development" and note 23 "Completed properties held for sale" to the consolidated financial statements.</p> <p>於二零一八年十二月三十一日，貴集團在建物業及待售已竣工物業分別以3,113,700,000港元及137,900,000港元列賬，彼等均按成本及可變現淨值兩者間的最低者列賬。釐定可變現淨值主要取決於管理層的判斷及估計，如對預期售價及竣工及銷售前產生的成本作出假設。估值中採納的假設受對未來市場或經濟狀況預期的影響。為協助管理層釐定可變現淨值，貴集團已委聘外部估值師進行若干選定物業的估值。</p> <p>有關在建物業及待售已竣工物業可變現淨值的披露載於綜合財務報表附註3.4「主要會計政策概要」、附註4「重大會計判斷及估計」、附註22「在建物業」及附註23「待售已竣工物業」。</p>	<p>Our audit procedures included, among others, evaluating the appropriateness of the estimated sales price by comparing it with the recent sales price and recently available public sales information of neighbouring properties; and reviewing the reasonableness of the construction costs to be incurred and estimated selling expenses by reference to information such as project construction budgets, development costs or budgets of similar properties of the Group and the historical selling expenses information. Additionally, we assessed the objectivity, independence and competence of the external valuer, and compared the net realisable values of properties under development and completed properties held for sale with the valuation made by the external valuer to verify if there is any significant difference and to assess the appropriateness of the conclusion made by the management.</p> <p>Moreover, we assessed the adequacy of the related disclosures in the consolidated financial statements.</p> <p>我們的審計程序包括(其中包括)透過將估計售價與近期售價及周邊物業近期公開可得的銷售資料進行比較，評估估計售價之適當性；及透過參考項目建設預算、貴集團類似物業之發展成本或預算及過往銷售開支資料等資料，檢討將予產生之建設成本及估計銷售開支之合理性。此外，我們評估外部估值師的客觀性、獨立性及資歷，並將在在建物業及待售已竣工物業之可變現淨值與外部估值師作出之估值進行比較，以核實當中是否出現任何重大差異，並評估管理層作出之結論之適當性。</p> <p>此外，我們已評估綜合財務報表中相關披露資料之充足性。</p>

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料(綜合財務報表及我們就此發出的核數師報告除外)。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不會就其發表任何形式的鑒證結論。

就審計綜合財務報表而言，我們的責任是閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所瞭解的情況有重大不符，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告有關事實。就此而言，我們無需報告任何事項。

董事就綜合財務報表須承擔的責任

貴公司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允的反映，及其認為編製綜合財務報表所必要落實的內部控制，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，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

Independent Auditor's Report

獨立核數師報告

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. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表承擔的責任

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任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是根據百慕達一九八一年公司法第90條的規定，僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期錯誤陳述個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足及適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的合適性及作出會計估計及相關披露資料的合理性。

Independent Auditor's Report

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對 貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者關注綜合財務報表中的相關披露資料，假若有關披露資料不足，則我們須出具非無保留意見的核數師報告。我們的結論是基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事項。
- 就 貴集團實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們對審計意見承擔全部責任。

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

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

我們與審核委員會溝通計劃審計範圍、時間安排、重大審計發現等事項，包括我們於審計期間識別出內部控制的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通所有合理地被認為會影響我們獨立性的關係及其他事項，以及（倘適用）相關的防範措施。

Independent Auditor's Report

獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Yee Chung Man.

Ernst & Young

Certified Public Accountants

22/F, CITIC Tower, 1 Tim Mei Avenue
Central, Hong Kong

20 March 2019

就與審核委員會溝通的事項而言，我們釐定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們於核數師報告中描述該等事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若合理預期於我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人為余仲文。

安永會計師事務所

執業會計師

香港中環
添美道1號中信大廈22樓

二零一九年三月二十日

Consolidated Statement of Profit or Loss

綜合損益表

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

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

	Notes 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
CONTINUING OPERATIONS	持續經營業務		
Revenue	收益	1,019,791	656,380
Cost of sales	銷售成本	(302,028)	(191,610)
Gross profit	毛利	717,763	464,770
Other revenue	其他收益	10,406	8,845
Other net loss	其他虧損淨額	(10,664)	(99,092)
Net valuation loss on investment properties	投資物業估值虧損淨額	(423,327)	(9,310)
Selling expenses	銷售開支	(79,639)	(98,688)
Administrative expenses	行政開支	(168,662)	(143,553)
Profit from continuing operations	持續經營業務之溢利	45,877	122,972
Finance costs	融資成本	(130,268)	(211,216)
Loss before tax from continuing operations	持續經營業務之除稅前虧損	(84,391)	(88,244)
Income tax credit/(expense)	所得稅抵免/(開支)	17,853	(186,326)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之本年度虧損	(66,538)	(274,570)
DISCONTINUED OPERATIONS	終止經營業務		
Profit/(loss) for the year from discontinued operations	終止經營業務之本年度溢利/(虧損)	898,880	(379,669)
PROFIT/(LOSS) FOR THE YEAR	本年度溢利/(虧損)	832,342	(654,239)
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	766,716	(285,438)
Non-controlling interests	非控股權益	65,626	(368,801)
		832,342	(654,239)
Earnings/(loss) per share attributable to ordinary equity holders of the parent (HK cents)	母公司普通股持有人應佔每股盈利/(虧損)(港仙)		
Basic and diluted	基本及攤薄		
— For profit/(loss) for the year	— 本年度溢利/(虧損)	16.3	(6.1)
— For profit/(loss) from continuing operations	— 持續經營業務溢利/(虧損)	0.5	(1.2)

Consolidated Statement of Comprehensive Income

綜合全面收入表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

	Notes 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Profit/(loss) for the year	本年度溢利／(虧損)	832,342	(654,239)
Other comprehensive (loss)/income	其他全面(虧損)／收入		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:	其後期間可重新分類計入損益賬之其他全面(虧損)／收入：		
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	(241,902)	492,552
Reclassification adjustments for a foreign operation disposed of during the year	本年度出售海外業務之重新分類調整	5,130	540,235
	38		
Other comprehensive (loss)/income for the year, net of tax	本年度其他全面(虧損)／收入(扣除稅項)	(236,772)	1,032,787
Total comprehensive income for the year	本年度全面收入總額	595,570	378,548
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	612,187	333,069
Non-controlling interests	非控股權益	(16,617)	45,479
		595,570	378,548

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

		Notes 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	640,214	377,427
Freehold land	永久業權土地	17	159,119	158,794
Investment properties	投資物業	18	3,345,150	3,934,631
Prepaid land lease payments	預付土地租賃款項	19	16,737	18,036
Goodwill	商譽	20	3,079	4,636
Deferred tax assets	遞延稅項資產	21	16,459	42,726
Total non-current assets	非流動資產總值		4,180,758	4,536,250
CURRENT ASSETS	流動資產			
Properties under development	在建物業	22	3,113,666	1,878,000
Completed properties held for sale	待售已竣工物業	23	137,898	239,665
Trade receivables	貿易應收款項	24	319,721	150,017
Prepayments, other receivables and other assets	預付款項、其他應收款項 及其他資產	25	1,775,316	34,984
Contract incremental costs	合約增量成本	26	54,067	—
Other current assets	其他流動資產		5,707	8,374
Restricted bank deposits	受限制銀行存款	27	5,002	202,833
Cash and cash equivalents	現金及現金等值物	27	2,741,296	2,398,099
			8,152,673	4,911,972
Assets classified as held for sale	分類為持作出售之資產	13/28	—	10,277,000
Total current assets	流動資產總值		8,152,673	15,188,972
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	29	4,575,797	5,953,445
Contract liabilities	合約負債	30	118,218	—
Receipts in advance	預收款項		63,974	67,945
Loans from financial institutions	金融機構貸款	31	46,088	183,849
Loans from an intermediate holding company	一間中間控股公司貸款	32	1,445,489	3,608,449
Other borrowings	其他借款	33	12,821	213,518
Current taxation	即期稅項	34	185,135	278,400
			6,447,522	10,305,606
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售之 資產直接相關之負債	13	—	3,007,294
Total current liabilities	流動負債總值		6,447,522	13,312,900
NET CURRENT ASSETS	流動資產淨值		1,705,151	1,876,072
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		5,885,909	6,412,322

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

			2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
NON-CURRENT LIABILITIES	非流動負債			
Loans from financial institutions	金融機構貸款	31	1,146,769	1,631,087
Loans from an intermediate holding company	一間中間控股公司貸款	32	678,321	757,929
Other borrowings	其他借款	33	372,771	73,565
Deferred tax liabilities	遞延稅項負債	21	480,657	594,018
Total non-current liabilities	非流動負債總值		2,678,518	3,056,599
Net assets	資產淨值		3,207,391	3,355,723
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	35	469,735	469,735
Retained earnings/(accumulated losses)	保留溢利/(累計虧損)		290,498	(528,591)
Other reserves	其他儲備	36	1,459,857	2,479,360
			2,220,090	2,420,504
Non-controlling interests	非控股權益		987,301	935,219
Total equity	總權益		3,207,391	3,355,723

Ding Benxi
丁本錫
Chairman
主席

Ning Qifeng
寧奇峰
Executive Director
執行董事

Consolidated Statement of Changes in Equity

綜合股權變動表

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

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

	Note 附註	Attributable to owners of the parent 母公司擁有人應佔						Accumulated losses 累計虧損	Total 總計	Non- controlling interests 非控股權益	Total equity 總權益
		Share capital 股本 \$'000 千元 (note 35) (附註35)	Share premium 股份溢價 \$'000 千元 (note 36) (附註36)	Special reserve 特別儲備 \$'000 千元 (note 36) (附註36)	Exchange reserve 匯兌儲備 \$'000 千元 (note 36) (附註36)	Statutory reserve 法定儲備 \$'000 千元 (note 36) (附註36)	Merger reserve 合併儲備 \$'000 千元 (note 36) (附註36)				
As at 1 January 2017	於二零一七年一月一日	469,735	1,935,266	53,544	(308,765)	101,194	–	(267,965)	1,983,009	933,811	2,916,820
Effect of business combination under common control	共同控制下業務 合併之影響	2	–	–	(4,667)	3,103	– [^]	27,937	26,373	–	26,373
As at 1 January 2017 (restated)	於二零一七年一月一日 (經重列)	469,735	1,935,266	53,544	(313,432)	104,297	–	(240,028)	2,009,382	933,811	2,943,193
Loss for the year	本年度虧損	–	–	–	–	–	–	(285,438)	(285,438)	(368,801)	(654,239)
Other comprehensive income for the year:	本年度其他全面 收入：										
Exchange differences on translation of foreign operations	換算海外業務 之匯兌差額	–	–	–	294,366	–	–	–	294,366	198,186	492,552
Reclassification adjustments for a foreign operation disposed of during the year	本年度出售海外業務之 重新分類調整	–	–	–	324,141	–	–	–	324,141	216,094	540,235
Total comprehensive income for the year	本年度全面收入總額	–	–	–	618,507	–	–	(285,438)	333,069	45,479	378,548
Contribution to an acquiree of the business combination under common control by shareholders	股東就共同控制下的 業務合併向被收購公司 作出的注資	–	–	–	–	–	78,053	–	78,053	–	78,053
Dividends paid to non-controlling shareholders	已付非控股股東股息	–	–	–	–	–	–	–	–	(44,071)	(44,071)
Appropriation to statutory reserve fund	轉撥至法定儲備金	–	–	–	–	3,125	–	(3,125)	–	–	–
As at 31 December 2017 (restated)	於二零一七年 十二月三十一日 (經重列)	469,735	1,935,266*	53,544*	305,075*	107,422*	78,053*	(528,591)	2,420,504	935,219	3,355,723

[^] The amount is rounded to the nearest thousand and presented to zero.

[^] 金額均調整至最接近之千元並呈列為零。

Consolidated Statement of Changes in Equity

綜合股權變動表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

Note	附註	Attributable to owners of the parent 母公司擁有人應佔							Total 總計	Non- controlling interests 非控股權益	Total equity 總權益	
		Share capital 股本 \$'000 千元 (note 35) (附註35)	Share premium 股份溢價 \$'000 千元 (note 36) (附註36)	Special reserve 特別儲備 \$'000 千元 (note 36) (附註36)	Exchange reserve 匯兌儲備 \$'000 千元 (note 36) (附註36)	Statutory reserve 法定儲備 \$'000 千元 (note 36) (附註36)	Merger reserve 合併儲備 \$'000 千元 (note 36) (附註36)	(Accumulated losses)/ Retained earnings (累計虧損)/ 保留溢利 \$'000 千元				
		469,735	1,935,266	53,544	297,228	104,319	—	(741,425)	2,118,667	935,219	3,053,886	
	As at 1 January 2018 於二零一八年一月一日											
	Effect of business combination under common control 共同控制下業務 合併之影響	2	—	—	7,847	3,103	78,053	212,834	301,837	—	301,837	
	Effect of adoption of HKFRS 15 採納香港財務報告 準則第15號之影響	3.2	—	—	(269)	—	—	53,852	53,583	39,906	93,489	
	As at 1 January 2018 (restated) 於二零一八年一月一日 (經重列)		469,735	1,935,266	53,544	304,806	107,422	78,053	(474,739)	2,474,087	975,125	3,449,212
	Loss for the year 本年度虧損		—	—	—	—	—	766,716	766,716	65,626	832,342	
	Other comprehensive (loss)/ income for the year: Exchange differences on translation of foreign operations 本年度其他全面 (虧損)/收入： 換算海外業務 之匯兌差額		—	—	—	(157,606)	—	—	(157,606)	(84,296)	(241,902)	
	Reclassification adjustments for a foreign operation disposed of during the year 本年度出售海外業務 之重新分類調整		—	—	—	3,077	—	—	3,077	2,053	5,130	
	Total comprehensive (loss)/income for the year 本年度全面(虧損)/收入總額		—	—	—	(154,529)	—	766,716	612,187	(16,617)	595,570	
	Consideration for the business combination under common control 共同控制下業務 合併之代價	2	—	—	—	—	(878,000)	—	(878,000)	—	(878,000)	
	Capital contributions from non-controlling shareholders 非控股股東之出資		—	—	—	—	—	—	—	10,078	10,078	
	Acquisition of non-controlling interests 收購非控股權益		—	11,816	—	—	—	—	11,816	(19,517)	(7,701)	
	Disposal of subsidiaries Dividends paid to non-controlling shareholders 出售附屬公司 已付非控股股東股息		—	—	—	—	—	—	—	53,961	53,961	
	Appropriation to statutory reserve fund 轉撥至法定儲備金		—	—	—	1,479	—	(1,479)	—	(15,729)	(15,729)	
	As at 31 December 2018 於二零一八年 十二月三十一日		469,735	1,947,082*	53,544*	150,277*	108,901*	(799,947)*	290,498	2,220,090	987,301	3,207,391

* These reserve accounts comprise the consolidated other reserves of \$1,459,857,000 (2017: \$2,479,360,000) in the consolidated statement of financial position.

* 該等儲備賬戶包括綜合財務狀況表所列示的綜合其他儲備1,459,857,000元(二零一七年：2,479,360,000元)。

Consolidated Statement of Cash Flows

綜合現金流量表

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

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

	Notes 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Cash flows from operating activities	經營活動產生之現金流量		
(Loss)/profit before tax	除稅前(虧損)/溢利		
From continuing operations	來自持續經營業務	(84,391)	(88,244)
From discontinued operations	來自終止經營業務	930,837	(384,084)
Adjustments for:	按下列各項調整：		
Finance costs	融資成本	9	211,216
Interest income from financial assets at fair value through profit or loss	按公允價值計入損益賬 之金融資產之利息收入	7	(15,073)
Interest income	利息收入	7	(8,845)
Depreciation	折舊	16	16,069
Amortisation of land lease payments	土地租賃款項攤銷	19	476
Impairment of trade receivables and other receivables	貿易應收款項及 其他應收款項減值		442
(Gain)/Loss on disposal of subsidiary	出售附屬公司之(收益)/虧損	38	329,707
Loss/(gain) on disposal of investment properties	出售投資物業之虧損/(收益)	7	(20,496)
Net valuation loss of investment properties	投資物業估值虧損淨額	18	9,310
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目 之虧損	8	13
Impairment of goodwill	商譽減值	7	11,719
		479,574	62,210
Increase in properties under development	在建物業增加	(1,290,850)	(2,128,426)
Decrease in completed properties held for sale	持作出售之已竣工物業減少	105,090	18,415
Increase in trade receivables	貿易應收款項增加	(148,695)	(492,917)
Decrease in prepayments and other receivables	預付款項及其他應收款項減少	516,629	77,284
Increase in contract incremental cost	合約增量成本增加	(11,506)	—
Decrease in receipts in advance	預收款項減少	(2,429)	(21,178)
(Decrease)/increase in trade payables and other payables	貿易應付款項及 其他應付款項(減少)/增加	(170,403)	1,064,464
Increase in contract liabilities	合約負債增加	123,654	—
Cash used in operations	經營活動所用之現金	(398,936)	(1,420,148)
Taxes paid	已付稅項	(104,869)	(88,379)
Net cash flows used in operating activities	經營活動所用之 現金流量淨額	(503,805)	(1,508,527)

Consolidated Statement of Cash Flows

綜合現金流量表

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

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

	Notes 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Net cash flows used in operating activities	經營活動所用之現金流量淨額	(503,805)	(1,508,527)
Cash flows from investing activities	投資活動產生之現金流量		
Purchase of items of property, plant and equipment	購置物業、廠房及設備項目	(347,235)	(513,743)
Expenditure on investment properties	投資物業支出	(20,263)	—
Interest received	已收利息	10,406	8,845
Interest income from financial assets at fair value through profit or loss	按公允價值計入損益賬之金融資產之利息收入	14,207	15,073
Advance of a loan to a joint venture	向一間合營企業墊付貸款	—	(1,658,392)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目之所得款項	5	52
Decrease in restricted bank deposits	受限制銀行存款減少	197,686	6,683
Increase in other assets	其他資產增加	—	(8,374)
Acquisition of a subsidiary under common control	收購一間共同控制下之附屬公司	(5,000)	—
Overseas taxes paid on investing activities	投資活動之已付海外稅項	(31,957)	—
Proceeds received on debt from disposal of subsidiaries	出售附屬公司產生之債務之已收所得款項	4,761,988	—
Disposal of subsidiaries	出售附屬公司	1,387,444	2,324,969
Net cash flows from investing activities	投資活動所得之現金流量淨額	5,967,281	175,113
Cash flows from financing activities	融資活動產生之現金流量		
Proceeds from new loans from financial institutions	金融機構新借貸款所得款項	—	1,578,504
Repayment of loans to an intermediate holding company	向一間中間控股公司償還貸款	(4,460,251)	(1,107,941)
Increase in amounts due to an intermediate holding company	應付一間中間控股公司款項增加	633,431	2,465,773
Proceeds from other borrowings	其他借款所得款項	167,494	73,565
Repayment of loans from financial institutions	償還金融機構貸款	(609,992)	(1,720,492)
Repayment of other borrowings	償還其他借款	(70,174)	(74,958)
Interest paid	已付利息	(623,000)	(170,703)
Capital injection from non-controlling shareholder	非控股股東注資	10,078	—
Net cash flows (used in)/from financing activities	融資活動(所用)/所得之現金流量淨額	(4,952,414)	1,043,748
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	511,062	(289,666)
Cash and cash equivalents at beginning of year	年初之現金及現金等值物	2,398,099	2,808,771
Cash and cash equivalents included in assets held for sale	計入持作出售資產之現金及現金等值物	—	(344,686)
Effect of foreign exchange rate changes	匯率變動之影響	(167,865)	223,680
Cash and cash equivalents at end of year	年終之現金及現金等值物	2,741,296	2,398,099

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

Wanda Hotel Development Company Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at The Canon’s Court, 22 Victoria Street Hamilton HM12, Bermuda.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) is principally engaged in property development, property investment, property management, development and operation of hotel management, hotel design and hotel construction management in the People’s Republic of China (the “PRC”) and overseas during the year.

In the opinion of the Company’s directors (the “Directors”), the immediate holding company of the Company is Wanda Commercial Properties Overseas Limited (“Wanda Overseas”), a company established in the British Virgin Islands and the ultimate holding company of the Company is Dalian Wanda Group Co., Ltd., a company established in the PRC.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Amazing Wise Limited	British Virgin Islands 英屬處女群島	1,000 ordinary shares of United States Dollar (“US\$”) 1 each 1,000股每股 面值1美元之 普通股	53%	—	Investment holding 投資控股

1. 公司及集團資料

萬達酒店發展有限公司(「本公司」)為於百慕達註冊成立之有限公司。本公司之註冊辦事處位於The Canon’s Court, 22 Victoria Street Hamilton HM12, Bermuda。

年內，本公司及其附屬公司(以下統稱「本集團」)主要於中華人民共和國(「中國」)及海外從事物業發展、物業投資、物業管理、酒店發展、營運及酒店管理服務、酒店設計及酒店建設管理服務。

本公司董事(「董事」)認為，本公司之中間控股公司為萬達商業地產海外有限公司(「萬達海外」)，一間於英屬處女群島成立之公司；本公司之最終控股公司為大連萬達集團股份有限公司，一間於中國成立之公司。

附屬公司資料

本公司主要附屬公司之詳情如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows
(Continued):

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司之詳情如下(續)：

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Dalong Industrial Group Limited 大隆實業集團有限公司	Hong Kong 香港	\$10,000,000 10,000,000 元	—	53%	Investment holding 投資控股
Fujian Henglicheng Real Estate Development (HK) Co., Limited 福建恒力城置業發展(香港)有限公司	Hong Kong 香港	\$1,000 1,000 元	—	53%	Inactive 暫無營業
Fujian Henglicheng Real Estate Development Co., Limited (notes ii and iii) 福建恒力城置業發展有限公司 (附註 ii 及 iii)	PRC 中國	Renminbi ("RMB") 123,329,000 人民幣 123,329,000 元	—	53%	Property development 物業發展
Fujian Hengli & Savills Property Management Co., Limited (note i) 福州市恒力第一太平戴維斯物業管理有限公司(附註 i)	PRC 中國	RMB500,000 人民幣 500,000 元	—	29.15%	Property management 物業管理
Wanda Europe Real Estate Investment Co. Ltd. ("Wanda Europe") 萬達歐洲地產投資有限公司 (「萬達歐洲」)	Hong Kong 香港	\$1 1 元	60%	—	Investment holding 投資控股

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows
(Continued):

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司之詳情如下(續)：

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Wanda Properties Investment Limited 萬達置業投資有限公司	British Virgin Islands 英屬處女群島	100 ordinary shares of US\$0.01 each 100股每股面值 0.01美元之普通股	51%	—	Investment holding 投資控股
Wanda Commercial Properties Investment Limited 萬達商業地產 投資有限公司	Hong Kong 香港	\$1 1元	—	51%	Investment holding 投資控股
Guilin Gaoxin Wanda Plaza Co., Ltd. (note ii) 桂林高新萬達廣場 有限公司(附註ii)	PRC 中國	US\$180,000,000 180,000,000美元	—	51%	Property development 物業發展
Wanda Americas Real Estate Investment Co., Ltd. ("Wanda Americas RE") 萬達美洲地產 投資有限公司 (「萬達美洲地產」)	Hong Kong 香港	\$1 1元	60%	—	Investment holding 投資控股
Wanda Americas Commercial Properties Co., Ltd. ("Wanda Americas CP") (「Wanda Americas CP」)	United States of America ("USA") 美利堅合眾國 (「美國」)	1,000 ordinary shares of US\$0.1 each 1,000股每股面值 0.1美元之普通股	—	60%	Investment holding 投資控股
Wanda Chicago Real Estate LLC	USA 美國	US\$10 10美元	—	60%	Investment holding 投資控股

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows
(Continued):

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司之詳情如下(續)：

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Parcel C LLC	USA 美國	US\$300,000,000 300,000,000 美元	—	54%	Property development 物業發展
Wanda Australia Real Estate Investment Co., Ltd. ("Wanda Australia RE") 萬達澳洲地產投資有限公司 (「萬達澳洲地產」)	Hong Kong 香港	\$1 1 元	60%	—	Investment holding 投資控股
Wanda Hotel Management (Hong Kong) Co. Limited ("Wanda Hotel Management HK") 萬達酒店管理(香港)有限公司 (「萬達酒管(香港)」)	Hong Kong 香港	US\$1 1 美元	100%	—	Investment holding 投資控股
Wanda Hotel Management (Shanghai) Co., Ltd. (note ii) ("Wanda Hotel Management SH") 萬達酒店管理(上海)有限公司 (附註 ii) (「萬達酒管(上海)」)	PRC 中國	US\$10,000,000 10,000,000 美元	—	100%	Hotel management 酒店管理
Horgos Wanda Engineering Construction Management Consulting Company Limited ("Horgos Company") 霍爾果斯萬達工程建設管理 諮詢有限公司(「霍爾果公司」)	PRC 中國	RMB10,000,000 人民幣 10,000,000 元	—	100%	Construction consulting 建築顧問

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Notes:

- i These entities are equity joint ventures established in the PRC.
- ii These entities are wholly-foreign-owned enterprises established in the PRC.
- iii Pursuant to a share transfer agreement (the “Agreement”) dated 22 May 2005 between Dalong Industrial Group Limited (“Dalong”), a subsidiary of the Group, and Fujian Zhonglu Group Co., Limited (“Zhonglu Group”), Zhonglu Group agreed to transfer 95% of the equity of Fujian Henglicheng Real Estate Development Co., Ltd. (“Fujian Henglicheng”) to Dalong, after which Fujian Henglicheng became a subsidiary of Dalong. Zhonglu Group has since then become the non-controlling equity holder of Fujian Henglicheng. According to the Agreement, certain assets and liabilities related to an old project commenced before the transfer were retained by Zhonglu Group, the relevant risks and benefits of the aforesaid projects were also retained by Zhonglu Group. Fujian Henglicheng maintains separate books and records for this old project. On 25 January 2018, Zhonglu Group withdrawn its investment in Fujian Henglicheng, but as at 31 December 2018, the relevant assets and liabilities amounting to \$51,023,000 (2017: \$53,467,000) and \$10,772,000 (2017: \$11,291,000) respectively still have not been legally transferred. However, as the risks and benefits of these assets and liabilities were retained by Zhonglu Group, these assets and liabilities were excluded from the consolidated financial statements.
- iv Except for the statutory financial statements of Wanda Europe, Wanda Commercial Properties Investment Limited, Wanda Americas Real Estate Investment Co., Ltd., Wanda Australia RE and Wanda Hotel Management HK for the year ended 31 December 2018, the statutory financial statements of the other subsidiaries of the Group for the year ended 31 December 2018, or since their respective dates of establishment or acquisitions by the Group, were not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

The above table lists of the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

1. 公司及集團資料(續)

附屬公司資料(續)

附註：

- i 該等實體為於中國成立之股權式合營企業。
- ii 該等實體為於中國成立之外商獨資企業。
- iii 根據本集團附屬公司大隆實業集團有限公司(「大隆」)與福建中旅集團公司(「中旅集團」)日期為二零零五年五月二十二日之股份轉讓協議(「協議」)，中旅集團同意轉讓福建恒力城置業發展有限公司(「福建恒力城」)之95%權益予大隆，此後福建恒力城成為大隆之附屬公司。自此後中旅集團為福建恒力城之非控股權益持有人。根據協議，與轉讓前開始之一項原有項目有關之若干資產及負債由中旅集團保留，上述項目之相關風險及利益亦由中旅集團承擔。福建恒力城為該原有項目保留單獨賬本及記錄。於二零一八年一月二十五日，中旅集團撤回於福建恒力城之投資，惟於二零一八年十二月三十一日，分別為51,023,000元(二零一七年：53,467,000元)及10,772,000元(二零一七年：11,291,000元)之相關資產及負債仍未依法轉讓。然而，由於該等資產及負債之風險及利益由中旅集團承擔，該等資產及負債並無列入綜合財務報表中。
- iv 除萬達歐洲、萬達商業地產投資有限公司、萬達美洲地產投資有限公司、萬達澳洲地產及萬達酒管(香港)於截至二零一八年十二月三十一日止年度之法定財務報表外，本集團其他附屬公司於截至二零一八年十二月三十一日止年度，或自其各自成立或由本集團收購的日期以來之法定財務報表，並未經香港安永會計師事務所或安永全球網絡其他成員公司審計。

董事認為，上述本公司附屬公司之列表對本集團本年度業績有重大影響或佔本集團資產淨值之重大部分。董事認為列出其他附屬公司之詳情將使篇幅過於冗長。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PRESENTATION AND BUSINESS COMBINATION UNDER COMMON CONTROL

Pursuant to an agreement entered into between the Company and Wanda Commercial Properties (Hong Kong) Co. Ltd. (“Wanda HK”) on 26 September 2017, the Company has conditionally agreed to acquire the entire issued share capital of Wanda Hotel Management HK, an investment holding company of a group of companies (the “Wanda Hotel Management Group”) at a cash consideration of \$878 million (the “Business Combination”). The Business Combination was completed on 31 December 2018.

The Company and Wanda Hotel Management HK are both under the common control of Wanda HK before and after the date of acquisition, and that control is not transitory, hence the acquisition has been accounted for as combination of entities under common control by applying the principles of merger accounting in accordance with Accounting Guideline 5 “*Merger Accounting for Common Control Combinations*” issued by the HKICPA. Accordingly, the assets and liabilities of Wanda Hotel Management Group have been accounted for at historical amounts and the consolidated financial statements of the Group prior to the acquisition of Wanda Hotel Management HK have been restated to include the results of operations and assets and liabilities of Wanda Hotel Management Group as if the business acquired had always been part of the Group.

2. 呈列基準及共同控制下之業務合併

根據本公司與萬達商業地產(香港)有限公司(「萬達香港」)於二零一七年九月二十六日訂立之協議，本公司有條件同意收購萬達酒管(香港)(一組公司(「萬達酒店管理集團」)之投資控股公司)之全部已發行股本，現金代價為878,000,000元(「業務合併」)。業務合併已於二零一八年十二月三十一日完成。

本公司及萬達酒管(香港)於收購日期前後均受萬達香港共同控制，且該控制權並非暫時性，因此，該收購事項已應用香港會計師公會頒佈之會計指引第5號「*共同控制合併的合併會計法*」所載之合併會計原則，作為共同控制實體之合併入賬。因此，萬達酒店管理集團之資產及負債均按歷史金額入賬，而於收購萬達酒管(香港)前之本集團綜合財務報表已經重列以納入萬達酒店管理集團之經營業績以及資產與負債，猶如所收購業務一直為本集團之一部分。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PRESENTATION AND BUSINESS COMBINATION UNDER COMMON CONTROL

(Continued)

The operating results previously reported by the Group for the year ended 31 December 2017 have been restated to include the operating results of the Wanda Hotel Management Group as set out below:

2. 呈列基準及共同控制下之業務合併(續)

本集團先前呈報之截至二零一七年十二月三十一日止年度之經營業績已經重列以納入萬達酒店管理集團之經營業績，詳情如下：

		The Group (as previously reported)	The Wanda Hotel Management Group	The Group (Restated)
		本集團 (如前呈報)	萬達酒店 管理集團	本集團 (經重列)
		\$'000	\$'000	\$'000
		千元	千元	千元
Revenue	收益	213,440	442,940	656,380
(Loss)/profit before tax from continuing operations	持續經營業務之 除稅前(虧損)/溢利	(320,434)	232,190	(88,244)
(Loss)/profit for the year from continuing operations	持續經營業務之 年內(虧損)/溢利	(459,467)	184,897	(274,570)

The financial positions previously reported by the Group at 31 December 2017 and 1 January 2017 have been restated to include the assets and liabilities of the Wanda Hotel Management Group as set out below:

本集團先前呈報之於二零一七年十二月三十一日及於二零一七年一月一日之財務狀況已經重列以納入萬達酒店管理集團之資產及負債，詳情如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

2. BASIS OF PRESENTATION AND BUSINESS COMBINATION UNDER COMMON CONTROL

(Continued)

2. 呈列基準及共同控制下之業務合併(續)

31 December 2017

二零一七年十二月三十一日

		The Group (as previously reported)	The Wanda Hotel Management Group	The Group (Restated)
		本集團 (如前呈報)	萬達酒店 管理集團	本集團 (經重列)
		\$'000	\$'000	\$'000
		千元	千元	千元
Non-current assets	非流動資產	4,520,263	15,987	4,536,250
Current assets	流動資產	14,730,511	458,461	15,188,972
Current liabilities	流動負債	13,140,289	172,611	13,312,900
Non-current liabilities	非流動負債	3,056,599	—	3,056,599
Equity	權益	3,053,886	301,837	3,355,723

1 January 2017

二零一七年一月一日

		The Group (as previously reported)	The Wanda Hotel Management Group	The Group (Restated)
		本集團 (如前呈報)	萬達酒店 管理集團	本集團 (經重列)
		\$'000	\$'000	\$'000
		千元	千元	千元
Non-current assets	非流動資產	6,771,415	5,736	6,777,151
Current assets	流動資產	9,868,786	225,864	10,094,650
Current liabilities	流動負債	6,970,266	202,953	7,173,219
Non-current liabilities	非流動負債	6,753,115	2,274	6,755,389
Equity	權益	2,916,820	26,373	2,943,193

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited.

They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 3.4. These financial statements are presented in Hong Kong dollars (“\$”) and all values are rounded to the nearest thousand (“\$’000”) except when otherwise indicated.

3. 編製基準及會計政策

3.1 編製基準

該等財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」，包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例之披露規定編製。該等財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。

除按公允價值計量之投資物業外，財務報表已根據歷史成本法編製。誠如附註3.4進一步說明，持作出售之出售組別乃按彼等賬面值及公允價值減出售成本兩者之較低者呈列。該等財務報表以港元(「元」)呈列，除另有註明外，所有價值均調整至最接近之千元(「千元」)。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.1 Basis of preparation (Continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

3. 編製基準及會計政策(續)

3.1 編製基準(續)

綜合基準

截至二零一八年十二月三十一日止年度，綜合財務報表包括本公司及其附屬公司之財務報表。附屬公司為本公司所直接或間接控制的實體（包括結構性實體）。當本集團就參與被投資公司所產生浮動回報而承受風險或享有權利，且有能力透過對其行使權力（即讓本集團現時能夠支配被投資公司相關活動的現有權利）而影響有關回報時，則本集團已控制該被投資公司。

當本公司並未直接或間接擁有被投資公司大多數投票權或類似的權力時，本集團會考慮所有相關因素及情況，以評估其是否對被投資公司具有控制權，包括：

- (a) 與被投資公司之其他投票權持有者之間的合約式安排；
- (b) 從其他合約式安排中獲取的權力；及
- (c) 本集團的投票權和潛在投票權。

附屬公司之財務報表乃就與本公司相同之報告期間採用一致之會計政策編製。附屬公司之業績於本集團取得控制權當日起直至該控制權終止當日止綜合入賬。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. 編製基準及會計政策(續)

3.1 編製基準(續)

綜合基準(續)

損益及其他全面收入之各項乃歸屬於本集團之母公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。與本集團成員公司間交易有關之所有集團內公司間資產及負債、權益、收入、開支及現金流量於綜合入賬時全數對銷。

倘事實及情況表明上述三個控制權因素中之一個或以上出現變動，本集團會重新評估其是否控制被投資公司。附屬公司之擁有權權益之變動(未喪失控制權)乃按權益交易入賬。

倘本集團喪失一間附屬公司之控制權，其終止確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)於權益記錄之累計換算差額；及確認(i)已收代價之公允價值；(ii)任何保留投資之公允價值及(iii)於損益中任何產生之盈餘或虧絀。本集團先前於其他全面收入確認之應佔部分按倘本集團直接出售有關資產或負債須採用之相同基準重新分類至損益或保留溢利(如適用)。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

For the business combination under common control, the financial information of the Group and the acquired businesses have been combined, as if the Group acquired such businesses from the beginning of the earliest financial period presented. The net assets of the Group and the acquired business are combined using the existing book values from the controlling party's perspective. No amount is recognised in consideration for goodwill or excess of the Group's interest in the net fair value of the acquired business's identifiable assets, liabilities and contingent liabilities over the cost of acquisition at the time of common control combination. The difference between the consolidation and book value of the acquired business at the time of common control combination is deducted into the reserves of the Group.

3.2 Changes in accounting policies and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9 HKFRS 15	<i>Financial Instruments Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Annual Improvements 2014-2016 Cycle	<i>Amendments to HKFRS 1 and HKAS 28</i>

3. 編製基準及會計政策 (續)

3.1 編製基準 (續)

綜合基準 (續)

對共同控制下之業務合併而言，本集團與所收購業務之財務資料已進行合併，猶如本集團於最早呈報之財務期間已收購該業務。本集團與所收購業務之淨資產按控制方所認為之現時賬面值進行合併。概無就商譽或本集團於所收購業務可識別資產、負債及或有負債之公平值淨額超逾共同控制業務合併時之收購成本之部分確認任何金額。綜合值與所收購業務於共同控制業務合併時之賬面值差額於本集團儲備扣除。

3.2 會計政策及披露之變動

本集團已於本年度財務報表首次採納下列經修訂香港財務報告準則：

香港財務報告準則第2號 (修訂本)	以股份為基礎付款交易之分類及計量
香港財務報告準則第4號 (修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約
香港財務報告準則第9號 香港財務報告準則第15號	金融工具 來自客戶合約之收益
香港財務報告準則第15號 (修訂本)	香港財務報告準則第15號來自客戶合約之收益之澄清
香港會計準則第40號 (修訂本)	轉撥投資物業
香港(國際財務報告詮釋委員會)一詮釋第22號 二零一四年至二零一六年 循環之年度改進	外幣交易及預付代價
	香港財務報告準則第1號及香港會計準則第28號之修訂

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

Except for the amendments to HKFRS 2, amendments to HKFRS 4 and *Annual Improvements 2014-2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

- (a) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. The Group adopted HKFRS 9 from 1 January 2018. The Group has performed a detailed assessment of the impact of the adoption of HKFRS 9, and concluded HKFRS 9 does not have material impact on the Group's consolidated financial statements, therefore, no transition adjustment against the opening balance in equity provided at 1 January 2018, and no comparative information was restated accordingly.

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs").

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

除了與編製本集團財務報表無關的香港財務報告準則第2號(修訂本)、香港財務報告準則第4號(修訂本)及二零一四年至二零一六年循環之年度改進外，該等新訂及經修訂香港財務報告準則之性質及影響說明如下：

- (a) 香港財務報告準則第9號金融工具於二零一八年一月一日或之後開始之年度期間代替香港會計準則第39號金融工具：確認及計量，由此將金融工具會計處理方式的三個方面悉數集於一起：分類及計量、減值及對沖會計處理。本集團自二零一八年一月一日起採納香港財務報告準則第9號。本集團已就採納香港財務報告準則第9號的影響進行詳細評估，結論是香港財務報告準則第9號並不會對本集團的綜合財務報表造成重大影響。因此，二零一八年一月一日之期初權益結餘概無作出任何過渡調整，亦無相應重列比較資料。

分類及計量

以下資料載列採納香港財務報告準則第9號對財務狀況表的影響，包括以香港財務報告準則第9號預期信貸虧損(「預期信貸虧損」)代替香港會計準則第39號已產生信貸虧損計算的影響。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

(a) (continued)

Classification and measurement (continued)

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 January 2018 (restated) is as follows:

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(a) (續)

分類及計量 (續)

於二零一八年一月一日，根據香港會計準則第39號之賬面值與根據香港財務報告準則第9號之所呈報結餘(經重列)之對賬如下：

		HKAS 39 measurement 香港會計準則 第39號計量		HKFRS 9 measurement 香港財務 報告準則第9號計量	
		Category 類別	Amount 金額 \$'000 千元	Amount 金額 \$'000 千元	Category 類別
Financial assets	金融資產				
Trade receivables	貿易應收款項	L&R ¹	150,017	150,017	AC ²
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款項之金融資產	L&R	32,026	32,026	AC
Pledged deposits	已抵押存款	L&R	202,833	202,833	AC
Cash and cash equivalents	現金及現金等值物	L&R	2,398,099	2,398,099	AC
Financial liabilities	金融負債				
Financial liabilities included in trade and other payables	計入貿易及其他應付款項之金融負債	AC	5,953,445	5,953,445	AC
Loans from financial institutions	金融機構貸款	AC	1,814,936	1,814,936	AC
Loans from an intermediate holding company	一間中間控股公司貸款	AC	4,366,378	4,366,378	AC
Other borrowings	其他借款	AC	287,083	287,083	AC

¹ L&R: Loans and receivables

² AC: Financial assets or financial liabilities at amortised cost

¹ L&R: 貸款及應收款項

² AC: 按攤銷成本列賬之金融資產或金融負債

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

(a) (continued)

Changes to the impairment model

(i) Trade receivables

The Company applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. Future cash flows for each group of receivables are estimated on the basis of historical loss experience, adjusted to reflect the effects of current conditions as well as forward looking information. Management has closely monitored the credit qualities and the collectability of the trade receivables. Trade receivables in dispute are assessed individually for impairment to determine whether specific loss allowance provisions are required. The adoption of the simplified expected credit loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade receivables as at 1 January 2018.

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(a) (續)

更改減值模型

(i) 貿易應收款項

本公司採用香港財務報告準則第9號訂明有關預期信貸虧損撥備之簡化方法，該方法允許就所有貿易應收款項存續期預期虧損。為計量預期信貸虧損，貿易應收款項已根據分擔信貸風險特性進行分組。各組應收款項之未來現金流量根據過往虧損經驗估計，並作調整以反映當前狀況之影響及前瞻性資料。管理層已密切監察貿易應收款項之信貸質素及可收回性。存在爭議之貿易應收款項單獨進行減值評估，以釐定是否需要作出特定虧損撥備。採納香港財務報告準則第9號項下有關預期信貸虧損之簡化方法並未導致於二零一八年一月一日之貿易應收款項出現任何額外減值虧損。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

(a) (continued)

Changes to the impairment model (continued)

(ii) Other financial assets carried at amortised cost

For other financial assets carried at amortised cost, including pledged deposits and financial assets included in prepayments and other receivables, the expected credit loss is based on the 12-month expected credit loss. This represents the portion of lifetime expected credit loss that results from default events on the financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss. Management has closely monitored the credit qualities and the collectability of other financial assets at amortised cost and considers that the expected credit loss is immaterial.

As a result of the application of HKFRS 9, the Company has changed its accounting policies with respect to financial instruments, as further explained in note 3.4 to the financial statements.

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(a) (續)

更改減值模型 (續)

(ii) 按攤銷成本列賬之其他金融資產

就按攤銷成本列賬之其他金融資產而言(包括計入預付款項及其他應收款項之已抵押存款及金融資產)，預期信貸虧損乃基於12個月之預期信貸虧損釐定。該預期信貸虧損為可能於報告日期後12個月內發生之金融工具違約事件導致之存續期預期信貸虧損之一部分。然而，倘信貸風險在產生後大幅升高，則撥備將根據存續期預期信貸虧損作出。管理層已密切監察按攤銷成本列賬之其他金融資產之信貸質素及可收回性，並認為預期信貸虧損並不重大。

應用香港財務報告準則第9號後，本公司已更改其有關金融工具之會計政策，於財務報表附註3.4進一步詳述。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

- (b) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue and related interpretations* and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in notes 4 and 6 to the financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 3.4 to the financial statements.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

3. 編製基準及會計政策(續)

3.2 會計政策及披露之變動(續)

- (b) 香港財務報告準則第15號及其修訂本取代香港會計準則第11號*建築合約*、香港會計準則第18號*收益及相關詮釋*，除少數例外情況外，其應用於所有來自客戶合約之收益。香港財務報告準則第15號確立一個新五步模式，以將來自客戶合約之收益入賬。根據香港財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取之代價金額進行確認。香港財務報告準則第15號的原則為計量及確認收益提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額，關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。披露資料載於財務報表附註4及6。由於應用香港財務報告準則第15號，本集團已就財務報表附註3.4項下收益確認之相關會計政策作出變動。

本集團使用經修訂之回溯性採納方法採納香港財務報告準則第15號，據此可對首次應用日期之所有合約或僅對當日尚未完成之合約應用該準則。本集團已選擇對二零一八年一月一日尚未完成之合約應用該準則。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures

(Continued)

(b) (continued)

The cumulative effect of the initial application of HKFRS 15 was recognised as an adjustment to the opening balance of retained profits as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 11, HKAS 18 and related interpretations.

Set out below are the amounts by which each financial statement line item was affected as at 1 January 2018 as a result of the adoption of HKFRS 15:

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(b) (續)

首次應用香港財務報告準則第15號之累計影響已確認為對二零一八年一月一日保留溢利期初結餘之調整，因此並無重列比較資料，並繼續根據香港會計準則第11號、香港會計準則第18號及相關詮釋呈報。

以下為採納香港財務報告準則第15號對於二零一八年一月一日各財務報表項目產生之影響金額：

		Notes 附註	Increase/ (decrease) 增加/ (減少) \$'000 千元
Assets	資產		
Contract incremental cost	合約增量成本	(i)	41,839
Assets held for sale	持作出售資產	(i)	51,650
Total assets	總資產		93,489
Liabilities	負債		
Contract liabilities	合約負債	(iii)	25,516
Other payables	其他應付款項	(iii)	1,448
Receipts in advance	預收款項	(iii)	(26,964)
Total liabilities	總負債		—
Equity	權益		
Retained earnings	保留溢利	(i)	53,852
Other reserves	其他儲備	(iv)	(269)
Non-controlling interests	非控股權益	(iv)	39,906
			93,489

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures

(Continued)

(b) (continued)

Set out below are the amounts by which each financial statement line item was affected as at 31 December 2018 and for the year ended 31 December 2018 as a result of the adoption of HKFRS 15. The adoption of HKFRS 15 has had no impact on the Group's operating, investing and financing cash flows. The first column shows the amounts recorded under HKFRS 15 and the second column shows what the amounts would have been had HKFRS 15 not been adopted:

Consolidated statement of profit or loss for the year ended 31 December 2018:

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(b) (續)

以下為採納香港財務報告準則第15號對二零一八年十二月三十一日及截至二零一八年十二月三十一日止年度各財務報表項目產生之影響金額。採納香港財務報告準則第15號並無對本集團之經營、投資及融資現金流量造成影響。首欄顯示根據香港財務報告準則第15號編製之金額，而第二欄顯示並無採納香港財務報告準則第15號之金額：

截至二零一八年十二月三十一日止年度之綜合損益表：

		Amounts prepared under 根據以下準則編製之金額			Changes 變動 \$'000 千元
		HKFRS 15 香港財務 報告準則 第15號 \$'000 千元	Previous HKFRS 前香港財務 報告準則 \$'000 千元		
	Notes 附註				
CONTINUING OPERATIONS	持續經營業務				
Revenue	收益	1,019,791	1,019,791	—	
Cost of sales	銷售成本	(302,028)	(299,161)	(2,867)	
Gross profit	毛利	717,763	720,630	(2,867)	
Selling expenses	銷售開支	(79,639)	(95,318)	15,679	
Finance costs	融資成本	(130,268)	(129,601)	(667)	
Loss before tax from continuing operations	持續經營業務之 除稅前虧損	(84,391)	(96,536)	12,145	
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之 本年度虧損	(66,538)	(78,683)	12,145	
DISCONTINUED OPERATIONS	終止經營業務				
Profit for the year from discontinued operations	終止經營業務之 本年度溢利	898,880	930,140	(31,260)	
PROFIT FOR THE YEAR	本年度溢利	832,342	851,457	(19,115)	

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

(b) (continued)

Consolidated statement of profit or loss for the year ended 31 December 2018 (continued):

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(b) (續)

截至二零一八年十二月三十一日止年度之綜合損益表 (續) :

		Amounts prepared under 根據以下準則編製之金額		
		HKFRS 15 香港財務 報告準則 第15號 \$'000 千元	Previous HKFRS 前香港財務 報告準則 \$'000 千元	Changes 變動 \$'000 千元
Profit/(loss) attributable to:	以下各項應佔 溢利/(虧損) :			
Owners of the parent	母公司擁有人	766,716	791,437	(24,721)
Non-controlling interests	非控股權益	65,626	60,020	5,606
		832,342	851,457	(19,115)
Earnings per share attributable to ordinary equity holders of the parent	母公司普通股持有人 應佔每股盈利			
Basic and diluted	基本及攤薄			
— For profit for the year	— 本年度溢利	16.3	16.8	(0.5)
— For profit from continuing operations	— 持續經營業務溢利	0.5	0.6	(0.1)

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

(b) (continued)

Consolidated statement of comprehensive income for the year ended 31 December 2018:

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(b) (續)

截至二零一八年十二月三十一日止年度之綜合全面收入表：

		Amounts prepared under 根據以下準則編製之金額		
		HKFRS 15 香港財務 報告準則 第15號 \$'000 千元	Previous HKFRS 前香港財務 報告準則 \$'000 千元	Changes 變動 \$'000 千元
Profit for the year	本年度溢利	832,342	851,457	(19,115)
Other comprehensive loss	其他全面虧損			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:	其後期間可能重新分類計入損益賬之其他全面虧損：			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	(241,902)	(241,945)	43
Reclassification adjustments for a foreign operation disposed of during the year	本年度出售海外業務之重新分類調整	5,130	4,882	248
Other comprehensive loss for the year, net of tax	本年度其他全面虧損 (扣除稅項)	(236,772)	(237,063)	291
Total comprehensive income for the year	本年度全面收入總額	595,570	614,394	(18,824)
Profit attributable to:	以下各項應佔溢利：			
Owners of the parent	母公司擁有人	612,187	636,600	(24,413)
Non-controlling interests	非控股權益	(16,617)	(22,206)	5,589
		595,570	614,394	(18,824)

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

(b) (continued)

Consolidated statement of financial position as at 31 December 2018:

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(b) (續)

於二零一八年十二月三十一日之綜合財務狀況表：

		Amounts prepared under 根據以下準則編製之金額			Changes 變動
		HKFRS 15 香港財務 報告準則 第15號	Previous HKFRS 前香港財務 報告準則	Changes 變動	
		Notes 附註	\$'000 千元		\$'000 千元
Contract incremental cost	合約增量成本	(i)	54,067	—	54,067
Total assets	總資產		12,333,431	12,279,364	54,067
Contract liabilities	合約負債	(iii)	118,218	—	118,218
Trade and other payables	貿易及其他應付款項	(iii)	4,575,797	4,569,636	6,161
Receipts in advance	預收款項	(iii)	63,974	188,353	(124,379)
Total liabilities	總負債		9,126,040	9,126,040	—
Net assets	資產淨值		3,207,391	3,153,324	54,067
Retained earnings	保留溢利	(i),(ii)	290,498	261,367	29,131
Other reserves	其他儲備	(iv)	1,459,857	1,459,818	39
Non-controlling interests	非控股權益	(iv)	987,301	962,404	24,897
Total equity	總權益		3,207,391	3,153,324	54,067

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

(b) (continued)

The nature of the adjustments as at 1 January 2018 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 and the statement of profit or loss for the year ended 31 December 2018 are described below:

(i) Accounting for costs incurred to obtain a contract

HKFRS 15 specifies the accounting treatment for costs an entity incurs to obtain a contract to provide goods and services to customers. The Group concluded that, following the adoption of HKFRS 15, sales commissions and other costs directly attributable to obtaining a contract, if recoverable, are capitalized as contract incremental cost. Prior to the adoption of HKFRS 15, those costs were expensed to profit or loss when incurred. Therefore, upon adoption of HKFRS 15, contract incremental costs were increased by \$93,489,000 as at 1 January 2018, \$51,650,000 of which was classified under assets held for sales, which resulted in an increase in retained profits of \$53,852,000, a decrease in exchange difference of \$269,000 and an increase in non-controlling interests of \$39,906,000.

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(b) (續)

於二零一八年一月一日之調整性質以及於二零一八年十二月三十一日之財務狀況表及截至二零一八年十二月三十一日止年度之損益表出現重大變動的原因如下：

(i) 獲得合約所產生成本之會計處理方法

香港財務報告準則第15號訂明實體就獲得向客戶提供貨品及服務之合約所產生成本之會計處理方法。本集團確定，於採納香港財務報告準則第15號後，為獲得合約而直接產生之銷售佣金及其他成本如可收回，則作為合約增量成本予以資本化。於採納香港財務報告準則第15號前，該等成本於產生之時於損益中支銷。因此，於採納香港財務報告準則第15號後，於二零一八年一月一日之合約增量成本增加93,489,000元，其中51,650,000元分類為持作出售資產，導致保留溢利增加53,852,000元、匯兌差額減少269,000元及非控股權益增加39,906,000元。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

(b) (continued)

- (i) Accounting for costs incurred to obtain a contract (continued)

As at 31 December 2018, the adoption of HKFRS 15 resulted in an increase in contract incremental costs of \$54,067,000, which resulted in an increase in retained profits of \$29,131,000, an increase in exchange difference of \$39,000 and an increase in non-controlling interests of \$24,897,000. Selling expense decreased by \$15,679,000 and cost of sales increased by \$2,867,000 for the year ended 31 December 2018.

- (ii) Accounting for significant financing component within transaction price

Generally, the Group receives long-term advances from customers. However, from time to time, the Group also receives short-term advances from its customers. Prior to the adoption of HKFRS 15, the Group presented these advances as receipts in advance in the consolidated statement of financial position. No interest was accrued on the long-term advances received under the previous accounting policy.

3. 編製基準及會計政策(續)

3.2 會計政策及披露之變動(續)

(b) (續)

- (i) 獲得合約所產生成本之會計處理方法(續)

於二零一八年十二月三十一日，採納香港財務報告準則第15號導致合約增量成本增加54,067,000元，而此導致保留溢利增加29,131,000元、匯兌差額增加39,000元及非控股權益增加24,897,000元。截至二零一八年十二月三十一日止年度，銷售開支減少15,679,000元，而截至二零一八年十二月三十一日止年度，銷售成本增加2,867,000元。

- (ii) 交易價格內重大融資組成部分之會計處理方法

一般而言，本集團自客戶收取長期墊款。然而，本集團亦不時向客戶收取短期墊款。於採納香港財務報告準則第15號前，本集團於綜合財務狀況表將該等墊款呈列為預收款項。根據過往會計政策，並無就長期墊款累計利息。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures

(Continued)

(b) (continued)

- (ii) Accounting for significant financing component within transaction price (continued)

Upon the adoption of HKFRS 15, for short-term advances, the Group used the practical expedient. As such, the Group will not adjust the promised amount of the consideration for the effects of a financing component in contracts, where the Group expects, at contract inception, that the period between the time the customer pays for the goods or service and when the Group transfers that promised goods or service to the customer will be one year or less.

Meanwhile, the Group concluded that there is a significant financing component for those properties selling contracts where the customer elects to pay in advance considering the length of time between the customer's payment and the transfer of properties to the customer and the prevailing interest rates in the market. The transaction price for such contracts is discounted to take into consideration the significant financing component. Upon adoption of HKFRS 15, the Group would recognize contract liabilities for the interest on the advances received from customers with a significant financing component and charged this to retained earnings. However, based on the evaluation of the Group, there was no such contract identified on the date of adoption.

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(b) (續)

- (ii) 交易價格內重大融資組成部分之會計處理方法 (續)

採納香港財務報告準則第15號後，就短期墊款而言，本集團採用實際權宜處理方法。因此，本集團將不會就合約中融資組成部分之影響調整代價之已承諾金額，當中本集團預期於訂立合約時客戶就該貨品或服務付款與本集團轉移已承諾貨品或服務予客戶間之期間將為一年或以下。

同時，本集團確定該等物業銷售合約存在重大融資組成部分，其中客戶經考慮客戶之付款與向客戶轉讓物業間之期間及當前市場利率後選擇提前付款。該等合約之交易價格乃經考慮重大融資組成部分後進行貼現。於採納香港財務報告準則第15號後，本集團將自客戶收取具重大融資組成部分墊款之利息確認為合約負債，並將此自保留溢利中扣除。然而，根據本集團評估，於採納日期並無識別有相關合約存在。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures

(Continued)

(b) (continued)

- (ii) Accounting for significant financing component within transaction price (continued)

As at 31 December 2018, the adoption of HKFRS 15 resulted in an increase in finance costs of \$667,000.

- (iii) Consideration received from customers in advance

Before the adoption of HKFRS 15, the Group recognised consideration received from customers in advance as receipts in advance. Under HKFRS 15, the amount is classified as contract liabilities.

Therefore, upon adoption of HKFRS 15, the Group reclassified \$25,516,000 and \$1,448,000 from receipts in advance to contract liabilities and other payables as at 1 January 2018 in relation to the consideration received from customers in advance and value added tax for the sale of properties, respectively.

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(b) (續)

- (ii) 交易價格內重大融資組成部分之會計處理方法 (續)

於二零一八年十二月三十一日，採納香港財務報告準則第15號導致融資成本增加667,000元。

- (iii) 預收客戶代價

於採納香港財務報告準則第15號前，本集團將預收客戶代價確認為預收款項。根據香港財務報告準則第15號，有關金額分類為合約負債。

因此，於採納香港財務報告準則第15號後，本集團已就於二零一八年一月一日之預收客戶代價及銷售物業之增值稅而分別將預收款項25,516,000元及1,448,000元重新分類至二零一八年一月一日之合約負債及其他應付款項。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures

(Continued)

(b) (continued)

- (iii) Consideration received from customers in advance (continued)

As at 31 December 2018, under HKFRS 15, \$118,218,000 and \$6,161,000 were reclassified from receipts in advance to contract liabilities and other payables in relation to the consideration received from customers in advance and valued added tax for the sale of properties, development and operation of hotels, hotel management services, property leasing and management services, hotel design and hotel construction management services.

- (iv) Other adjustments

In addition to the adjustments described above, other items of the primary financial statements such as exchange differences and non-controlling interests were adjusted as necessary. Retained earnings were adjusted accordingly.

- (c) Amendments to HKAS 40 clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments have had no impact on the financial position or performance of the Group.

3. 編製基準及會計政策 (續)

3.2 會計政策及披露之變動 (續)

(b) (續)

- (iii) 預收客戶代價 (續)

於二零一八年十二月三十一日，本集團已根據香港財務報告準則第15號，就預收客戶代價以及銷售物業、酒店發展、營運及酒店管理服務、物業租賃及管理服務、酒店設計及酒店建設管理服務之增值稅而分別將預收款項118,218,000元及6,161,000元重新分類至合約負債及其他應付款項。

- (iv) 其他調整

除上述調整外，已對主要財務報表之其他項目（例如匯兌差額及非控股權益）作出必要調整。保留溢利已作出相應調整。

- (c) 香港會計準則第40號（修訂本）澄清實體應將物業（包括在建或發展中物業）轉撥至或轉撥自投資物業的時間。該修訂本指明，在物業符合或不再符合投資物業的定義且有證據證明用途變更時，則出現用途變更。單憑管理層對物業用途的意向變動並不足以證明用途變更。該修訂本並無對本集團的財務狀況或表現造成影響。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.2 Changes in accounting policies and disclosures (Continued)

(d) HK(IFRIC)-Int 22 provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has had no impact on the Group's financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.

3. 編製基準及會計政策(續)

3.2 會計政策及披露之變動(續)

(d) 香港(國際財務報告詮釋委員會)－詮釋第22號就實體在以外幣收取或支付預付代價並確認非貨幣資產或負債的情況下應用香港會計準則第21號時該如何釐定交易日期提供指引。該詮釋澄清，就釐定於初步確認有關資產、開支或收入(或其中部分)時所用匯率而言，交易日期為實體初步確認因支付或收取預付代價而產生的非貨幣資產(如預付款項)或非貨幣負債(如遞延收入)的日期。倘確認有關項目存在多筆預付代價的付款或收款，則實體須就每筆付款或收款釐定交易日期。由於本集團採用與該詮釋所列指引一致的會計政策以釐定適用於初步確認非貨幣資產或非貨幣負債之匯率，故該詮釋並無對本集團的財務報表造成影響。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i> ²
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 16	<i>Leases</i> ¹
HKFRS 17	<i>Insurance Contracts</i> ³
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ²
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ¹
Annual Improvements 2015-2017 Cycle	<i>Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23</i> ¹

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2020
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

3. 編製基準及會計政策 (續)

3.3 已頒佈但尚未生效之香港財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第3號(修訂本)	業務之定義 ²
香港財務報告準則第9號(修訂本)	具有負補償之預付款項特性 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港會計準則第1號及香港會計準則第8號(修訂本)	重大之定義 ²
香港會計準則第19號(修訂本)	計劃修訂、縮減或結清 ¹
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益 ¹
香港(國際財務報告詮釋委員會) - 詮釋第23號	所得稅處理之不確定性 ¹
二零一五年至二零一七年循環之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂

- ¹ 於二零一九年一月一日或之後開始之年度期間生效
- ² 於二零二零年一月一日或之後開始之年度期間生效
- ³ 於二零二一年一月一日或之後開始之年度期間生效
- ⁴ 並無確定強制生效日期，惟可供採納

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

3.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

3. 編製基準及會計政策 *(續)*

3.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

預期將適用於本集團的該等香港財務報告準則的進一步資料如下：

香港財務報告準則第3號(修訂本)釐清業務之定義並提供額外指引。有關修訂闡明被視為業務之一系列活動及資產必須至少包括共同可對產出能力有重大貢獻之投入及實質性進程。業務可以不包括產出所需的所有貢獻及進程之方式存在。該等修訂移除對市場參與者是否有能力收購業務並持續產出之能力之評估要求。相反，修訂注重所獲得之投入及所獲得之實質性進程是否共同對產出能力作出重大貢獻。該等修訂亦縮小產出的定義，注重向客戶提供的貨品及服務、投資收入或日常業務活動所得之其他收入。此外，該等修訂提供指引，以評估已獲得進程是否實質性，並引入自選公平值集中性測試，從而可簡化評估已取得之一系列活動及資產是否為業務。本集團預期將於二零二零年一月一日提早採納該等修訂。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

3.3 Issued but not yet effective Hong Kong Financial Reporting Standards *(Continued)*

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

3. 編製基準及會計政策 *(續)*

3.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營企業之間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。該等修訂將提前應用。香港會計師公會已於二零一六年一月撤銷香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)先前的強制性生效日期，而新強制性生效日期將於完成對聯營公司及合營企業之更廣泛會計審閱後釐定。然而，該等修訂本現時可供採納。

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3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

3. 編製基準及會計政策(續)

3.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號*租賃*、香港(國際財務報告詮釋委員會) – 詮釋第4號*釐定安排是否包括租賃*、香港(準則詮釋委員會) – 詮釋第15號*經營租賃 – 優惠*及香港(準則詮釋委員會) – 詮釋第27號*評估涉及租賃法律形式交易的內容*。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項選擇性確認豁免 – 低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出的租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號*投資物業*的定義，或與應用重估模型的物業、廠房及設備類別有關，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人亦將須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將

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3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of HKFRS 16. The Group has estimated that right-of-use assets of \$4,681,000 and lease liabilities of \$4,681,000 will be recognised at 1 January 2019.

3. 編製基準及會計政策 (續)

3.3 已頒佈但尚未生效之香港財務報告準則 (續)

之分為經營租賃及融資租賃。與香港會計準則第17號相比，香港財務報告準則第16號要求承租人及出租人作出更全面的披露。承租人應用該準則時，可選擇以全面追溯方式或經修改追溯方式使用該準則。本集團將自二零一九年一月一日採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號的過渡規定，將首次採納的累計影響確認為對於二零一九年一月一日保留溢利期初結餘的調整，以及不會重列比較數字。此外，本集團計劃將新規定應用於先前已應用香港會計準則第17號而識別為租賃的合約，並按剩餘租賃付款的現值計量租賃負債，以及使用本集團於首次應用日期的增量借貸利率貼現。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃於租賃合約中使用標準所允許之豁免，其租賃期限自首次應用日期起計十二個月內終止。於二零一八年，本集團已就採納香港財務報告準則第16號之影響進行詳細評估。本集團估計，4,681,000港元之使用權資產及4,681,000港元之租賃負債將於二零一九年一月一日確認。

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3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 January 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

3. 編製基準及會計政策(續)

3.3 已頒佈但尚未生效之香港財務報告準則(續)

香港會計準則第1號及香港會計準則第8號之修訂就重大提供了新定義。新定義指出，倘省略、錯誤或模糊之資料可合理地預期將影響通用財務報表之主要用戶於該等財務報表的基礎上所作出之決策，則資料屬重大。該等修訂釐清重大性將取決於資料之性質或重要性。倘若錯誤資料可合理預期影響主要用戶所作出之決策，則屬重大。本集團預期自二零二零年一月一日提早採納該等修訂。該等修訂預期不會對本集團之財務報表產生任何重大影響。

香港會計準則第28號(修訂本)釐清香港財務報告準則第9號之範圍豁免僅包括就此應用權益法於聯營公司或合營企業之權益，而不包括實質上構成於該聯營公司或合營企業之淨投資一部分之長期權益(並無就此應用權益法)。因此，實體應用香港財務報告準則第9號而非香港會計準則第28號(包括香港財務報告準則第9號下之減值規定)將該等長期權益入賬。香港會計準則第28號可應用於淨投資，包括長期權益，惟僅在確認聯營公司或合營企業之虧損及於聯營公司或合營企業之淨投資減值的情況下方可應用。本集團預期於二零一九年一月一日採納該等修訂，並將使用修訂的過渡性規定按二零一九年一月一日存在的事實及情況評估該等長期權益的業務模式。本集團亦打算於採納該等修訂後應用毋須重列過往期間可比較資料的寬免。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

3. 編製基準及會計政策 (續)

3.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港(國際財務報告詮釋委員會)－詮釋第23號針對當稅項處理涉及影響應用香港會計準則第12號的不確定性(常稱為「不確定稅項狀況」)時的所得稅(即期及遞延)會計處理方式。該詮釋不適用於香港會計準則第12號範圍之外的稅項或徵費，尤其亦不包括涉及有關不確定稅項處理的利息及罰款的規定。該詮釋具體針對(i)實體是否單獨考慮不確定稅項處理；(ii)實體對稅務機關的稅項處理檢查作出的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋將會追溯應用，方式為透過毋須事後確認的方式全面追溯應用，或以應用的累計效應作為對首次應用日期的期初權益的調整而追溯應用，惟並不會重列比較資料。本集團預期自二零一九年一月一日起採納該詮釋。該詮釋預期將不會對本集團的財務報表造成任何重大影響。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

3.4 Summary of significant accounting policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公允價值計算，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團自被收購公司之前度擁有人承擔的負債及本集團發行的以換取被收購公司控制權的股本權益的總和。就各項業務合併而言，對於在屬現時所有權權益且賦予擁有人權力於清盤時按比例分佔被收購公司之資產淨額之非控股權益，本集團選擇以公允價值或被收購公司可識別資產淨值的分佔比例計量。所有非控股權益的其他成分均以公允價值計量。收購有關成本於發生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及標示，其中包括將被收購公司主合約中的嵌入式衍生工具分離。

倘業務合併分階段進行，先前持有的股權按收購日期的公允價值重新計量，而任何引致的收益或虧損於損益中確認。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Business combinations and goodwill (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

業務合併及商譽 (續)

由收購方將予轉讓的任何或然代價將按收購日期的公允價值確認。分類為資產或負債的或然代價根據公允價值的變動按公允價值計量，並於損益中確認。分類為權益的或然代價並無重新計量，而其後結算於權益中入賬。

商譽初始按成本計量，即已轉讓代價、已確認非控股權益金額及本集團先前持有的被收購公司股本權益的任何公允價值的總和，超出所收購可識別資產淨值及所承擔負債的差額。如代價及其他項目的總和低於所收購資產淨值的公允價值，於重新評估後其差額於損益中確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年進行減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽之年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而不論本集團其他資產或負債是否已分配予該等單位或單位組別。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

3.4 Summary of significant accounting policies *(Continued)*

Business combinations and goodwill *(Continued)*

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

3. 編製基準及會計政策 *(續)*

3.4 主要會計政策概要 *(續)*

業務合併及商譽 *(續)*

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。當現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額時，減值虧損會予以確認。已就商譽確認的減值虧損不得於其後期間撥回。

倘商譽被分配至現金產生單位(或現金產生單位組別)而該單位的部分經營業務已出售，則在釐定出售業務的收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面金額。在該情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留部分計量。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Fair value measurement

The Group measures its investment properties at fair value at the end of each reporting period. 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

公允價值計量

本集團於各報告期末對其投資物業按公允價值進行計量。公允價值乃於計量日期市場參與者於有秩序交易中出售一項資產將收取或轉讓一項負債將支付的價格。公允價值計量假設出售資產或轉讓負債的交易於該資產或負債的主要市場，或在無主要市場的情況下，於對該資產或負債最有利的市場進行。本集團必須可於該主要市場或最有利市場進行交易。資產或負債的公允價值乃採用市場參與者為資產或負債定價時所用的假設計量，即假設市場參與者按其最佳經濟利益行事。

非金融資產公允價值之計量則參考市場參與者可從使用該資產得到之最高及最佳效用，或把該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者所產生之經濟效益。

本集團採納合乎時宜且具備充分數據以供計量公允價值的估值方法，盡量使用相關可觀察輸入參數及盡量減少使用不可觀察輸入參數。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

公允價值計量 (續)

所有公允價值於本財務報表計量或披露的資產及負債乃基於對公允價值計量整體而言屬重大的最低層輸入參數按以下公允價值等級分類：

第一級 — 基於相同資產或負債於活躍市場的報價 (未經調整)

第二級 — 基於對公允價值計量而言屬重大的可觀察 (直接或間接) 最低層輸入參數的估值方法

第三級 — 基於對公允價值計量而言屬重大的不可觀察最低層輸入參數的估值方法

就按經常性基準於本財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類 (基於對公允價值計量整體而言屬重大的最低層輸入參數) 確定是否發生不同等級轉移。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

3.4 Summary of significant accounting policies *(Continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, completed properties held for sale, properties under development, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

3. 編製基準及會計政策 *(續)*

3.4 主要會計政策概要 *(續)*

非金融資產減值

倘存在減值跡象，或須每年對資產（存貨、遞延稅項資產、金融資產、已竣工持作出售物業、開發中物業、投資物業及非流動資產／分類為持作出售的出售組別除外）作減值測試時，資產的可收回金額會予以估計。資產的可收回金額乃資產或現金產生單位的使用價值，以及其公允價值減出售成本較高者，並就個別資產進行釐定，除非資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額按資產所屬的現金產生單位予以釐定。

減值虧損僅於資產的賬面金額超過其可收回金額時確認。在評估使用價值時，估計日後現金流量按能反映當時市場對貨幣時值及該項資產特定風險之評估的除稅前貼現率折算成現值。減值虧損計入其產生期間的損益表內與已減值資產功能一致之開支類別中，除非該資產乃以重估價值列示，在這種情況下，減值虧損將根據相關的重估資產會計政策處理。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Impairment of non-financial assets (Continued)

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

非金融資產減值 (續)

於各報告期末，將評估是否有跡象顯示之前確認的減值虧損或已不存在或可能已減少。倘存在該等跡象，可收回金額會予以估計。倘用以釐定資產的可收回金額的估計出現變動時，先前確認的資產(商譽除外)減值虧損方可撥回，惟該數額不得超過有關資產於過往年度並未有確認減值虧損而予以釐定的賬面金額(扣除任何折舊／攤銷)。該減值虧損的撥回於產生期間計入損益表，除非該資產乃以重估價值列示，在這種情況下，減值虧損的回撥將根據相關的重估資產會計政策處理。

關連人士

一方將被視為與本集團有關聯，條件為：

- (a) 該方為某一人士或該人士家屬及該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本集團或本集團母公司之主要管理人員；

或

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group 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;
 - (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); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

關連人士 (續)

- (b) 倘該方為符合以下任何條件的實體：
- (i) 該實體及本集團為同一集團成員；
 - (ii) 一個實體為另一個實體之聯營公司或合營企業（或另一個實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 實體及本集團為同一第三方之合營企業；
 - (iv) 一個實體為第三方實體之合營企業，而另一個實體為第三方實體之聯營公司；
 - (v) 實體為本集團或與本集團有關聯之實體為其僱員福利而設立之退休福利計劃；
 - (vi) 實體受(a)項所述之人士控制或共同控制；
 - (vii) (a)(i)項所述之人士對實體擁有重大影響力或為實體（或其母公司）之主要管理人員；及
 - (viii) 向本集團或本集團之母公司提供主要管理人員服務之實體或所屬集團之任何成員公司。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊

除在建工程以外，物業、廠房及設備按成本減累計折舊及任何減值虧損呈列。倘一項物業、廠房及設備分類為待售資產或倘其作為分類為待售資產出售組別之一部分，則該物業、廠房及設備將不計提折舊，惟會根據香港財務報告準則第5號入賬（進一步說明見有關「非流動資產及待售出售組別」之會計政策）。物業、廠房及設備項目之成本包括其購買價，及促使有關資產達致其營運狀況及地點作擬定用途所產生之任何直接應佔成本。

物業、廠房及設備項目投產後所產生之支出，例如維修及保養，通常於產生支出期間計入損益表。在符合確認準則的情況下，主要檢查的支出會作為重置，於資產賬面金額中資本化。倘物業、廠房及設備的主要部分須不時重置，則本集團會將有關部分確認為個別資產，具有指明的可使用年期及據此折舊。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies

(Continued)

Property, plant and equipment and depreciation

(Continued)

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

		Useful lives 可使用年期	Residual values 殘值
Freehold land	永久業權土地	Not depreciated 並無折舊	Not depreciated 並無折舊
Buildings	樓宇	30 years 30年	5%
Leasehold improvements	租賃物業裝修	Over the shorter of the lease terms and 5 years 租期及5年之較短者	Nil 無
Furniture, fixtures and equipment	傢俬、裝置及設備	3-5 years 3-5年	0-10%
Motor vehicles	汽車	5 years 5年	0-10%

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

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

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

折舊乃按其估計可使用年期以直線法撇銷各物業、廠房及設備項目之成本至其殘值計算。為此而採用之估計殘值及可使用年期如下：

	Useful lives 可使用年期	Residual values 殘值
Freehold land	Not depreciated 並無折舊	Not depreciated 並無折舊
Buildings	30 years 30年	5%
Leasehold improvements	Over the shorter of the lease terms and 5 years 租期及5年之較短者	Nil 無
Furniture, fixtures and equipment	3-5 years 3-5年	0-10%
Motor vehicles	5 years 5年	0-10%

倘物業、廠房及設備項目之各部分有不同可使用年期，則有關項目之成本將按各部分之合理基礎分配，而每部分將作個別折舊。殘值、可使用年期及折舊法至少須於各財政年度年結日予以檢討，並作調整（如適用）。

物業、廠房及設備項目（包括初始確認的任何重大部分）於出售或預期不會從其使用或出售獲取未來經濟利益時終止確認。於終止確認資產之年度在損益表確認之任何出售或報廢損益，為有關資產出售所得款項淨額與賬面金額之差額。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Property, plant and equipment and depreciation (Continued)

Construction in progress represents renovation works in progress and is stated at cost less any impairment losses, and is not depreciated. Cost mainly comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Properties under construction or development for future use as investment properties are classified as investment properties under construction. Such properties under construction are measured initially at cost, including transaction costs, and stated at fair value, subsequent to initial recognition, at each reporting date when fair value can be determined reliably. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be reliably determined or construction is completed.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

在建工程指進行中的裝修工程，按成本減任何減值虧損呈列且不計提折舊。成本主要包括建築期內的直接建設成本及資本化的相關借款的借款成本。在建工程竣工且可供使用時，將重新分類至物業、廠房及設備的恰當類別。

投資物業

投資物業為持作賺取租金收入及／或資本增值（而非用於生產或供應貨品或服務或行政目的），或在日常業務過程中出售之土地及樓宇（包括在其他方面符合投資物業定義之物業之經營租約下之租賃權益）之權益。該等物業初始以成本（包括交易成本）計量。初始確認後，投資物業按公允價值呈列，反映報告期末的市況。

在建物業或日後作投資物業的發展項目分類為在建投資物業。於各報告期末，倘公允價值能可靠釐定，該等在建物業首次按成本計量，包括交易成本，其後按公允價值列賬。倘公允價值無法可靠釐定，則在建投資物業將按成本計量直至公允價值能可靠釐定或竣工時為止。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Investment properties (Continued)

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property, plant and equipment and depreciation” up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under “Property, plant and equipment and depreciation” above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

投資物業(續)

投資物業公允價值之變動所產生之盈利或虧損，計入所產生年度之損益表。

報廢或出售投資物業之任何損益均於報廢或出售年度之損益表中予以確認。

就投資物業轉撥至自用物業或存貨而言，物業其後作會計處理的推定成本為其於用途變更當日的公允價值。若本集團佔用作自用物業的物業轉撥為投資物業，本集團直至用途變更當日會根據「物業、廠房及設備以及折舊」所述的政策將該物業入賬，且該物業的賬面金額與公允價值於該日的任何差額根據上述「物業、廠房及設備以及折舊」所述的政策入賬列作重估。就存貨轉撥至投資物業而言，物業於轉撥當日的公允價值與其先前賬面值之間的任何差額於損益表確認。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

3.4 Summary of significant accounting policies *(Continued)*

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

3. 編製基準及會計政策 *(續)*

3.4 主要會計政策概要 *(續)*

非流動資產及待售出售組別

倘非流動資產及出售組別之賬面值主要透過一項出售交易而非透過持續使用之方式收回，則非流動資產及出售組別分類為待售資產。就此而言，有關資產或出售組別須可即時以其現狀出售，惟須符合出售該等資產或出售組別常用及慣用之條款；且須非常可能出售有關資產或出售組別。一間附屬公司分類為出售組別之所有資產及負債乃重新分類為待售資產，不論本集團是否於出售後保留其前附屬公司之非控股權益。

分類為待售之非流動資產及出售組別（投資物業及金融資產除外）乃按其賬面值及公允價值減出售成本的較低者計量。分類為待售之物業、廠房及設備以及無形資產不計提折舊或進行攤銷。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

經營租賃

資產擁有權之絕大部分回報與風險仍歸於出租人之租賃入賬列作經營租賃。倘本集團為出租人，本集團根據經營租賃所出租之資產乃計入非流動資產，且經營租賃之應收租金乃於租期內以直線法計入損益表。倘本集團為承租人，經營租賃之應付租金乃於租期內以直線法於損益表扣除。

經營租賃下的預付土地租賃款項首次按成本列賬，其後於租期內按直線法確認。

倘租賃款項無法於土地及樓宇間可靠分配，則全部租賃款項乃於物業、廠房及設備下按融資租賃計入土地及樓宇成本。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

投資及其他金融資產(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)

初始確認及計量

金融資產於初始確認時分類為其後按攤銷成本、按公允價值計入其他全面收益及按公允價值計入損益計量。

於初始確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用不調整重大融資成分影響之可行權宜方法的貿易應收款項外，本集團初始按公允價值加上(倘金融資產並非按公允價值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項根據下文「收益確認(自二零一八年一月一日起適用)」所載之政策按香港財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公允價值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息("SPPI")的現金流量。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

投資及其他金融資產 (根據香港財務報告準則第9號自二零一八年一月一日起適用之政策) (續)

初始確認及計量 (續)

本集團管理金融資產的業務模式指其如何管理金融資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售金融資產，或兩者兼有。

所有以常規方式買賣的金融資產均於交易日期 (即本集團承諾買賣該資產當日) 予以確認。常規方式買賣指規定須於一般市場規例或慣例確立之期間內交付資產的金融資產買賣。

後續計量

金融資產的後續計量取決於其以下分類：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

投資及其他金融資產(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)(續)

按攤銷成本計量之金融資產(債務工具)

倘符合以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產的合約條款規定須於特定日期產生純粹為支付本金及未償還本金利息的現金流量。

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表中確認。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

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

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

投資及其他金融資產(根據香港會計準則第39號於二零一八年一月一日前適用之政策)

初始確認及計量

金融資產於初始確認時分類為按公允價值計入損益賬之金融資產、貸款及應收款項及可供出售金融投資或指定為有效對沖之對沖工具的衍生工具(如適用)。金融資產初始確認時以公允價值加上收購金融資產應佔交易成本計量，惟按公允價值計入損益賬之金融資產除外。

所有一般金融資產買賣概於交易日(即本集團承諾買賣該資產當日)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

後續計量

金融資產的後續計量視乎其以下分類：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

Loans and receivables

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

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

投資及其他金融資產(根據香港會計準則第39號於二零一八年一月一日前適用之政策)(續)

貸款及應收款項

貸款及應收款項指並非於活躍市場報價，但具有固定或可釐定付款的非衍生金融資產。初始計量後，該等資產隨後採用實際利率法，按攤銷成本減任何減值撥備計量。計算攤銷成本時須計及收購時之任何折讓或溢價，且包括構成實際利率整體部分的費用或成本。實際利率攤銷計入損益表內的其他收益。減值產生的虧損於損益表內的貸款融資成本及應收款項其他虧損淨額中確認。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

終止確認金融資產 (根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策)

金融資產 (或倘適用，作為金融資產或類似金融資產組別之一部分) 主要在下列情況終止確認 (即自本集團的綜合財務狀況表摒除)：

- 從資產收取現金流量之權利已屆滿；或
- 本集團已轉讓其從資產收取現金流量之權利，或已根據「轉付」安排承擔責任，在沒有重大延誤的情況下，將已收取現金流量悉數付予第三方；及 (a) 本集團已轉讓資產之絕大部分風險及回報，或 (b) 本集團並無轉讓或保留資產之絕大部分風險及回報，但已轉讓資產之控制權。

倘本集團已轉讓從資產收取現金流量之權利或已經訂立轉付安排，其對於是否保留與該資產所有權相關的風險和回報以及保留程度作出評估。倘其未轉讓或保留資產之絕大部分風險及回報亦未轉讓資產之控制權，本集團繼續按本集團之持續參與確認轉讓之資產。在該情況下，本集團亦確認相關負債。轉讓的資產及相關負債按反映本集團保留的權利和責任的基準計量。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018) (Continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

終止確認金融資產 (根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策) (續)

以經轉讓資產擔保方式的持續參與按資產原始賬面金額與本集團可能被要求償還代價的最高金額之間的較低者計量。

金融資產減值 (根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)

本集團就並非按公允價值計入損益持有的所有債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原始實際利率的概約利率折現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級措施所得的現金流量。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

金融資產減值(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)(續)

一般方法

預期信貸虧損分兩個階段確認。就首次確認以來信貸風險並無大幅增加的信貸風險而言，會為未來十二個月可能發生的違約事件所產生的信貸虧損(十二個月預期信貸虧損)計提預期信貸減值撥備。就首次確認以來信貸風險大幅增加的信貸風險而言，不論何時發生違約，於餘下風險年期內產生的預期信貸虧損均須計提減值撥備(存續預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自初始確認以來是否大幅增加。在進行評估時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險，並考慮合理及有理據且毋須花費不必要成本或精力即可獲得的資料，包括歷史及前瞻性資料。

倘合約付款逾期90日，則本集團認為金融資產屬已違約。然而，在若干情況下，當內部或外部資料指出在計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收回未償還合約金額，則本集團亦可認為金融資產將屬違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

General approach (Continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

金融資產減值(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)(續)

一般方法(續)

按公允價值計入其他全面收益的債務工具以及按攤銷成本計量的金融資產根據一般方法進行減值，並根據以下用作計量預期信貸虧損的階段進行分類，惟應用下文詳述的簡化方法的貿易應收款項除外。

第一階段 — 信貸風險自初始確認以來並無大幅增加及按相等於十二個月預期信貸虧損的金額計量減值撥備的金融工具

第二階段 — 信貸風險自初始確認以來大幅增加但並非信貸減值金融資產及按相等於存續預期信貸虧損的金額計量減值撥備的金融工具

第三階段 — 於報告日期信貸減值(但並非購買或原始信貸減值)及按相等於存續預期信貸虧損的金額計量減值撥備的金融資產

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

金融資產減值 (根據香港財務報告準則第9號自二零一八年一月一日起適用之政策) (續)

簡化方法

就並無重大融資成分或本集團已應用不調整重大融資成分影響之可行權宜方法的貿易應收款項而言，本集團採用簡化方法計算預期信貸虧損。根據簡化方法，本集團並無追蹤信貸風險變動，反而於各報告日期根據存續預期信貸虧損確認減值撥備。本集團已根據其以往信貸虧損經驗設立撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

就包含重大融資成分的貿易應收款項及租賃應收款項，本集團選擇採用簡化方法作為其會計政策，按上述政策計算預期信貸虧損。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

金融資產減值(根據香港會計準則第39號於二零一八年一月一日前適用之政策)

本集團於各報告期末評估是否存在客觀跡象顯示金融資產或金融資產組別發生減值。倘初始確認資產後發生的一項或多項事件對金融資產或金融資產組別的估計未來現金流量的影響能可靠地估計，則存在減值。減值跡象可包括一名或一組債務人正面臨重大財務困難、違約或未能償還利息或本金，彼等很可能破產或進行其他財務重組，以及有可觀察數據表示估計未來現金流量出現大幅下降，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先單獨評估個別重大的金融資產或整體評估個別不重大的金融資產是否存在減值。倘本集團確定並無客觀跡象表明個別評估的金融資產(不論是否重大)發生減值，則會將該資產納入一組信貸風險特徵相似的金融資產中，並整體評估該組資產是否存在減值。個別評估為減值，以及就其已確認或繼續確認減值虧損的資產不會計入整體減值評估中。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

Financial assets carried at amortised cost (Continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

金融資產減值 (根據香港會計準則第39號於二零一八年一月一日前適用之政策) (續)

按攤銷成本列賬之金融資產 (續)

已發現任何減值虧損的金額乃按資產賬面金額與估計未來現金流量現值 (不包括尚未發生的未來信用虧損) 之差額計算。估計未來現金流量之現值按金融資產最初實際利率 (即於初始確認時計算之實際利率) 貼現。

資產之賬面金額透過利用撥備賬而減少，而虧損於損益表中確認。利息收入繼續按減少後的賬面金額累計，並利用貼現未來現金流量所用的利率，以計量減值虧損。倘未來收回無實際可能，且所有抵押品已變現或已轉讓予本集團，則貸款及應收款項及任何相關撥備應一併撇銷。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

Financial assets carried at amortised cost (Continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other net loss in the statement of profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

金融資產減值(根據香港會計準則第39號於二零一八年一月一日前適用之政策)(續)

按攤銷成本列賬之金融資產(續)

倘於後續期間，因確認減值後發生之事件而使估計減值虧損之金額增加或減少，則可透過調整撥備賬增加或減少之前確認的減值虧損。倘撤銷金額其後收回，則收回金額會計入損益表的其他虧損淨額。

按成本列賬之資產

倘有客觀跡象顯示，非以公允價值列賬之非報價股本工具，乃因其公允價值不能可靠地計量而發生減值虧損，或與有關非報價股本工具掛鉤且必須透過交付有關非報價股本工具進行結算之衍生資產發生減值虧損，則虧損金額乃為資產賬面金額與利用類似金融資產之當時市場回報率貼現估計未來現金流量現值之差額。該等資產之減值虧損不予撥回。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings and payables, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

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

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

金融負債(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策)

初始確認及計量

金融負債初始確認時分類為按公允價值計入損益賬之金融負債、貸款及借款、應付款項或指定為有效對沖之對沖工具的衍生工具(如適用)。

初始確認時，所有金融負債均按公允價值確認，如屬貸款及借款以及應付款項，則加上直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項以及計息貸款及借款。

後續計量

金融負債的後續計量視乎其如下分類：

貸款及借款

初始確認後，計息貸款及借款其後以實際利率法按攤銷成本計量，惟倘貼現之影響並不重大，則按成本呈列。倘負債終止確認，則損益將透過實際利率法攤銷過程於損益表中確認。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (Continued)

Loans and borrowings (Continued)

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

Financial guarantee contracts (policies under HKFRS 9 applicable from 1 January 2018)

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in “Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)”; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

金融負債 (根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策) (續)

貸款及借款 (續)

計算攤銷成本須計及收購時之任何折讓或溢價，且包括構成實際利率整體部分的費用或成本。實際利率攤銷計入損益表內的融資成本。

財務擔保合約 (根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)

本集團作出的財務擔保合約即要求發行人作出特定付款以償付持有人因特定債務人未能根據債務工具的條款償還到期款項而招致損失的合約。財務擔保合約初步按其公允價值確認為一項負債，並就作出該擔保直接產生的交易成本作出調整。於初始確認後，本集團按(i)根據「金融資產減值 (根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)」所載之政策釐定的預期信貸虧損撥備；及(ii)初始確認的金額減(如適用)累計已確認收入金額(以較高者為準)計量財務擔保合約。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (Continued)

Financial guarantee contracts (policies under HKAS 39 applicable before 1 January 2018)

A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

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

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

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

金融負債(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策)(續)

財務擔保合約(根據香港會計準則第39號於二零一八年一月一日前適用之政策)

財務擔保合約初步按其公允價值確認為一項負債，並就作出該擔保直接產生的交易成本作出調整。於初始確認後，本集團按(i)履行報告期末的現有責任所需開支的最佳估計金額；及(ii)初始確認的金額減(如適用)累計攤銷(以較高者為準)計量財務擔保合約。

終止確認金融負債(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策)

倘負債項下的責任已解除或取消或屆滿，則終止確認金融負債。

當現有金融負債被同一貸款人以明顯不同的條款提供之另一金融負債取代，或現有負債之條款經大幅修訂，則相關交換或修訂被視為終止確認原始負債及確認新負債，且各賬面金額之差額在損益表中確認。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period. The net realisable value of properties under development is determined by establishing the market values of the properties on an “as-if” completed basis with appropriate deduction on construction costs, professional fees and interests to be incurred from the valuation date to completion as well as a reasonable profit margin.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

金融工具的抵銷(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策)

倘目前有可行使的合法權利對確認的金額予以抵銷，且有意按淨額基準結算或同時變現資產和結算負債，則金融資產和金融負債會互相抵銷，而淨額會在財務狀況表中呈報。

在建物業

在建物業乃按成本及可變現淨值兩者之較低者呈列，包括土地成本、建設成本、借貸成本、專業費用及該等物業在開發階段直接產生的其他成本。在建物業的可變現淨值透過按視作竣工基準確定物業市值釐定，並扣除適當建設成本、專業費用及估值日至竣工期間之利息以及合理利潤率。

在建物業被劃分為流動資產，除非預計相關物業開發項目的建築時間超過正常的營運週期。竣工後，該等物業被轉為持作出售之已竣工物業。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

3.4 Summary of significant accounting policies *(Continued)*

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. The net realisable value is determined by reference to the sales proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management's estimates based on the prevailing market conditions, on an individual property basis.

Cash and cash equivalents

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

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

3. 編製基準及會計政策 *(續)*

3.4 主要會計政策概要 *(續)*

待售已竣工物業

待售已竣工物業乃按成本及可變現淨值兩者之較低者呈列。成本按未出售物業應佔的土地及樓宇總成本的分攤比例釐定。可變現淨值乃參考於一般業務過程中已售物業之銷售所得款項減適用浮動銷售開支釐定，或由管理層按個別物業基準根據當前市況估計。

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括庫存現金及活期存款，以及可隨時轉換為已知數額現金、價值變動風險極微及一般於購入後三個月內到期之短期高流動性投資，減去於要求時償還且構成本集團現金管理一部分之銀行透支。

就綜合財務狀況表而言，現金及現金等值物包括並未限制用途的庫存現金及銀行現金（包括定期存款及性質與現金類似的資產）。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Provisions

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

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

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general guidance for provisions above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

撥備

倘因過往事件導致現有責任(法律或推定)及日後可能需要有資源流出以履行責任，則確認撥備，但必須能可靠估計有關責任金額。

倘貼現之影響屬重大，則確認之撥備金額為預期用作履行責任之未來支出於報告期末之現值。因時間流逝導致所貼現值金額的增加將計入損益表的融資成本中。

於業務合併中確認的或然負債初始按其公允價值計量。其後，按(i)根據上述一般撥備指引確認的金額與(ii)初始確認金額之較高者，減去根據收益確認指引確認的累計攤銷(如適用)計量。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Income tax

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

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

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

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

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

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。與並非於損益賬確認之項目有關之所得稅會於並非損益賬之其他全面收入或直接於權益中確認。

本期及過往期間之即期稅項資產及負債以預期可予收回或支付予稅務機關之金額計算，計算之基準為於報告期末前已生效或實質上已生效之稅率(及稅法)，亦考慮本集團經營所在國家現行之詮釋及慣例。

遞延稅項使用負債法就報告期末資產及負債之稅基與其作財務申報用途之賬面值之間產生之一切暫時性差異作出撥備。

遞延稅項負債乃就所有應課稅暫時性差異予以確認，惟以下情況除外：

- 於進行某項不屬於業務合併之交易時因商譽或初步確認資產或負債且無對會計溢利或應課稅溢利或虧損構成影響而產生之遞延稅項負債；及
- 就與於附屬公司及合營企業之投資相關之應課稅暫時性差異而言，惟倘撥回暫時性差異之時間可予控制，且暫時性差異可能不會於可見將來撥回則作別論。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Income tax (Continued)

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產按所有可抵扣暫時性差異、未動用稅項抵免及任何未動用稅項虧損之結轉確認。遞延稅項資產於應課稅溢利將用作抵銷可扣減暫時性差異、可動用之未動用稅項抵免及未動用稅項虧損之結轉時確認，惟以下情況除外：

- 於進行某項交易時因初步確認非業務合併之交易之資產或負債且無對會計溢利或應課稅溢利或虧損構成影響而產生之可扣減暫時性差異有關之遞延稅項資產；及
- 就與於附屬公司及合營企業之投資相關的可扣減暫時性差異而言，遞延稅項資產僅在暫時性差異可能於可見將來撥回，及應課稅溢利可予動用抵銷暫時性差異時始予以確認。

遞延稅項資產之賬面值於各報告期末進行審核，並於不再可能有足夠應課稅溢利以動用全部或部分遞延稅項資產時予以確扣減。未確認之遞延稅項資產則於各報告期末進行重估，並於將可能有足夠應課稅溢利以動用全部或部分將收回之遞延稅項資產時確認。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Income tax (Continued)

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產及負債，乃根據於各報告期末已生效或實質上已生效之稅率（及稅法），按預期適用於變現資產或償還負債期間之稅率計算。

倘及僅當本集團有可依法強制執行之權利可將當期稅項資產與當期稅項負債相互抵銷及遞延稅項資產與遞延稅項負債與由同一稅務機關對同一應課稅實體或不同的應課稅實體所徵收的所得稅有關，而該等實體有意在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準清償當期稅項負債及資產，或同時變現該資產及清償該負債，則遞延稅項資產可與遞延稅項負債互相抵銷。

收益確認 (自二零一八年一月一日起適用)

來自客戶合約的收益

來自客戶合約的收益於貨品或服務控制權轉移至客戶時按能反映本集團預期就轉移該等貨品或服務而有權獲得之代價金額確認。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Revenue recognition (applicable from 1 January 2018) (Continued)

Revenue from contracts with customers (Continued)

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

收益確認(自二零一八年一月一日起適用)(續)

來自客戶合約的收益(續)

當合約代價包含可變金額時，代價金額則按本集團有權就向客戶轉移貨品或服務交換的代價金額估計。可變代價在合約開始時估計並受約束，直至當與可變代價相關的不確定性隨後獲解決時已確認累計收益金額將很大可能不會發生重大收益撥回。

當合約包含就向客戶轉移貨品或服務為客戶提供超過一年重大融資利益的融資成分時，收益按應收款項的現值計量，並按本集團與客戶於合約開始時之獨立融資交易中反映的折現率進行折現。當合約包含為本集團提供超過一年重大財務利益的融資成分時，根據合約確認的收益包括按實際利率法計算的合約負債所產生的利息支出。就客戶付款與轉移承諾貨品或服務之間的期限為一年或以下的合約而言，根據香港財務報告準則第15號可行權宜方法，交易價格不會就重大融資成分的影響進行調整。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Revenue recognition (applicable from 1 January 2018) (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of properties

Revenue from the sale of properties is recognised at the point in time when control of the property is transferred to the purchasers, generally on the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

(b) Hotel management services

Revenue from hotel management is recognised in the accounting period in which the services are rendered.

(c) Investment property leasing and management services

Revenue arising from investment property leasing and management is recognised in the accounting period in which the services are rendered.

(d) Hotel design and hotel construction management services

Revenue arising from hotel design and hotel construction management is recognised in the accounting period in which the services are rendered.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

收益確認 (自二零一八年一月一日起適用) (續)

來自客戶合約的收益 (續)

(a) 物業銷售

來自銷售物業之收益於物業控制權轉移至買方時確認，一般為客戶取得已竣工物業之實際擁有權或法定所有權，而本集團目前享有獲得付款之權利且極有可能收回代價之時間。

(b) 酒店管理服務

來自酒店管理之收益於提供服務的會計期間予以確認。

(c) 投資物業租賃及管理服務

投資物業租賃及管理所產生之收益於提供服務的會計期間予以確認。

(d) 酒店設計及酒店建設管理服務

酒店設計及酒店建設管理所產生之收益於提供服務的會計期間予以確認。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Revenue recognition (applicable from 1 January 2018) (Continued)

Revenue from contracts with customers (Continued)

(e) Provision of management services

Revenue from the provision of management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

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

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

收益確認(自二零一八年一月一日起適用)(續)

來自客戶合約的收益(續)

(e) 提供管理服務

提供管理服務之收益在預定期間內以直線法予以確認，乃因客戶同時取得及耗用本集團提供的利益。

其他來源之收益

租金收入於租賃期內按時間比例予以確認。

其他收入

利息收入按累計基準以實際利率法，採用於金融工具之預期年期或較短期間(倘適用)內將估計未來現金款項精確折現至金融資產賬面淨值的比率確認。

於股東收取款項之權利已獲確立，與股息相關之經濟利益很可能流入本集團，且股息金額能夠可靠計量時，股息收入予以確認。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Revenue recognition (applicable before 1 January 2018)

Revenue from the sale of properties in the ordinary course of business is recognised when all the following criteria are met:

- (a) the significant risks and rewards of ownership of the properties have been transferred to the buyers;
- (b) neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the properties is retained;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- (e) the cost incurred or to be incurred in respect of the transaction can be measured reliably.

The above criteria are met when construction of the relevant properties has been completed and the Group has obtained the project completion report issued by the relevant government authorities, the properties have been delivered to the purchasers, and the collectability of related receivables is reasonably assured. Payments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under current liabilities.

Rental income derived from the lease of the Group's properties is recognised on a time proportion basis over the lease terms.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

收益確認 (於二零一八年一月一日前適用)

於日常業務過程中出售物業產生之收益於滿足以下全部條件時確認：

- (a) 物業擁有權之重大風險及回報均已轉移至買方；
- (b) 本集團並無保留一般與所有權有關之物業持續管理權或實際控制權；
- (c) 收益金額能夠可靠地計量；
- (d) 與交易相關之經濟利益很可能流入本集團；及
- (e) 交易已產生或將產生之成本能夠被可靠地計量。

當相關物業的建設工程已經完工、本集團已取得相關政府機關頒發之項目完工報告、有關物業已交付買方且可合理確定能收取有關應收款項時，上述標準方告達成。在確認收益當日前出售物業所收取之款項於綜合財務狀況表列作流動負債。

本集團物業租賃產生之租金收入按時間比例於租期內確認。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Revenue recognition (applicable before 1 January 2018) (Continued)

Property management fee income derived from the provision of property maintenance and management services is recognised when the relevant services are rendered.

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

Dividend income is recognised when the shareholders' right to receive payment has been established.

Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

收益確認(於二零一八年一月一 日前適用)(續)

由提供物業保養及管理服務產生之物業管理費收入於提供相關服務時確認。

利息收入按累計基準以實際利率法，採用於金融工具之預計年期或較短時間(如適用)內將估計未來現金款項精確折現至金融資產賬面淨值之比率確認。

股息收入於股東收取款項之權利確立時確認。

合約負債(自二零一八年一月一 日起適用)

合約負債指本集團向客戶轉移貨品或服務的責任，而本集團已自客戶收取代價(或已到期代價金額)。倘若客戶於本集團向客戶轉移貨品或服務前支付代價，則在作出付款或付款到期時(以較早者為準)確認合約負債。當本集團履行合約時，合約負債確認為收益。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Contract incremental costs (applicable from 1 January 2018)

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfill a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract incremental costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

合約增量成本 (自二零一八年一月一日起適用)

倘若符合下所有條件，除存貨、物業、廠房及設備以及無形資產予以資本化的成本外，履行與客戶合約所產生的成本會作為資產予以資本化：

- (a) 成本與實體可明確識別的合約或預期合約直接相關。
- (b) 成本產生或提升日後用作履行(或持續履行)履約責任的實體資源。
- (c) 成本預期可收回。

資本化合約增量成本按與確認資產相關的收益模式一致的系統化基準攤銷及扣除自損益表。其他合約成本於產生時支銷。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of its employees. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

Certain subsidiaries outside Hong Kong are required to contribute a certain percentage of their payroll costs to pension schemes operated by the respective governments. The only obligation of the Group with respect to the pension schemes is to pay the required ongoing contributions. Contributions under the schemes are charged to profit or loss as they become payable in accordance with the rules of the pension schemes.

The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

僱員福利

退休計劃

本集團根據強制性公積金計劃條例(香港法例第485章)之規定為全體僱員設立一項定額供款強制性公積金退休福利計劃(「強積金計劃」)。根據強積金計劃之規則，供款按僱員基本薪金之某一百分比計算，並於應付時於損益表內扣除。強積金計劃之資產與本集團之資產分開存放，並由獨立管理之基金持有。本集團之僱主供款乃全數歸屬於參與強積金計劃供款之僱員。

位於香港以外地區之若干附屬公司須按其薪金成本之若干百分比向當地政府設立之退休金計劃供款。本集團就退休金計劃須承擔之惟一責任為持續支付計劃所需之供款。計劃下之供款乃根據退休金計劃之規則於應付時於損益內扣除。

除上述年度供款外，本集團對於與此等計劃相關之退休金福利再無其他重大付款責任。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that is, 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. The capitalisation of such borrowing costs ceases when 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 capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

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

3. 編製基準及會計政策(續)

3.4 主要會計政策概要(續)

借款成本

合資格資產(須經相當長時間方能準備就緒以作預期用途或出售之資產)收購、建造或製造直接應佔之借款成本資本化作為資產成本之一部分。當大部分資產可作其預期用途或出售時，即停止將相關借款成本資本化。特定借款用於合資格資產之前作為短暫投資所賺取之投資收入於已資本化之借款成本中扣除。所有其他借款成本於其產生期間支銷。借款成本包括實體就資金借款產生之利息及其他成本。

股息

末期股息將於股東大會上獲股東批准後確認為負債。

外幣

該等財務報表乃以本公司之功能及呈報貨幣港元呈列。本集團內各實體釐定其本身之功能貨幣，而各實體計入財務報表內之項目乃以該功能貨幣計算。本集團內實體所記錄之外幣交易初步按其各自於交易日日期適用之功能貨幣匯率記錄。以外幣計值之貨幣資產及負債乃按報告期末之功能貨幣匯率換算。結算或換算貨幣項目所產生之差額均於損益表內確認。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Foreign currencies (Continued)

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

外幣 (續)

因結算或換算貨幣項目所產生之差額均於損益表內確認，惟指定作為對沖本集團海外業務之淨投資之一部分之貨幣項目除外。此等貨幣項目於其他全面收入內確認，直至於累計金額被重新分類至損益表時出售有關淨投資為止。該等貨幣項目之匯兌差額產生之稅項開支及抵免亦入賬列為其他全面收入。

按外幣以歷史成本計量之非貨幣項目按首次交易日期之匯率換算。按外幣以公允價值計量之非貨幣項目則按計量公允價值當日之匯率換算。換算以公允價值計量之非貨幣項目所產生之收益或虧損之列賬方式與確認有關項目之公允價值變動產生之收益或虧損(即換算差額涉及其公允價值之收益或虧損於其他全面收入或損益賬確認，亦分別於其他全面收入或損益賬內確認之項目)所採用者一致。

就與預付代價相關終止確認非貨幣資產或非貨幣負債而言，於釐定有關資產、開支或收入初始確認的匯率時，初始交易日期為本集團初步確認因預付代價而產生的非貨幣資產或非貨幣負債之日。倘存在多筆預付款項或預收款項，本集團就每筆預付代價款項或收取預付代價款項釐定交易日期。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

3. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

3.4 Summary of significant accounting policies (Continued)

Foreign currencies (Continued)

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

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

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

3. 編製基準及會計政策 (續)

3.4 主要會計政策概要 (續)

外幣 (續)

若干海外附屬公司及合營企業之功能貨幣為港元以外之貨幣。於報告期末，該等實體之資產與負債乃按報告期末適用之匯率換算為港元，其損益表則按本年度之加權平均匯率換算為港元。

因此而產生之匯兌差額於其他全面收入確認，並於匯兌儲備累計。出售海外實體時，有關該項特定海外業務之其他全面收入部分，乃於損益表內確認。

因收購海外業務產生之任何商譽及調整因收購而導致對資產及負債之賬面值進行之任何公允價值調整為被入賬列為海外業務之資產及負債，並按收市匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量乃以出現現金流量當日之匯率換算為港元。海外公司於年內頻繁出現之經常性現金流量項目則以年內之加權平均匯率換算為港元。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Revenue from contracts with customers under sale of properties

The Group applied the judgements that significantly affect the determination of the timing of satisfaction of sale of properties. The Group concluded that revenue for sale of properties is to be recognised at the point in time because the Group does not have an enforceable right to payment for performance completed to date in case of pre-completion sales, and accordingly, the criteria for recognising revenue over time are not met. The Group expects to recognise the sale of properties until the point in time at which the Group delivers the properties to the purchasers.

4. 重大會計判斷及估計

編製本集團之財務報表要求管理層作出影響已呈報收益、開支、資產與負債金額及彼等隨附之披露以及或然負債之披露之判斷、估計及假設。此等假設及估計之不確定因素可能會導致未來期間須對受影響之資產或負債之賬面值作出重大調整。

判斷

於應用本集團會計政策之過程中，除涉及對財務報表內已確認金額構成最重大影響之該等估計之會計政策外，管理層已作出以下判斷：

(i) 根據出售物業來自客戶合約之收益

本集團應用大幅影響釐定完成出售物業的時間的判斷。本集團確立，出售物業之收益乃於某個時間點確認，此乃由於就竣工前銷售而言，本集團並無可強制執行權利獲得迄今已完成履行之付款，故並不符合於一段時間內確認收益之標準。本集團預期於其向買方交付物業之時間點方會確認出售物業。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Judgements *(Continued)*

(ii) Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(iii) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

4. 重大會計判斷及估計 *(續)*

判斷 *(續)*

(ii) 經營租賃承擔 – 本集團作為出租人

本集團就其投資物業組合訂立商業物業租約。本集團認為，根據對有關安排之條款及條件的評估，本集團保留了透過經營租賃出租的此等物業所有權之所有重大風險及回報。

(iii) 投資物業與業主自用物業分類

本集團決定物業是否屬於投資物業，並制定了判斷標準。投資物業是持有以賺取租金或實現資本增值或以此二者為目的的物業。因此，本集團考慮的是某個物業產生的現金流量是否在較大程度上獨立於本集團持有的其他資產。某些物業的一部分是為了賺取租金或實現資本增值而持有的，而持有的其他部分則用於生產或供應商品或服務或行政管理目的。如這些部分能夠獨立出售，本集團將有關部分獨立入賬。如有關部分不能獨立出售，則只有在用於生產或供應商品或服務或行政管理使用的部分較次要時，方可將該物業判定為投資物業。判斷乃根據個別物業配套服務是否重要以決定該物業不符合列作投資物業的資格。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Judgements *(Continued)*

(iv) Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after completion, whereas the properties are accounted for as investment properties under construction included in non-current assets if the properties are intended to be held to earn rentals and/or for capital appreciation. Upon completion of the properties, the properties held for sale are transferred to completed properties held for sale and are stated at the lower of cost and net realisable value, while the properties held to earn rentals and/or for capital appreciation are transferred to completed investment properties and are subject to revaluation at the end of each reporting period.

4. 重大會計判斷及估計 *(續)*

判斷 *(續)*

(iv) 投資物業與待售物業分類

本集團開發待售物業及持有以賺取租金及／或資本增值的物業。管理層已就一項物業是否指定為投資物業或待售物業作出判斷。本集團於某項物業開發初期考慮其持有相關物業的意向。於建設過程中，如相關發展中物業計劃落成後出售，則相關物業乃入賬列作發展中物業，並計入流動資產，而如相關物業計劃持有以賺取租金及／或資本增值，則相關物業入賬列作在建中投資物業，並計入非流動資產。於物業落成後，待售物業會轉撥至待售已竣工物業，並按成本及可變現淨值中的較低者列值，而持有以賺取租金及／或資本增值的物業則轉撥至已竣工投資物業，並須於各報告期末重新估值。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

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 described below:

(i) Fair value of investment properties

The investment properties of the Group are measured at fair value, which were revalued based on the appraised market value by an independent professional valuer. The fair value for completed investment properties was arrived at by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the surrounding areas. The fair value of investment properties under development was determined by establishing the market values of the properties on an “as-if” completed basis with appropriate deduction on construction costs, professional fees and interests to be incurred from the valuation date to completion as well as a reasonable margin. The determination of the fair value for completed investment properties requires the Group to estimate reversionary potential of the properties while for investment properties under development, estimates on costs to be incurred and future margin are required in the valuation.

The carrying amount of investment properties as at 31 December 2018 was \$3,345,150,000 (2017: \$3,934,631,000). Further details, including the key assumptions used for fair value measurement, are stated in note 18 to the financial statements.

4. 重大會計判斷及估計(續)

估計不確定性

於報告期末存在重大風險使下個財政年度資產及負債之賬面值須作重大調整而與未來有關的主要假設及估計不確定性之其他主要來源如下：

(i) 投資物業之公允價值

本集團投資物業按公允價值計量，由獨立估值師按照市場評估價值重估。已完工投資物業的公允價值乃經考慮物業現有租約將產生的資本化收入及歸復收入潛力，或(如適用)參考鄰近地區內類似物業的市場成交價計得。發展中投資物業的公允價值乃以「猶如」已完工基準設定物業市值，並適當扣減估值日期至完工期間將產生的建設成本、專業費用及利息以及合理利潤釐定。本集團釐定已完工投資物業公允價值時須估計物業的歸復收入潛力，而就發展中投資物業而言，則須在估值中估計將產生的成本及未來利潤率。

於二零一八年十二月三十一日投資物業賬面值為3,345,150,000元(二零一七年：3,934,631,000元)。包括公允價值計量關鍵估計的進一步詳情載列於財務報表附註18。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 was \$3,079,000 (2017: \$4,636,000). Further details are given in note 20.

(iii) PRC corporate income tax ("CIT")

The Group is subject to CIT in Mainland China. As a result of the fact that certain matters relating to CIT have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the CIT provision to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will have an impact on the CIT expense and CIT provisions in the period in which the differences are realised.

4. 重大會計判斷及估計(續)

估計不確定性(續)

(ii) 商譽減值

本集團至少每年測試商譽是否發生減值。這要求對分配了商譽的現金產生單位的使用價值進行估計。對使用價值進行估計時，本集團需要估計現金產生單位產生的預期未來現金流量，同時選擇恰當的折現率確定現金流量的現值。於二零一八年十二月三十一日商譽的賬面值為3,079,000元(二零一七年：4,636,000元)。進一步詳情載於附註20。

(iii) 中國企業所得稅(「企業所得稅」)

本集團須在中國內地繳納企業所得稅。由於若干企業所得稅相關事項尚未得到當地稅務局確認，需要依據現行稅法，法規及其他相關政策的客觀估計和判斷來決定應交企業所得稅的預提金額。倘該等事項的最終實際稅項支出與初始記錄的金額存在差異，則有關差異將影響差異實現當期的企業所得稅開支及企業所得稅撥備。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

(iv) PRC land appreciation tax ("LAT")

LAT in Mainland China is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures.

When calculating the LAT, the Group needs to estimate the deductible expenditures and makes judgement on the relevant tax rate on an individual property basis under the relevant applicable tax laws and regulations. Given the uncertainties of the calculative basis of LAT to be interpreted by the local tax bureau, the actual outcomes may be higher or lower than that estimated at the end of the reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the LAT expense and LAT provision in the period in which the differences are realised.

(v) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. 重大會計判斷及估計 (續)

估計不確定性 (續)

(iv) 中國土地增值稅 (「土地增值稅」)

中國內地之土地增值稅按土地增值 (即出售物業所得款項減可扣減支出 (包括土地成本、借款成本及其他物業發展支出)) 以累進稅率 30% 至 60% 徵收。

於計算土地增值稅時，本集團需估計可扣減開支，並根據相關適用稅務法律及法規根據個別物業基準的相關稅率作出判斷。鑒於當地稅務局詮釋的土地增值稅計算基準具不確定性，於報告期末，實際結果可能高於或低於估計結果。倘該等事項的最終稅務結果與最初記賬的金額不同，則有關差異將會影響實現差異期間的土地增值稅開支及土地增值稅撥備。

(v) 遞延稅項資產

在很可能日後有足夠的應納稅所得額用以彌補可抵扣暫時性差額及稅務虧損的限度內，應就所有可抵扣暫時性差額及尚未利用稅務虧損確認遞延稅項資產。這需要管理層運用大量的判斷來估計未來取得應納稅所得額的時間和金額，結合納稅籌劃戰略，以決定應確認的遞延稅項資產的金額。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

(vi) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 24 to the financial statements.

4. 重大會計判斷及估計(續)

估計不確定性(續)

(vi) 貿易應收款項預期信貸虧損撥備

本集團採用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率乃基於按具有類似虧損模式而劃分的多個客戶分部的逾期日數計算。

撥備矩陣最初基於本集團歷史觀察違約率。本集團將校準矩陣以調整歷史信貸虧損經驗與前瞻性資料。例如，倘預期預測經濟狀況(如國內生產總值)將於未來一年內惡化，可能導致違約數量增加，則對歷史違約率作出調整。於各報告日期，歷史觀察違約率均會進行更新，並分析前瞻性估計的變動。

對歷史觀察違約率、預測經濟狀況及預期信貸虧損之間相聯性的評估屬一項重大估計。預期信貸虧損數額對環境及預測經濟狀況變動尤其敏感。本集團之歷史信貸虧損經驗及預測經濟狀況亦不代表客戶未來的實際違約。有關本集團貿易應收款項預期信貸虧損的資料披露於財務報表附註24。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

(vii) Useful lives and impairment of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitors' actions. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will write off or write down technically obsolete assets that have been abandoned.

The carrying value of an item of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in note 3.4. The recoverable amount of an item of property, plant and equipment is calculated as the higher of its fair value less costs to sell and value in use, the calculation of which involves the use of estimates.

(viii) Net realisable value for properties under development and completed properties held for sale

The net realisable value is determined by reference to the sales proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management's estimates based on the prevailing market conditions, on an individual property basis. The net realisable value of properties under development is determined by establishing the market values of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees and interests to be incurred from the valuation date to completion as well as a reasonable profit margin.

4. 重大會計判斷及估計(續)

估計不確定性(續)

(vii) 物業、廠房及設備的可使用年期和減值

基於類似性質和功能的物業、廠房及設備項目實際可使用年期的歷史經驗，本集團管理層對其物業、廠房及設備項目的估計可使用年期及相關折舊進行評估。此評估可能因技術革新及競爭對手的舉動而顯著改變。當可使用年期少於先前估計時，管理層將增加折舊費用，或其將撇銷或撇減被棄置的技術過時的資產。

當出現附註3.4中會計政策提到的物業、廠房及設備項目的賬面值不可收回的事項或變化時，需對其賬面值作減值測試。物業、廠房及設備項目的可回收金額為公允價值減去處置費用後的淨額和使用價值中的較高者，其中包含了對可使用年期的評估。

(viii) 在建物業及待售已竣工物業的可變現淨值

可變現淨值乃參照日常業務過程中銷售物業所得的銷售收益減適用可變銷售開支釐定，或根據管理層參考當前市況按個別物業作出的估計釐定。在建物業的可變現淨值乃按「猶如」已竣工基準的物業市場價值，並適當扣除於估值日至竣工日期間將產生的建設成本、專業費用及利息以及合理溢利率釐定。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

5. OPERATING SEGMENT INFORMATION

During the year ended 31 December 2017, over 73.9% of the Group's overseas assets was classified as discontinued operation and the disposal had been completed in 2018. Since then, the Chicago project in America is the only remaining overseas property.

During the year ended 31 December 2018, the Company acquired the entire issued share capital of Wanda Hotel Management HK, which was considered to be a business combination under common control.

As a result of the disposal of these overseas properties and the Business Combination mentioned above, the Group changed the structure of its internal organization in a manner that caused the composition of its reportable segments to change. For management purpose, based on the incorporation of the new business, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns different from those of the other operating segments. The Group has four reportable operating segments and the corresponding items of segment information for the year ended 31 December 2017 have been restated. Particulars of the Group's reportable operating segments are summarised as follows:

- (a) development and sale of properties, including primarily commercial and residential properties;
- (b) leasing and management of commercial properties held by the Group for long-term investment;
- (c) development and operation of hotels, hotel management services and
- (d) hotel design and hotel construction management services.

5. 經營分部資料

截至二零一七年十二月三十一日止年度內，本集團超過73.9%之海外資產分類為終止經營業務並已於二零一八年完成出售。此後，美國芝加哥項目為唯一餘下之海外物業。

截至二零一八年十二月三十一日止年度內，本公司已收購萬達酒管(香港)之全部已發行股本，該項收購被視為共同控制下之業務合併。

在進行該等海外物業出售及上述業務合併後，本集團改變其內部組織架構，導致其報告分部之組成改變。就管理而言，根據新納入的業務，本集團經營的業務乃根據其營運以及所提供的產品及服務性質加以組織及獨立管理。本集團各個經營分部分別代表一個提供產品及服務之策略業務單位，所面臨的風險及回報與其他經營分部各有不同。本集團設有四個報告經營分部，並已重列截至二零一七年十二月三十一日止年度之分部資料之相應項目。本集團報告經營分部之詳情概述如下：

- (a) 物業發展及銷售，主要包括商業及住宅物業；
- (b) 本集團持作長期投資之商業物業之租賃及管理；
- (c) 酒店發展、營運及酒店管理服務；及
- (d) 酒店設計及酒店建設管理服務。

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5. OPERATING SEGMENT INFORMATION

(Continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is measured by adjusted profit/(loss) before tax from continuing operations. The adjusted profit/(loss) before tax from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that finance costs, other net loss, other revenue as well as unallocated head office and corporate expenses are excluded from such measurement.

Segment assets exclude goodwill, deferred tax assets, restricted bank deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities, loans from financial institutions, loans from an intermediate holding company, other borrowings, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

5. 經營分部資料(續)

管理層分開監控本集團各經營分部的業績，以決定如何分配資源及評估表現。分部表現乃基於報告分部溢利／(虧損)進行評估，而報告分部溢利／(虧損)乃按持續經營業務之經調整除稅前溢利／(虧損)計量。持續經營業務之經調整除稅前溢利／(虧損)之計量方式與本集團持續經營業務之除稅前溢利之計量方式一致，惟該計量方式並不包括融資成本、其他虧損淨額、其他收益以及未分配總部及公司開支。

分部資產不包括商譽、遞延稅項資產、受限制銀行存款、現金及現金等值物以及其他未分配總部及公司資產，乃由於該等資產按組合基準進行管理。

分部負債不包括遞延稅項負債、金融機構貸款、一間中間控股公司貸款、其他借款、應付稅項以及其他未分配總部及公司負債，乃由於該等負債按組合基準進行管理。

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5. OPERATING SEGMENT INFORMATION

(Continued)

Year ended 31 December 2018

5. 經營分部資料(續)

截至二零一八年十二月三十一日止年度

		Sales of properties	Investment properties leasing and management	Development and operation of hotels, hotel management services	Hotel design and hotel construction management services	Total
		銷售物業	投資物業租賃及管理	酒店發展、營運及酒店管理服務	酒店設計及酒店建設管理服務	總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Segment revenue:	分部收益：					
Revenue from continuing operations	持續經營業務收益	187,522	188,685	429,181	214,403	1,019,791
Segment (loss)/profit	分部(虧損)/溢利	(3,250)	(284,670)	236,810	116,680	65,570
<i>Reconciliation:</i>	<i>對賬：</i>					
Other net loss	其他虧損淨額					(10,664)
Finance costs	融資成本					(130,268)
Other revenue	其他收益					10,406
Corporate and other unallocated expense	公司及其他未分配開支					(19,435)
Loss before tax from continuing operations	持續經營業務之除稅前虧損					(84,391)
Segment assets	分部資產	3,361,148	3,363,487	829,078	267,522	7,821,235
<i>Reconciliation:</i>	<i>對賬：</i>					
Corporate and other unallocated assets	公司及其他未分配資產					4,512,196
Total assets	總資產					12,333,431
Segment liabilities	分部負債	1,238,634	66,044	264,819	82,470	1,651,967
<i>Reconciliation:</i>	<i>對賬：</i>					
Corporate and other unallocated liabilities	公司及其他未分配負債					7,474,073
Total liabilities	總負債					9,126,040

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5. OPERATING SEGMENT INFORMATION

(Continued)

Other segment information

Year ended 31 December 2018

5. 經營分部資料(續)

其他分部資料

截至二零一八年十二月三十一日止年度

	Sales of properties	Investment properties leasing and management	Development and operation of hotels, hotel management services	Hotel design and hotel construction management services	Total
	銷售物業	投資物業租賃及管理	酒店發展、營運及酒店管理服務	酒店設計及酒店建設管理服務	總計
	\$'000	\$'000	\$'000	\$'000	\$'000
	千元	千元	千元	千元	千元
Impairment loss recognised in the statement of profit or loss	—	146	199	99	444
Impairment loss reversed in the statement of profit or loss	—	—	(37)	(68)	(105)
Depreciation and amortisation	10,744	1,074	1,055	1,183	14,056
Capital expenditure*	444	20,291	275,152	919	296,806

* Capital expenditure consists of additions to property, plant and equipment, investment properties, prepaid land lease payments, construction in progress, freehold land and leasehold improvement.

* 資本支出包括添置物業、廠房及設備、投資物業、預付土地租賃款項、在建工程、永久業權土地及租賃物業裝修。

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5. OPERATING SEGMENT INFORMATION

(Continued)

Year ended 31 December 2017

5. 經營分部資料(續)

截至二零一七年十二月三十一日止年度

		Sales of properties	Investment properties leasing and management	Development and operation of hotels, hotel management services	Hotel design and hotel construction management services	Total
		銷售物業	投資物業租賃及管理	酒店發展、營運及酒店管理服務	酒店設計及酒店建設管理服務	總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Segment revenue:	分部收益：					
Revenue from continuing operations	持續經營業務收益	33,748	179,692	368,546	74,394	656,380
Segment (loss)/profit	分部(虧損)/溢利	(130,852)	130,724	186,921	44,453	231,246
<i>Reconciliation:</i>	<i>對賬：</i>					
Other net loss	其他虧損淨額					(99,092)
Finance costs	融資成本					(211,216)
Other revenue	其他收益					8,845
Corporate and other unallocated expense	公司及其他未分配開支					(18,027)
Loss before tax from continuing operations	持續經營業務之除稅前虧損					(88,244)
Segment assets	分部資產	2,188,957	3,950,567	572,428	82,186	6,794,138
<i>Reconciliation:</i>	<i>對賬：</i>					
Corporate and other unallocated assets	公司及其他未分配資產					2,654,084
Assets related to a discontinued operation	終止經營業務之相關資產					10,277,000
Total assets	總資產					19,725,222
Segment liabilities	分部負債	603,384	18,779	94,588	45,756	762,507
<i>Reconciliation:</i>	<i>對賬：</i>					
Corporate and other unallocated liabilities	公司及其他未分配負債					12,599,698
Liabilities related to a discontinued operation	終止經營業務之相關負債					3,007,294
Total liabilities	總負債					16,369,499

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5. OPERATING SEGMENT INFORMATION

(Continued)

Other segment information

Year ended 31 December 2017

5. 經營分部資料(續)

其他分部資料

截至二零一七年十二月三十一日止年度

	Sales of properties	Investment properties leasing and management	Development and operation of hotels, hotel management services	Hotel design and hotel construction management services	Total
	銷售物業	投資物業 租賃及管理	酒店發展、 營運及酒店 管理服務	酒店設計及 酒店建設 管理服務	總計
	\$'000	\$'000	\$'000	\$'000	\$'000
	千元	千元	千元	千元	千元
Impairment loss recognised in the statement of profit or loss	—	—	1,147	—	1,147
Impairment loss reversed in the statement of profit or loss	—	—	(705)	—	(705)
Depreciation and amortisation	9,450	1,147	160	5,788	16,545
Capital expenditure*	—	67	243,307	—	243,374

* Capital expenditure consists of additions to property, plant and equipment, investment properties, prepaid land lease payments, construction in progress, freehold land and leasehold improvement.

* 資本支出包括添置物業、廠房及設備、投資物業、預付土地租賃款項、在建工程、永久業權土地及租賃物業裝修。

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5. OPERATING SEGMENT INFORMATION

(Continued)

Geographical information

The following table sets out information about the geographical locations of (i) the Group's revenue of continuing operations from external customers and (ii) the Group's non-current assets of continuing operations (excluding deferred tax assets) ("specified non-current assets"). The geographical location of revenue from external customers is based on the locations at which the services were provided or the properties were sold or leased. The geographical location of the specified non-current assets is based on the physical locations of the assets, in the case of fixed assets, and the locations of the operations to which they are allocated, in the case of goodwill.

5. 經營分部資料(續)

地區資料

下表載列有關(i)本集團來自外部客戶之持續經營業務收益及(ii)本集團持續經營業務之非流動資產(不包括遞延稅項資產)(「指定非流動資產」)之地理位置資料。來自外部客戶之收益之地理位置乃根據所提供服務或所出售或租賃物業之所在地而定。指定非流動資產之地理位置乃按資產之實際位置(就固定資產而言)及獲分配之營運地點(就商譽而言)而定。

		Reportable segment revenue from external customers 來自外部客戶之報告分部收益		Specified non-current assets 指定非流動資產	
		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
The PRC (including Hong Kong)	中國 (包括香港)	1,017,272	655,626	3,382,696	3,978,073
Overseas	海外	2,519	754	781,603	515,451
		1,019,791	656,380	4,164,299	4,493,524

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5. OPERATING SEGMENT INFORMATION

(Continued)

Information about major customers

During the year, the Group made sales to certain groups of major customers, which are known to be under common control, the revenue from which individually contributed to more than 10% of the Group's total revenue for that year. The analysis for 2018 and 2017 is as follows:

5. 經營分部資料(續)

有關主要客戶之資料

年內，本集團向若干主要客戶組別(已知受共同控制)進行銷售，來自該等客戶的收益個別佔本集團該年度總收益逾10%。二零一八年及二零一七年之分析如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Customer A	客戶A	192,079	77,929
Customer B	客戶B	317,528	49,382
Customer C	客戶C	89,949	319,166
Others	其他	420,235	209,903
		1,019,791	656,380

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財務報表附註

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6. REVENUE

Revenue from continuing operations consists of the following for the years ended 31 December 2018 and 2017:

6. 收益

截至二零一八年及二零一七年十二月三十一日止年度，來自持續經營業務之收益包括下列各項：

		2018	2017
		二零一八年	二零一七年
		\$'000	\$'000
		千元	千元
			(Restated)
			(經重列)
Revenue from contracts with customers	來自客戶合約之收益		
Sale of properties	銷售物業	187,522	33,748
Property management services	物業管理服務	20,886	25,249
Hotel management services	酒店管理服務	429,181	368,546
Hotel design and hotel construction management services	酒店設計及酒店建設管理服務	214,403	74,394
Revenue from other sources	來自其他來源之收益		
Rental income	租金收入	167,799	154,443
		1,019,791	656,380

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

6. REVENUE (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

6. 收益 (續)

來自客戶合約之收益

(i) 分拆收益之資料

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Revenue from contracts with customers	來自客戶合約之收益		
Recognised at a point in time	於某個時間點確認		
Sale of properties	銷售物業	187,522	33,748
Recognised over time	於一段時間內確認		
Property management services	物業管理服務	20,886	25,249
Hotel management services	酒店管理服務	429,181	368,546
Hotel design and hotel construction management services	酒店設計及酒店建設管理服務	214,403	74,394
		851,992	501,937
Revenue from other sources	來自其他來源之收益		
Rental income	租金收入	167,799	154,443
		1,019,791	656,380

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

6. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

		2018 二零一八年 \$'000 千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	已計入報告期初之合約負債之已確認收益：	
Sale of properties	銷售物業	13,747
Property management services	物業管理服務	8,643
Hotel design and hotel construction management services	酒店設計及酒店建設管理服務	780
		23,170

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties

The performance obligation is satisfied upon delivery of the properties and payment in advance is normally required.

6. 收益 (續)

來自客戶合約之收益 (續)

(i) 分拆收益之資料 (續)

下表列示本報告期間內確認之收益金額，有關金額已計入報告期初之合約負債，並為就過往期間達成之履約責任所確認之金額：

(ii) 履約責任

有關本集團履約責任之資料概述如下：

銷售物業

在交付物業(一般須預先付款)後，則履約責任獲達成。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

6. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Hotel management services, hotel design and hotel construction management services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing.

Property management services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services.

Except the performance obligation in relation with hotel design services, all of other remaining performance obligations are expected to be recognised within one year.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of hotel design services as at 31 December 2018 are as follows:

6. 收益 (續)

來自客戶合約之收益 (續)

(ii) 履約責任 (續)

酒店管理服務、酒店設計及酒店建設管理服務

履約責任隨着提供服務於一段時間內達成及一般於發票日期起計30日內到期付款。

物業管理服務

履約責任隨着提供服務於一段時間內達成及一般須於提供服務前提供短期墊款。

除與酒店設計服務有關之履約責任外，全部其他餘下之履約責任預期於一年內確認。

於二零一八年十二月三十一日，分配至酒店設計服務之餘下履約責任(未獲達成或部分未獲達成)之交易價格如下：

		2018 二零一八年 \$'000 千元
Within one year	一年內	145,200
More than one year	超過一年	339,407
		484,607

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

7. OTHER REVENUE AND OTHER NET LOSS

An analysis of the Group's other revenue and other net loss from continuing operations is as follows:

7. 其他收益及其他虧損淨額

本集團持續經營業務之其他收益及其他虧損淨額分析如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Other revenue	其他收益		
Bank interest income	銀行利息收入	10,406	8,845
Other net loss	其他虧損淨額		
Exchange loss	匯兌虧損	(29,559)	(120,380)
Impairment of goodwill	商譽減值	(1,377)	(11,719)
Forfeiture of deposits from purchasers	沒收買家按金	3,019	1,020
(Loss)/gain on disposal of investment properties	出售投資物業之(虧損)/收益	(3,820)	20,496
Other interest income from financial assets at fair value through profit or loss	按公允價值計入損益賬之金融資產之其他利息收入	14,207	15,073
Others	其他	6,866	(3,582)
		(10,664)	(99,092)

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

8. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

8. 持續經營業務之除稅前虧損

本集團持續經營業務之除稅前虧損乃經扣除／(計入)下列項目後達致：

	Notes 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Cost of properties sold	已售物業成本	117,835	29,541
Cost of services provided	所提供服務之成本	184,193	162,069
Depreciation	折舊	13,575	16,069
Amortisation of land lease payments	土地租賃款項攤銷	481	476
Impairment of goodwill	商譽減值	1,377	11,719
Minimum lease payments under operating leases for land and buildings	最少應付之土地及樓宇經營租賃租金	6,076	16,113
Auditor's remuneration	核數師酬金		
— Annual audit services	— 年度核數服務	1,110	1,074
— Non-audit services	— 非核數服務	3,220	1,846
Employee benefit expense (excluding directors' remuneration (note 10))	僱員福利開支 (不包括董事薪酬(附註10))		
— Salaries, wages and other benefits	— 薪金、工資及其他福利	112,538	99,659
— Contributions to defined contribution retirement plans	— 向定額供款退休計劃作出之供款	4,548	3,074
		117,086	102,733
Foreign exchange differences, net	匯兌差額淨額	29,559	120,380
Impairment of financial assets	金融資產減值		
Impairment of trade receivables and other receivables	貿易應收款項及其他應收款項減值	339	442
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	賺取租金之投資物業產生之直接經營開支 (包括維修及保養)	18,840	17,152
Change in fair value of investment properties	投資物業公允價值變動	423,327	9,310
Bank interest income	銀行利息收入	(10,406)	(8,845)
Loss/(gain) on disposal of investment properties	出售投資物業之虧損／(收益)	3,820	(20,496)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	250	13

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

9. FINANCE COSTS

An analysis of the Group's finance costs from continuing operations is as follows:

9. 融資成本

本集團持續經營業務之融資成本分析如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Interest on loans from financial institutions	金融機構貸款利息	75,448	82,849
Interest on loans from an intermediate holding company repayable within five years	五年內償還之一間中間控股公司貸款利息	78,892	125,192
Interest on other borrowings	其他借款利息	30,433	34,364
		184,773	242,405
Interest expense arising from revenue contracts	收益合約產生之利息開支	667	—
Less: Interest expenses capitalised into properties under development and construction in progress *	減：已資本化至在建物業及在建工程之利息開支*	(55,172)	(31,189)
		130,268	211,216

* The borrowing costs have been capitalised at rates ranging from 3.8% to 5.0% per annum.

* 借款成本已按每年介乎3.8%至5.0%之間之比率資本化。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

10. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (Chapter 622G of the Laws of Hong Kong), is as follows:

10. 董事薪酬

年內根據上市規則及香港公司條例(香港法例第622章)第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例(香港法例第622G章)第2部披露之董事薪酬如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Fees	袍金	526	463
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	9,818	1,017
Pension scheme contributions	退休金計劃供款	222	35
Discretionary bonuses	酌情花紅	3,764	603
		13,804	1,655
		14,330	2,118

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

10. DIRECTORS' REMUNERATION (Continued)

Directors' remuneration is as follows:

10. 董事薪酬(續)

董事薪酬如下：

		Salaries, allowances and benefits	Discretionary bonuses	Pension scheme contributions	Total remuneration
		Fees in kind			
		薪金、津貼及 袍金 實物福利	酌情花紅	退休金 計劃供款	薪酬總計
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
2018	二零一八年				
Chairman and non-executive director:	主席兼非執行董事：				
Mr. Ding Benxi	丁本錫先生	—	—	—	—
Executive director:	執行董事：				
Mr. Ning Qifeng	寧奇峰先生	—	9,818	3,764	13,804
Independent non-executive directors:	獨立非執行董事：				
Mr. Liu Jipeng	劉紀鵬先生	139	—	—	139
Dr. Xue Yunkui	薛雲奎博士	139	—	—	139
Mr. He Zhiping (appointed on 28 March 2018)	何志平先生(於二零一八年 三月二十八日獲委任)	248	—	—	248
Non-executive directors:	非執行董事：				
Mr. Zhang Lin	張霖先生	—	—	—	—
Mr. Hui Yung, Chris (resigned on 13 February 2019)	許勇先生 (於二零一九年 二月十三日辭任)	—	—	—	—
		526	9,818	3,764	14,330

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

10. DIRECTORS' REMUNERATION (Continued)

Directors' remuneration is as follows (continued):

		Fees	Salaries, allowances and benefits in kind 薪金、津貼及實物福利	Discretionary bonuses 酌情花紅	Pension scheme contributions 退休金計劃供款	Total remuneration 薪酬總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
2017 (Restated)	二零一七年(經重列)					
Chairman and non-executive director: Mr. Ding Benxi	主席兼非執行董事： 丁本錫先生	—	—	—	—	—
Executive directors: Mr. Ning Qifeng (appointed on 17 November 2017)	執行董事： 寧奇峰先生 (於二零一七年十一月十七日獲委任)	—	1,017	603	35	1,655
Mr. Liu Chaohui (resigned on 17 November 2017)	劉朝暉先生 (於二零一七年十一月十七日辭任)	—	—	—	—	—
Independent non-executive directors:	獨立非執行董事：					
Mr. Liu Jipeng	劉紀鵬先生	100	—	—	—	100
Dr. Xue Yunkui	薛雲奎博士	100	—	—	—	100
Mr. Zhang Huaqiao	張化橋先生	263	—	—	—	263
Non-executive directors: Mr. Zhang Lin (appointed on 17 November 2017)	非執行董事： 張霖先生 (於二零一七年十一月十七日獲委任)	—	—	—	—	—
Mr. Hui Yung, Chris (appointed on 17 November 2017)	許勇先生 (於二零一七年十一月十七日獲委任)	—	—	—	—	—
Mr. Qi Jie (resigned on 17 November 2017)	齊界先生 (於二零一七年十一月十七日辭任)	—	—	—	—	—
Mr. Qu Dejun (resigned on 17 November 2017)	曲德君先生 (於二零一七年十一月十七日辭任)	—	—	—	—	—
		463	1,017	603	35	2,118

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2017: Nil).

No remuneration were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

10. 董事薪酬(續)

董事薪酬如下(續)：

年內，概無董事放棄或同意放棄任何薪酬之安排(二零一七年：無)。

本集團並無向董事支付薪酬作為吸引加入本集團或加入本集團時的獎勵或作為離職補償。

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11. FIVE HIGHEST PAID EMPLOYEES

Of the five individuals with the highest emoluments, one of them is a director (2017: one director) whose emoluments are disclosed in note 10, representing the amounts paid/payable since his appointment as director. Details of the remuneration for the year of the remaining four non-director highest paid employees (2017: four highest paid non-director employees) are as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	20,547	17,589
Performance related bonus	表現掛鉤花紅	5,904	3,626
Pension scheme contributions	退休金計劃供款	754	508
		27,205	21,723

The number of ex-director, non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年 (Restated) (經重列)
\$4,500,001 to \$5,000,000	4,500,001 元至 5,000,000 元	—	2
\$5,000,001 to \$5,500,000	5,000,001 元至 5,500,000 元	2	1
\$6,500,001 to \$7,000,000	6,500,001 元至 7,000,000 元	1	—
\$7,000,001 to \$7,500,000	7,000,001 元至 7,500,000 元	—	1
\$10,000,001 to \$10,500,000	10,000,001 元至 10,500,000 元	1	—
		4	4

11. 五名最高薪僱員

五名最高薪僱員中，其中一名為董事（二零一七年：一名董事），其薪酬詳情披露於附註10，反映自彼委任為董事以來已付／應付之金額。年內，其餘四名最高薪非董事僱員（二零一七年：四名最高薪非董事僱員）之薪酬詳情如下：

前董事、非董事及非主要行政人員最高薪僱員之薪酬介乎以下範圍：

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. INCOME TAX

12. 所得稅

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Current tax	即期稅項		
Corporate Income Tax (note (iii))	企業所得稅 (附註 (iii))		
— Charge for the year	— 本年度開支	106,383	98,076
— Overprovision in prior years	— 過往年度超額撥備	(565)	(1,193)
PRC Land Appreciation Tax (note (iv))	中國土地增值稅 (附註 (iv))	(47,678)	46,081
		58,140	142,964
Deferred tax	遞延稅項		
Origination and reversal of temporary differences:	暫時性差異之產生及撥回：		
— Revaluation of properties	— 物業重估	(101,028)	35,386
— Deductibility of PRC Land Appreciation Tax	— 中國土地增值稅可扣減程度	26,510	6,749
— Others	— 其他	(1,475)	1,227
		(75,993)	43,362
Total tax (credit)/expense for the year from continuing operations	本年度持續經營業務之稅項 (抵免)/開支總額	(17,853)	186,326
Total tax expense/(credit) for the year from discontinued operations	本年度終止經營業務之稅項 開支/(抵免)總額	31,957	(4,415)
Total tax expense for the year	本年度稅項開支總額	14,104	181,911

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

12. INCOME TAX (Continued)

Notes:

(i) Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in Bermuda and the BVI.

(ii) Except withholding tax in relation to the capital gains on the disposal of the entire equity interest in Wanda Australia Commercial Properties Pty. Ltd. (“Wanda Australia CP”), no provision for Hong Kong profits tax or overseas corporate tax has been made in the consolidated financial statements as the Group did not have assessable profits in Hong Kong or overseas for the year (2017: Nil).

(iii) Corporate Income Tax (“CIT”)

The provision for the PRC CIT has been made at the applicable income tax rate of 25% on the assessable profits of the Group’s subsidiaries in Mainland China (2017: 25%). Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the countries in which the Group operates.

(iv) PRC Land Appreciation Tax (“LAT”)

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT liabilities are subject to the final review/approval by the tax authorities.

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rate) to the effective tax rates, is as follows:

12. 所得稅(續)

附註：

(i) 根據百慕達及英屬處女群島(「英屬處女群島」)規則及法規，本集團於百慕達及英屬處女群島毋須繳納任何所得稅。

(ii) 由於本集團於本年度內並無在香港或海外產生應課稅溢利，因此並無於綜合財務報表提撥香港利得稅或海外企業所得稅(二零一七年：無)，有關出售 Wanda Australia Commercial Properties Pty. Ltd. (「萬達商業澳洲」)全部股權所得資本收益之預扣稅除外。

(iii) 企業所得稅(「企業所得稅」)

中國企業所得稅之撥備乃根據本集團於中國內地之附屬公司之應課稅溢利按適用所得稅率25%(二零一七年：25%)作出。其他地區之應課稅溢利稅項乃按本集團經營業務所在國家之現行稅率計算。

(iv) 中國土地增值稅(「土地增值稅」)

土地增值稅按土地增值(即出售物業所得款項減可扣減支出(包括土地成本、借款成本及其他物業發展支出))以累進稅率30%至60%徵收。本集團已根據相關中國稅務法律及法規所載之規定對土地增值稅進行估計、計提撥備並計入稅項。實際現金結算土地增值稅負債前，土地增值稅負債須獲稅務機關的最終審閱/批准。

按本公司及其主要附屬公司註冊成立之管轄區之法定稅率計算適用於除稅前溢利/(虧損)之稅務費用與按實際稅率計算之稅務費用之對賬及適用稅率(即法定稅率)與實際稅率之對賬如下：

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12. INCOME TAX (Continued)

12. 所得稅(續)

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Loss before tax from continuing operations	持續經營業務之除稅前虧損	(84,391)	(88,244)
Profit/(loss) before tax from discontinued operations	終止經營業務之除稅前溢利/(虧損)	930,837	(384,084)
		846,446	(472,328)
National tax calculated at rates applicable to profit in the tax jurisdictions concerned	按適用於有關稅務管轄區之溢利之稅率計算之國稅	11,988	(200,592)
Adjustments in respect of current tax of previous periods	過往期間即期稅項之調整	(565)	(1,193)
Income not subject to tax	毋須繳稅之收入	(167,778)	(29,792)
Expenses not deductible for tax	不可扣稅之開支	151,253	276,517
Tax losses not recognised	未確認之稅項虧損	16,470	84,039
Deductible temporary differences not recognised	未確認之可扣減暫時性差異	12,776	8,725
Effect of withholding tax at 30% on the gains of disposal of Wanda Australia CP	對出售萬達商業澳洲的收益按30%徵收預扣稅的影響	31,957	—
Effect of withholding tax at 10% on the distributable profit of a PRC subsidiary of the Group and effect of tax at 10% on the interest income from offshore loans of a Hong Kong subsidiary of the Group	對本集團之一間中國附屬公司的可分派溢利按10%徵收預扣稅的影響及對本集團之一間香港附屬公司境外貸款的利息收入按10%徵稅的影響	6,577	27,561
Tax losses utilised from previous periods	過往期間已動用稅項虧損	(6,257)	(12,527)
Utilisation of deductible temporary differences not recognised in prior years	動用於過往年度未確認的可扣減暫時性差異	(6,558)	(5,388)
LAT	土地增值稅	(47,678)	46,081
CIT effect of LAT	土地增值稅之企業所得稅影響	11,919	(11,520)
Tax expense at the Group's effective rate	按本集團實際稅率計算之稅項開支	14,104	181,911
Tax (credit)/expense from continuing operations at the effective rate	按實際稅率計算之持續經營業務之稅項(抵免)/開支	(17,853)	186,326
Tax expense/(credit) from discontinued operations at the effective rate	按實際稅率計算之終止經營業務之稅項開支/(抵免)	31,957	(4,415)
Tax expense at the Group's effective rate	按本集團實際稅率計算之稅項開支	14,104	181,911

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

13. DISCONTINUED OPERATIONS

On 3 November 2016, Wanda Europe, a non-wholly-owned subsidiary of the Company, entered into an agreement with Baraka Global Invest, S.L.U. (“Baraka”), pursuant to which Wanda Europe has conditionally agreed to sell, and Baraka has conditionally agreed to acquire the entire issued share capital of Wanda Madrid Development, S.L.U. (“Wanda Madrid”, a wholly-owned subsidiary of Wanda Europe) at a consideration of EUR272 million, subject to adjustments to be made to the consideration by taking into account the amount of cash, cash equivalents and amount of indebtedness of Wanda Madrid as at the date of completion. The disposal of Wanda Madrid was completed on 1 June 2017.

On 16 January 2018, the Company and R&F Properties (HK) Company Limited (“R&F”) as purchaser entered into a sale and purchase agreement in respect of the disposal of 60% of the entire issued share capital of Wanda International Real Estate Investment Co. Ltd. (“Wanda International”), at a consideration of GBP35,609,277.96 and the Company, R&F and Wanda International entered into the relevant shareholder loan repayment agreement, pursuant to which R&F has agreed to repay the debt for and on behalf of Wanda International to the Company. The disposal of Wanda International was completed on 6 July 2018.

On 18 January 2018, Wanda Australia RE, AWH Investment Group Pty Ltd (“AWH”), and Wanda Australia CP entered into a master agreement in respect of the proposed disposal of the entire equity interest in Wanda Australia CP subject to the terms contained therein, at the consideration of AUD315,044,422 and repayment of the debt in the amount of AUD815,107,691 in instalments. The disposal of Wanda Australia CP was completed on 18 May 2018.

Wanda International and its subsidiaries (“Wanda International Group”) and Wanda Australia CP and its subsidiaries (“Wanda Australia CP Group”) were classified as disposal groups held for sale as at 31 December 2017, and Wanda International Group, Wanda Australia CP Group and Wanda Madrid were classified as discontinued operations for the years ended 31 December 2017 and 2018.

13. 終止經營業務

於二零一六年十一月三日，本公司之非全資附屬公司萬達歐洲與Baraka Global Invest, S.L.U. (「Baraka」) 訂立協議，據此，萬達歐洲已有條件同意出售而Baraka已有條件同意收購Wanda Madrid Development, S.L.U. (「萬達馬德里」，萬達歐洲之全資附屬公司) 之全部已發行股本，代價為272,000,000歐元，而代價可經計及萬達馬德里於完成日期之現金及現金等值物之金額及負債金額後予以調整。萬達馬德里之出售已於二零一七年六月一日完成。

於二零一八年一月十六日，本公司與富力地產(香港)有限公司(「富力」，作為買方)就以代價35,609,277.96 英鎊出售萬達國際地產投資有限公司(「萬達國際」)全部已發行股本之60%訂立買賣協議，而本公司、富力及萬達國際已訂立相關股東貸款償還協議，據此，富力已同意代表萬達國際向本公司償還債務。出售萬達國際已於二零一八年七月六日完成。

於二零一八年一月十八日，萬達澳洲地產、AWH Investment Group Pty Ltd (「AWH」) 與萬達商業澳洲就建議以代價315,044,422澳元出售萬達商業澳洲之全部股權(須遵守當中所載之條款)及分期償還債務815,107,691 澳元訂立總協議。出售萬達商業澳洲已於二零一八年五月十八日完成。

於二零一七年十二月三十一日，萬達國際及其附屬公司(「萬達國際集團」)及萬達商業澳洲及其附屬公司(「萬達商業澳洲集團」)已分類為持作出售之出售組別，而於截至二零一七年及二零一八年十二月三十一日止年度，萬達國際集團、萬達商業澳洲集團及萬達馬德里已分類為終止經營業務。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

13. DISCONTINUED OPERATIONS (Continued)

(i) Wanda International Group

- (a) The results for the period up to the date of disposal are presented below:

	Note 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Other revenue	其他收益	—	7
Other net (loss)/gain	其他(虧損)/收益淨額	(4,256)	18,633
Selling expenses	銷售開支	(2,425)	(15,811)
Gain on disposal of subsidiaries	出售附屬公司之收益	38	—
Administrative expenses	行政開支	(14,314)	(27,512)
Finance costs	融資成本	(8,532)	(12,191)
Profit/(loss) before tax from the discontinued operation	終止經營業務之除稅前溢利/(虧損)	412,892	(36,874)
Income tax expense	所得稅開支	—	(13,281)
Profit/(loss) for the year from the discontinued operation	終止經營業務之本年度溢利/(虧損)	412,892	(50,155)

13. 終止經營業務 (續)

(i) 萬達國際集團

- (a) 直至出售日期之期間業績呈列如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

13. DISCONTINUED OPERATIONS (Continued)

(i) Wanda International Group (Continued)

- (b) The major classes of assets and liabilities of Wanda International Group classified as held for sale as at 31 December 2017 are as follows:

13. 終止經營業務 (續)

(i) 萬達國際集團 (續)

- (b) 於二零一七年十二月三十一日萬達國際集團分類為持作出售之主要資產及負債類別如下：

		2017 二零一七年 \$'000 千元
Property, plant and equipment	物業、廠房及設備	288
Construction in progress	在建工程	632,011
Freehold land	永久業權土地	249,182
Long-term prepayment	長期預付款項	315,078
Properties under development	在建物業	2,792,561
Trade and other receivables	貿易及其他應收款項	18,746
Cash and cash equivalents	現金及現金等值物	303,793
Assets classified as held for sale	分類為持作出售之資產	4,311,659
Trade and other payables	貿易及其他應付款項	(522,040)
Loans from an intermediate holding company	一間中間控股公司貸款	(862,670)
Loans from financial institution	金融機構貸款	(1,575,390)
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售之資產直接相關之負債	(2,960,100)
Net assets directly associated with Wanda International Group	與萬達國際集團直接相關之資產淨值	1,351,559
Exchange reserve on translation of foreign operations	換算海外業務之匯兌儲備	23,473

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

13. DISCONTINUED OPERATIONS (Continued)

(i) Wanda International Group (Continued)

- (c) The net cash flows incurred by Wanda International Group up to the date of disposal are as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Operating activities	經營活動	(348,704)	(814,527)
Investing activities	投資活動	(68,409)	(280,580)
Financing activities	融資活動	127,761	480,370
Effect of foreign exchange rate changes	外匯匯率變動之影響	34,302	59,021
Net cash flow	現金流量淨額	(255,050)	(555,716)

- (d) Certain assets of Wanda International Group were pledged to secure the loans from financial institutions and bank facilities as follows:

		2017 二零一七年 \$'000 千元
Construction in progress	在建工程	632,011
Freehold land	永久業權土地	249,182
Properties under development	在建物業	2,792,561
		3,673,754

13. 終止經營業務 (續)

(i) 萬達國際集團 (續)

- (c) 萬達國際集團直至出售日期產生之現金流量淨額如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Operating activities	經營活動	(348,704)	(814,527)
Investing activities	投資活動	(68,409)	(280,580)
Financing activities	融資活動	127,761	480,370
Effect of foreign exchange rate changes	外匯匯率變動之影響	34,302	59,021
Net cash flow	現金流量淨額	(255,050)	(555,716)

- (d) 萬達國際集團抵押作為金融機構貸款及銀行融資之擔保之若干資產如下：

		2017 二零一七年 \$'000 千元
Construction in progress	在建工程	632,011
Freehold land	永久業權土地	249,182
Properties under development	在建物業	2,792,561
		3,673,754

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

13. DISCONTINUED OPERATIONS (Continued)

(ii) Wanda Australia CP Group

- (a) The results for the period up to the date of disposal are presented below:

	Note	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Revenue		—	871
Cost of sales		—	(1,176)
Other revenue		59,435	53,372
Other net loss		—	(126)
Selling expenses		(5,335)	(42,550)
Administrative expenses		(3,106)	(16,836)
Finance cost		(6,326)	—
Gain on disposal of subsidiaries	38	473,277	—
Profit/(loss) before tax from the discontinued operation		517,945	(6,445)
Income tax (expense)/credit		(31,957)	17,696
Profit for the year from the discontinued operation		485,988	11,251

13. 終止經營業務 (續)

(ii) 萬達商業澳洲集團

- (a) 直至出售日期之期間業績呈列如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

13. DISCONTINUED OPERATIONS (Continued)

(ii) Wanda Australia CP Group (Continued)

- (b) The major classes of assets and liabilities of Wanda Australia CP Group classified as held for sale as at 31 December 2017 are as follows:

		2017 二零一七年 \$'000 千元
Property, plant and equipment	物業、廠房及設備	28,868
Construction in progress	在建工程	123,052
Freehold land	永久業權土地	975,649
Investment in a joint venture	於一間合營企業之投資	2,208,807
Deferred tax assets	遞延稅項資產	109,442
Properties under development	在建物業	2,336,038
Trade and other receivables	貿易及其他應收款項	56,699
Pledged deposits	已抵押存款	48,852
Cash and cash equivalents	現金及現金等值物	40,893
Assets classified as held for sale	分類為持作出售之資產	5,928,300
Trade and other payables	貿易及其他應付款項	(47,194)
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售之資產直接相關之負債	(47,194)
Net assets directly associated with Wanda Australia CP Group	與萬達商業澳洲集團直接相關之資產淨值	5,881,106
Exchange reserve on translation of foreign operations	換算海外業務之匯兌儲備	34,456

13. 終止經營業務 (續)

(ii) 萬達商業澳洲集團 (續)

- (b) 於二零一七年十二月三十一日萬達商業澳洲集團分類為持作出售之主要資產及負債類別如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

13. DISCONTINUED OPERATIONS (Continued)

(ii) Wanda Australia CP Group (Continued)

- (b) The net cash flows incurred by Wanda Australia CP Group up to the date of disposal are as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Operating activities	經營活動	(434,740)	(182,134)
Investing activities	投資活動	(9,252)	(1,754,639)
Financing activities	融資活動	401,702	1,961,524
Effect of foreign exchange rate changes	外匯匯率變動之影響	1,656	2,231
Net cash flow	現金流量淨額	(40,634)	26,982

(iii) Wanda Madrid

- (a) The results for the period up to the date of disposal are presented below:

		2017 二零一七年 \$'000 千元
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	(329,707)
Administrative expenses	行政開支	(11,058)
Loss before tax from the discontinued operation	終止經營業務之除稅前虧損	(340,765)
Income tax expense	所得稅開支	—
Loss for the year from the discontinued operation	終止經營業務之本年度虧損	(340,765)

13. 終止經營業務 (續)

(ii) 萬達商業澳洲集團 (續)

- (b) 萬達商業澳洲集團直至出售日期產生之現金流量淨額如下：

(iii) 萬達馬德里

- (a) 直至出售日期期間之業績呈列如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

13. DISCONTINUED OPERATIONS (Continued)

(iii) Wanda Madrid (Continued)

- (b) The net cash flows incurred by Wanda Madrid up to the date of disposal are as follows:

		2017 二零一七年 \$'000 千元
Operating activities	經營活動	6,038
Financing activities	融資活動	(384,090)
Effect of foreign exchange rate changes	外匯匯率變動之影響	25,173
Net cash flow	現金流量淨額	(352,879)

(iv) Earnings/(loss) per share of Wanda International Group, Wanda Australia CP Group and Wanda Madrid (HK cents)

13. 終止經營業務 (續)

(iii) 萬達馬德里 (續)

- (b) 萬達馬德里直至出售日期產生之現金流量淨額如下：

(iv) 萬達國際集團、萬達商業澳洲集團及萬達馬德里之每股盈利／(虧損)(港仙)

		2018 二零一八年	2017 二零一七年
Basic and diluted, from discontinued operations	基本及攤薄，來自終止經營業務	15.8	(4.9)

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

13. DISCONTINUED OPERATIONS (Continued)

(iv) Earnings/(loss) per share of Wanda International Group, Wanda Australia CP Group and Wanda Madrid (HK cents) (Continued)

The calculations of basic and diluted earnings/(loss) per share from discontinued operations are based on:

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Profit/(loss) attributable to ordinary equity holders of the parent from the discontinued operation	743,548	(227,801)
	Number of Shares 股份數目	
	2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings/(loss) per share calculation (note 15)	4,697,347	4,697,347

14. DIVIDEND

The directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

13. 終止經營業務 (續)

(iv) 萬達國際集團、萬達商業澳洲集團及萬達馬德里之每股盈利／(虧損)(港仙)(續)

終止經營業務之每股基本及攤薄盈利／(虧損)乃根據下列各項計算：

14. 股息

本公司董事不建議派發截至二零一八年十二月三十一日止年度之末期股息(二零一七年：無)。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

15. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,697,347,000 (2017: 4,697,347,000) in issue during the year.

The calculations of basic and diluted earnings/(loss) per share are based on:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculation:	母公司普通股持有人應佔溢利/(虧損)，用於計算每股基本及攤薄盈利/(虧損)：		
From continuing operations	來自持續經營業務	23,168	(57,637)
From discontinued operations	來自終止經營業務	743,548	(227,801)
		766,716	(285,438)
		Number of shares 股份數目	
		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculations	本年度內用於計算每股基本及攤薄虧損之已發行普通股加權平均數	4,697,347	4,697,347

(b) Diluted loss per share

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2018 (2017: Nil).

15. 母公司普通股持有人應佔每股盈利/(虧損)

(a) 每股基本盈利/(虧損)

每股基本盈利/(虧損)乃按年內母公司普通股持有人應佔溢利/(虧損)及年內已發行普通股之加權平均數4,697,347,000股(二零一七年：4,697,347,000股)計算。

每股基本及攤薄盈利/(虧損)乃根據下列各項計算：

(b) 每股攤薄虧損

截至二零一八年十二月三十一日止年度，本集團並無潛在攤薄之已發行普通股(二零一七年：無)。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Buildings held for own use 持作自用之樓宇 \$'000 千元	Furniture, fixtures, and equipment 傢俬、裝置及設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Leasehold improvements 租賃物業裝修 \$'000 千元	Construction in progress 在建工程 \$'000 千元	Total 總計 \$'000 千元
31 December 2018	二零一八年十二月三十一日						
At 31 December 2017 and at 1 January 2018: Cost:	於二零一七年十二月三十一日及於二零一八年一月一日： 成本：						
As previously reported	如前呈報	8,237	6,958	3,935	45,465	336,183	400,778
Effect of business combination under common control	於同一控制下之業務合併之影響	–	17,028	–	–	–	17,028
As restated	經重列	8,237	23,986	3,935	45,465	336,183	417,806
Accumulated depreciation and impairment:	累計折舊及減值：						
As previously reported	如前呈報	(2,084)	(4,923)	(2,708)	(25,001)	–	(34,716)
Effect of business combination under common control	於同一控制下之業務合併之影響	–	(5,663)	–	–	–	(5,663)
As restated	經重列	(2,084)	(10,586)	(2,708)	(25,001)	–	(40,379)
Net carrying amount, as restated	賬面淨值，經重列	6,153	13,400	1,227	20,464	336,183	377,427
Net carrying amount: At 1 January 2018, net of accumulated depreciation and impairment as previously reported	賬面淨值： 於二零一八年一月一日 (扣除累計折舊及減值)， 如前呈報	6,153	2,035	1,227	20,464	336,183	366,062
Effect of business combination under common control	於同一控制下之業務合併之影響	–	11,365	–	–	–	11,365
Net carrying amount, as restated	賬面淨值，經重列	6,153	13,400	1,227	20,464	336,183	377,427
Additions	添置	–	1,380	–	3,939	271,224	276,543
Disposals	出售	–	(56)	–	–	–	(56)
Depreciation provided during the year	年內計提之折舊	(395)	(2,929)	(665)	(9,586)	–	(13,575)
Exchange realignment	匯兌調整	(295)	(545)	(7)	34	688	(125)
At 31 December 2018, net of accumulated depreciation and impairment	於二零一八年十二月三十一日 (扣除累計折舊及減值)	5,463	11,250	555	14,851	608,095	640,214
At 31 December 2018: Cost	於二零一八年十二月三十一日： 成本	7,839	24,029	3,879	32,983	608,095	676,825
Accumulated depreciation and impairment	累計折舊及減值	(2,376)	(12,779)	(3,324)	(18,132)	–	(36,611)
Net carrying amount	賬面淨值	5,463	11,250	555	14,851	608,095	640,214

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

16. 物業、廠房及設備 (續)

		Buildings held for own use 持作自用 之樓宇 \$'000 千元	Furniture, fixtures, and equipment 傢俬、裝置 及設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Leasehold improvements 租賃 物業裝修 \$'000 千元	Construction in progress 在建工程 \$'000 千元	Total 總計 \$'000 千元
31 December 2017	二零一七年十二月三十一日						
At 1 January 2017:	於二零一七年一月一日：						
Cost:	成本：						
As previously reported	如前呈報	7,695	10,688	3,855	52,028	937,939	1,012,205
Effect of business combination under common control	於同一控制下之業務合併 之影響	—	8,392	—	—	—	8,392
As restated	經重列	7,695	19,080	3,855	52,028	937,939	1,020,597
Accumulated depreciation and impairment:	累計折舊及減值：						
As previously reported	如前呈報	(1,571)	(5,180)	(1,972)	(17,844)	—	(26,567)
Effect of business combination under common control	於同一控制下之業務合併 之影響	—	(303)	—	—	—	(303)
As restated	經重列	(1,571)	(5,483)	(1,972)	(17,844)	—	(26,870)
Net carrying amount, as restated	賬面淨值，經重列	6,124	13,597	1,883	34,184	937,939	993,727
Net carrying amount:	賬面淨值：						
At 1 January 2017, net of accumulated depreciation and impairment as previously reported	於二零一七年一月一日 (扣除累計折舊及減值)， 如前呈報	6,124	5,508	1,883	34,184	937,939	985,638
Effect of business combination under common control	於同一控制下之業務合併 之影響	—	8,089	—	—	—	8,089
Net carrying amount, as restated	賬面淨值，經重列	6,124	13,597	1,883	34,184	937,939	993,727
Additions	添置	—	10,836	—	22,458	581,469	614,763
Disposals	出售	—	(65)	—	—	—	(65)
Transfer to properties under development	轉至在建物業	—	—	—	—	(478,945)	(478,945)
Transfer to assets classified as held for sale	轉至分類為持作出售 之資產	—	(3,933)	—	(25,223)	(755,063)	(784,219)
Depreciation provided during the year	年內計提之折舊	(390)	(7,386)	(675)	(7,618)	—	(16,069)
Exchange realignment	匯兌調整	419	351	19	(3,337)	50,783	48,235
At 31 December 2017, net of accumulated depreciation and impairment, as restated	於二零一七年十二月三十一日 (扣除累計折舊及減值)， 經重列	6,153	13,400	1,227	20,464	336,183	377,427

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

16. 物業、廠房及設備 (續)

		Buildings held for own use 持作自用 之樓宇 \$'000 千元	Furniture, fixtures, and equipment 傢私、裝置 及設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Leasehold improvements 租賃 物業裝修 \$'000 千元	Construction in progress 在建工程 \$'000 千元	Total 總計 \$'000 千元
At 31 December 2017:	於二零一七年十二月三十一日:						
Cost:	成本:						
As previously reported	如前呈報	8,237	6,958	3,935	45,465	336,183	400,778
Effect of business combination under common control	於同一控制下之業務合併 之影響	—	17,028	—	—	—	17,028
As restated	經重列	8,237	23,986	3,935	45,465	336,183	417,806
Accumulated depreciation and impairment:	累計折舊及減值:						
As previously reported	如前呈報	(2,084)	(4,923)	(2,708)	(25,001)	—	(34,716)
Effect of business combination under common control	於同一控制下之業務合併 之影響	—	(5,663)	—	—	—	(5,663)
As restated	經重列	(2,084)	(10,586)	(2,708)	(25,001)	—	(40,379)
Net carrying amount, as restated	賬面淨值，經重列	6,153	13,400	1,227	20,464	336,183	377,427

As at 31 December 2018, certain items of the Group's buildings held for own use and construction in progress with net carrying amounts of approximately \$5,463,000 (2017: \$6,153,000) and \$608,095,000 (2017: \$336,183,000) respectively were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 31.

於二零一八年十二月三十一日，本集團賬面淨值分別約為5,463,000元(二零一七年：6,153,000元)及608,095,000元(二零一七年：336,183,000元)之持作自用之樓宇及在建工程之若干項目已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註31所披露)。

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17. FREEHOLD LAND

Freehold land represents the land acquisition cost, stamp duty, legal fee and other acquisition costs in relation to the Group's acquired projects which are situated in the USA.

17. 永久業權土地

永久業權土地指有關本集團收購美國項目之土地收購成本、印花稅、法律費用及其他收購成本。

		2018	2017
		二零一八年	二零一七年
		\$'000	\$'000
		千元	千元
Carrying amount at 1 January	於一月一日之賬面值	158,794	1,310,682
Transfer to properties under development	轉至在建物業	—	(31,044)
Transfer to assets classified as held for sale	轉至分類為持作出售資產	—	(1,224,831)
Exchange realignment	匯率調整	325	103,987
Carrying amount at 31 December	於十二月三十一日之賬面值	159,119	158,794

As at 31 December 2018, certain items of the Group's freehold land with a net carrying amount of approximately \$159,119,000 (2017: \$158,794,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 31.

於二零一八年十二月三十一日，本集團賬面淨值約159,119,000元(二零一七年：158,794,000元)之永久業權土地之若干項目已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註31所披露)。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

18. INVESTMENT PROPERTIES

18. 投資物業

		Completed investment properties
		已竣工 投資物業 \$'000 千元
At 1 January 2017	於二零一七年一月一日	3,795,711
Net loss from a fair value adjustment	公允價值調整虧損淨額	(9,310)
Reversal of over-accrued development costs	超額應計發展成本之撥回	(17,808)
Disposal of investment properties	出售投資物業	(60,139)
Transfer to assets classified as held for sale (note 28)	轉至分類為持作出售之資產(附註28)	(37,041)
Exchange realignment	匯兌調整	263,218
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	3,934,631
Addition	添置	20,263
Net loss from a fair value adjustment	公允價值調整虧損淨額	(423,327)
Reversal of over-accrued development costs	超額應計發展成本之撥回	(189)
Disposal of investment properties	出售投資物業	(50,586)
Exchange realignment	匯兌調整	(135,642)
At 31 December 2018	於二零一八年十二月三十一日	3,345,150

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

18. INVESTMENT PROPERTIES (Continued)

All the completed investment properties, including both land and building elements held by the Group, were revalued at the end of the year based on valuations performed by an independent qualified valuer, DTZ Debenham Tie Leung Limited ("DTZ") (2017: DTZ). DTZ is an industry specialist in investment property valuation, who has the appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation for completed investment properties was arrived at by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties, where appropriate, by reference to market evidence of transaction prices for the similar properties in the same locations and conditions. There were no changes to the valuation techniques during the year.

Certain items of the completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 42 to the financial statements.

As at 31 December 2018, certain items of the Group's investment properties with a carrying amount of \$850,451,000 (2017: \$1,179,998,000) were pledged to secure interest-bearing bank borrowings and undrawn bank facilities granted to the Group as disclosed in note 31.

Further particulars of the Group's investment properties are included on page 299.

18. 投資物業 (續)

所有已竣工投資物業，包括本集團持有的土地及樓宇均已於年終根據獨立合資格估值師戴德梁行有限公司（「戴德梁行」）（二零一七年：戴德梁行）進行的估值進行重估。戴德梁行是投資物業評估行業的專家，並且具有適當的資質和近幾年來在相關地點的類似物業評估的經驗。已竣工投資物業之估值乃經考慮物業現有租約將產生的資本化收入及歸復收入潛力，（如適用）參考相同地點及狀況的類似物業的市場成交價計得。年內估值方式並無任何變動。

若干已竣工投資物業項目乃根據經營租賃租賃予第三方，其進一步概述詳情載於財務報表附註42。

於二零一八年十二月三十一日，本集團賬面值為850,451,000元（二零一七年：1,179,998,000元）之投資物業之若干項目已作抵押，以取得本集團獲授之計息銀行借款及尚未提取之銀行信貸（如附註31所披露）。

本集團投資物業之進一步詳情載於第299頁。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

Fair value measurements as at 31 December 2018 using 於二零一八年十二月三十一日 之公允價值計量使用			
Quoted prices in active markets (Level 1) 於活躍市場 之報價 (第一級) \$'000 千元	Significant observable inputs (Level 2) 重大可觀察 輸入參數 (第二級) \$'000 千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入參數 (第三級) \$'000 千元	Total 總計 \$'000 千元
Recurring fair value measurement for: 經常性公允價值計量：			
Commercial properties 商用物業	—	—	3,345,150 3,345,150

Fair value measurements as at 31 December 2017 using 於二零一七年十二月三十一日 之公允價值計量使用			
Quoted prices in active markets (Level 1) 於活躍市場 之報價 (第一級) \$'000 千元	Significant observable inputs (Level 2) 重大可觀察 輸入參數 (第二級) \$'000 千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入參數 (第三級) \$'000 千元	Total 總計 \$'000 千元
Recurring fair value measurement for: 經常性公允價值計量：			
Commercial properties 商用物業	—	—	3,934,631 3,934,631

During the year, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2017: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

年內，第一級與第二級之間並無轉換，亦無自第三級轉入或轉出(二零一七年：無)。本集團之政策為於發生轉換之報告期末確認公允價值層級間之轉換。

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18. INVESTMENT PROPERTIES (Continued)

The Group's management has discussion with the valuer on the valuation assumptions and valuation results when the valuation is performed at each reporting date.

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques 估值方式	Significant unobservable inputs 重大不可觀察輸入參數	Range 範圍	
			2018 二零一八年	2017 二零一七年
Shopping mall 商場	Investment approach 投資法	Prevailing monthly market rent per square metre 每月每平方米 現行市場租金	RMB34- RMB283 人民幣 34 元至 人民幣 283 元	RMB50- RMB209 人民幣 50 元至 人民幣 209 元
		Reversionary yield 復歸收益率	Mall: 6.0%-7.0% Store: 5.0%-6.0% 商場：6.0% 至 7.0% 店面：5.0% 至 6.0%	Mall: 6.0%-7.0% Store: 5.0%-6.0% 商場：6.0% 至 7.0% 店面：5.0% 至 6.0%
	Market approach 市場法	Prevailing market price per square metre 每平方米現行市價	RMB24,700 per sq m 每平方米 人民幣 24,700 元	RMB31,262 per sq m 每平方米 人民幣 31,262 元

18. 投資物業 (續)

於各報告日期進行估值時，本集團管理層會與估值師討論估值假設及估值結果。

以下為投資物業估值所使用之估值方式及主要輸入參數之概述：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

18. INVESTMENT PROPERTIES (Continued)

18. 投資物業 (續)

	Valuation techniques 估值方式	Significant unobservable inputs 重大不可觀察輸入參數	Range 範圍	
			2018 二零一八年	2017 二零一七年
Office 辦公室	Investment approach 投資法	Prevailing monthly market rent per square metre 每月每平方米 現行市場租金	RMB171 人民幣 171 元	RMB179 人民幣 179 元
		Reversionary yield 復歸收益率	6.5% 6.5%	6.5% 6.5%
	Market approach 市場法	Prevailing market price per square metre 每平方米現行市價	RMB32,400 人民幣 32,400 元	RMB37,600 人民幣 37,600 元
Car parks 停車場	Investment approach 投資法	Prevailing monthly market rent per lot 每月每個車位 現行市場租金	RMB389 -RMB1,450 人民幣 389 元至 人民幣 1,450 元	RMB400 -RMB1,500 人民幣 400 元至 人民幣 1,500 元
		Reversionary yield 復歸收益率	4.5%-5.0% 4.5% 至 5.0%	4.5%-5.0% 4.5% 至 5.0%
	Market approach 市場法	Prevailing market price per lot 每個車位現行市價	RMB390,000 人民幣 390,000 元	RMB390,000 人民幣 390,000 元

Prevailing market rents are estimated based on the independent valuer's view of recent letting transactions within the subject properties and other comparable properties. The higher the rent, the higher the fair value is. The reversionary yield is estimated by the independent valuer based on the risk profile of the properties being valued. The higher the yield, the lower the fair value is.

現行市場租金乃根據獨立估值師對近期標的物業及其他可資比較物業內之租賃交易之意見估計。租金越高，公允價值越高。復歸收益率乃由獨立估值師根據被估值物業之風險狀況估計。收益率越高，公允價值越低。

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19. PREPAID LAND LEASE PAYMENTS

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Carrying amount at 1 January	於一月一日之賬面值	18,036	17,313
Amortisation provided during the year	年內計提攤銷	(481)	(476)
Exchange realignment	匯兌調整	(818)	1,199
Carrying amount at 31 December	於十二月三十一日之賬面值	16,737	18,036

As at 31 December 2018, the Group's prepaid land lease payments with a net carrying amount of approximately \$16,737,000 (2017: \$18,036,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 31.

19. 預付土地租賃款項

於二零一八年十二月三十一日，本集團賬面淨值約為16,737,000元(二零一七年：18,036,000元)之預付土地租賃款項已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註31所披露)。

20. GOODWILL

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
At 1 January:	於一月一日：		
Cost	成本	372,324	372,324
Accumulated impairment	累計減值	(380,726)	(369,007)
Exchange realignment	匯兌調整	13,038	12,337
Net carrying amount	賬面淨值	4,636	15,654
Impairment during the year	年內減值	(1,377)	(11,719)
Exchange realignment	匯兌調整	(180)	701
Carrying amount	賬面值	3,079	4,636
At 31 December:	於十二月三十一日：		
Cost	成本	372,324	372,324
Accumulated impairment	累計減值	(382,103)	(380,726)
Exchange realignment	匯兌調整	12,858	13,038
Net carrying amount	賬面淨值	3,079	4,636

20. 商譽

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20. GOODWILL (Continued)

Goodwill arose from the acquisition of the entire issued share capital of Amazing Wise Limited in 2008. The cost of the goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of Amazing Wise Limited as at the acquisition date.

The Group carries out impairment testing of goodwill at the end of each reporting period. In assessing the impairment of goodwill, the recoverable amount of the cash-generating unit ("CGU") is determined. The CGU related to the goodwill includes all subsidiaries located in Fuzhou. During the year ended 31 December 2018, the recoverable amount of the CGU was re-determined and accordingly, an additional impairment loss of \$1,377,000 was provided (2017: \$11,719,000).

20. 商譽 (續)

商譽產生自二零零八年收購Amazing Wise Limited之全部已發行股本。商譽之成本指收購成本超逾本集團於Amazing Wise Limited之可識別資產、負債及或然負債於收購日期之公允淨值之權益。

本集團於各報告期末進行商譽之減值測試。於評估商譽減值時釐定現金產生單位(「現金產生單位」)之可收回金額。與商譽有關之現金產生單位包括位於福州之全部附屬公司。截至二零一八年十二月三十一日止年度，現金產生單位之可收回金額獲重新釐定，並已計提額外減值虧損1,377,000元(二零一七年：11,719,000元)。

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21. DEFERRED TAX ASSETS AND LIABILITIES

The components of the Group's deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

21. 遞延稅項資產及負債

本集團於綜合財務狀況表確認之遞延稅項資產／(負債)成分及年內變動如下：

		Revaluation of properties 物業重估 \$'000 千元	LAT 土地增值稅 \$'000 千元	Tax losses 稅項虧損 \$'000 千元	Others 其他 \$'000 千元	Total 總計 \$'000 千元
At 1 January 2017, as previously reported	於二零一七年一月一日 (如前呈報)	(437,709)	39,760	35,601	(18,969)	(381,317)
Effect of business combination under common control	於同一控制下之業務合併之影響	—	—	—	4,353	4,353
As restated	經重列	(437,709)	39,760	35,601	(14,616)	(376,964)
Deferred tax (charged)/ credited to the statement of loss or profit during the year, as restated	本年度(扣除自)/計入損益表之遞延稅項(經重列)	(35,386)	(6,749)	4,415	(1,227)	(38,947)
Exchange differences	匯兌差額	(30,443)	2,278	3,666	(1,440)	(25,939)
Transfer to assets classified as held for sale	轉至分類為持作出售之資產	(90,480)	—	(43,682)	24,720	(109,442)
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)	(594,018)	35,289	—	7,437	(551,292)
Deferred tax credited/(charged) to the statement of profit or loss during the year	本年度計入/(扣除自)損益表之遞延稅項	101,028	(26,510)	—	1,475	75,993
Exchange differences	匯兌差額	12,333	(998)	—	(234)	11,101
At 31 December 2018	於二零一八年十二月三十一日	(480,657)	7,781	—	8,678	(464,198)

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21. DEFERRED TAX ASSETS AND LIABILITIES

(Continued)

Reconciliation to the consolidated statement of financial position:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Deferred tax assets	遞延稅項資產	16,459	42,726
Deferred tax liabilities	遞延稅項負債	(480,657)	(594,018)
		(464,198)	(551,292)

Deferred tax assets have not been recognised in respect of the following items:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Unused tax credits	未動用稅項抵免	36,321	127,455
Deductible temporary differences	可扣減暫時性差異	17,514	11,296
		53,835	138,751

The above tax losses mainly arose in PRC, Hong Kong, and the USA. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

21. 遞延稅項資產及負債(續)

綜合財務狀況表之對賬：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Deferred tax assets	遞延稅項資產	16,459	42,726
Deferred tax liabilities	遞延稅項負債	(480,657)	(594,018)
		(464,198)	(551,292)

本公司並未就以下項目確認遞延稅項資產：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Unused tax credits	未動用稅項抵免	36,321	127,455
Deductible temporary differences	可扣減暫時性差異	17,514	11,296
		53,835	138,751

上述稅項虧損主要於中國、香港及美國產生。由於認為不大可能有應課稅溢利可動用上述項目抵銷，故並未就上述項目確認遞延稅項資產。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

21. DEFERRED TAX ASSETS AND LIABILITIES

(Continued)

Pursuant to the PRC Corporate Income Tax Law, 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in PRC. A lower withholding tax rate may be applied if there is a tax treaty between PRC and the jurisdiction of the foreign investors. As at 31 December 2018, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in PRC. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of such earnings associated with investments in subsidiaries in PRC is approximately \$1,665,445,000 at 31 December 2018 (2017: \$1,167,162,000 as restated).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

22. PROPERTIES UNDER DEVELOPMENT

Properties under development are expected to be completed within the normal operating cycle and recovered:

21. 遞延稅項資產及負債(續)

根據中國企業所得稅法，就向外資企業投資者宣派來自於中國成立之外資企業的股息徵收10%預扣稅。倘中國與外國投資者所屬司法權區之間定有稅務優惠，則可按較低預扣稅率繳稅。於二零一八年十二月三十一日，本集團並未就其在中國成立之附屬公司須繳交預扣稅的未匯出盈利確認有關應付預扣稅的遞延稅項。董事認為，該等附屬公司於可見將來分派有關盈利的機會不大。於二零一八年十二月三十一日，與於中國附屬公司的投資相關的有關盈利總額約為1,665,445,000元(二零一七年：1,167,162,000元(經重列))。

本公司向其股東派付股息並未附有所得稅影響。

22. 在建物業

在建物業預計將於正常營運週期內完工並於下列期間內收回：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Within one year	一年內	—	—
After one year	一年後	3,113,666	1,878,000
Carrying amount at 31 December	於十二月三十一日之賬面值	3,113,666	1,878,000

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

22. PROPERTIES UNDER DEVELOPMENT (Continued)

An analysis of the carrying amounts of freehold land included in properties for sale by lease terms is as follows:

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Freehold land in the USA	603,714	602,481

Properties under development represent the project cost, land acquisition cost, compensation cost and other preliminary infrastructure costs in relation to the Group's property development projects situated in the USA. The Group carries out impairment testing at the end of each reporting period. During the year ended 31 December 2018, the recoverable amount was re-assessed and no impairment was provided (2017: Nil).

As at 31 December 2018, certain items of the Group's properties under development with a carrying amount of \$3,113,666,000 (2017: \$1,878,000,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 31.

22. 在建物業 (續)

按租期劃分計入待售物業之永久業權土地之賬面值分析如下：

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Freehold land in the USA	603,714	602,481

在建物業指有關本集團位於美國之物業開發項目之項目成本、土地收購成本、拆遷補償費用及其他前期基建成本。本集團於各報告期末進行減值測試。於截至二零一八年十二月三十一日止年度，可收回金額經重新評估，且概無計提減值撥備(二零一七年：無)。

於二零一八年十二月三十一日，本集團賬面值為3,113,666,000元(二零一七年：1,878,000,000元)之在建物業之若干項目已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註31所披露)。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

23. COMPLETED PROPERTIES HELD FOR SALE

All the properties held for sale are stated at cost. The Group's completed properties held for sale are situated in PRC.

An analysis of the carrying amounts of completed properties held for sale by lease terms is as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Held under:	按以下租約持有：		
— long-term leases (over 50 years) in the PRC	— 於中國之長期租約 (超過50年)	29,815	47,870
— medium-term leases (10 to 50 years) in the PRC	— 於中國之中期租約 (10至50年)	108,083	191,795
		137,898	239,665

The Group carries out impairment testing at the end of each reporting period. During the year ended 31 December 2018, the recoverable amount was re-assessed and no impairment was provided (2017: Nil).

As at 31 December 2018, certain items of the Group's completed properties held for sale with a carrying amount of \$7,655,000 (2017: \$8,031,000) were pledged to secure interest-bearing bank borrowings and undrawn bank facilities granted to the Group as disclosed in note 31.

23. 待售已竣工物業

所有待售物業以成本列賬。本集團之待售已竣工物業乃位於中國。

按租期劃分之待售已竣工物業之賬面值分析如下：

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Held under:		
— long-term leases (over 50 years) in the PRC	29,815	47,870
— medium-term leases (10 to 50 years) in the PRC	108,083	191,795
	137,898	239,665

本集團於各報告期末進行減值測試。於截至二零一八年十二月三十一日止年度，可收回金額經重新評估，且概無計提減值撥備(二零一七年：無)。

於二零一八年十二月三十一日，本集團賬面值為7,655,000元(二零一七年：8,031,000元)之待售已竣工物業之若干項目已作抵押，作為取得本集團獲授之計息銀行借款及尚未提取銀行信貸之擔保(如附註31所披露)。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

24. TRADE RECEIVABLES

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Trade receivables	貿易應收款項	321,316	151,484
Impairment	減值	(1,595)	(1,467)
		319,721	150,017

For the trade receivables arising from the sale of properties, the Group manages the credit risk by fully receiving cash before delivery of properties.

Leasing properties are normally settled on an advance receipt basis, where the lessees are required to pay in advance for several months' rental payment and pay a security deposit as well. However, in the case of long-standing customers with good repayment history, the Group may offer these customers credit terms.

For the business of development and operation of hotels, hotel management services, hotel design and hotel construction management services, the Group's trading terms with its customers are mainly on credit. The Group has set out policies to ensure follow-up action is taken to recover overdue debts. The Group also reviews regularly the recoverable amount of each individual trade receivable balance to ensure that adequate provision for impairment losses are made for irrecoverable amounts. The Group does not hold any collateral or other credit enhancements over such trade receivable balances. Trade receivables are non-interest-bearing.

24. 貿易應收款項

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Trade receivables	貿易應收款項	321,316	151,484
Impairment	減值	(1,595)	(1,467)
		319,721	150,017

就銷售物業產生之貿易應收款項而言，本集團透過在交付物業前收取全數現金管理信貸風險。

租賃物業一般以預收方式結算，承租人須預先支付數月租金並支付保證金。然而，就有良好還款記錄之長期客戶而言，本集團或會向該等客戶提供信貸條款。

就酒店發展、營運及酒店管理服務、酒店設計及酒店建設管理服務業務而言，本集團與其客戶之貿易條款主要以信貸形式進行。本集團已制定政策以確保採取跟進行動收回逾期債務。本集團亦定期審閱各項個別貿易應收款項結餘之可收回金額，以確保就不可收回金額作出充足之減值虧損撥備。本集團並無就該等貿易應收款項結餘持有任何抵押品或作出其他信貸增級安排。貿易應收款項不計利息。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

24. TRADE RECEIVABLES (Continued)

The aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Within 3 months	三個月內	92,614	149,264
Over 3 months but within 6 months	超過三個月但六個月內	48,168	435
Over 6 months but within 12 months	超過六個月但十二個月內	105,954	103
Over 12 months	超過十二個月	72,985	215
		319,721	150,017

The movements in the loss allowance for impairment of trade receivables are as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
At 1 January	於一月一日	—	—
Effect of business combination under common control	於同一控制下之業務合併之影響	1,467	320
Effect of adoption of HKFRS 9	採納香港財務報告準則第9號之影響	—	—
At 1 January (as restated)	於一月一日 (經重列)	1,467	320
Impairment losses, net	減值虧損，淨額	128	1,147
At 31 December	於十二月三十一日	1,595	1,467

24. 貿易應收款項 (續)

根據發票日期，於報告期末扣除虧損撥備之貿易應收款項之賬齡分析如下：

貿易應收款項之減值虧損撥備變動如下：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

24. TRADE RECEIVABLES (Continued)

Impairment under HKFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

	Current 即期	Past due 逾期				Total 總計
		Less than 3 months 少於三個月	3 to 6 months 三至六個月	6 to 12 months 六至十二個月	Over 12 months 超過十二個月	
Expected credit loss rate 預期信貸虧損率	0.018%	0.075%	0.088%	0.267%	10.458%	0.496%
Gross carrying amount (\$'000) 總賬面值(千元)	92,631	48,204	54,586	114,535	11,360	321,316
Expected credit losses (\$'000) 預期信貸虧損(千元)	17	36	48	306	1,188	1,595

24. 貿易應收款項(續)

截至二零一八年十二月三十一日 止年度香港財務報告準則第9號 項下之減值

於各報告日期使用撥備矩陣進行減值分析以計量預期信貸虧損。撥備率乃根據按擁有類似虧損模式劃分之多個客戶分部逾期之日數計量。該計算反映或然率加權結果、貨幣時值及於報告日期可得之有關過往事項、當前情況及未來經濟情況預測之合理及可靠資料。

本集團使用撥備矩陣計量貿易應收款項之信貸風險資料載列如下：

於二零一八年十二月三十一日

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

24. TRADE RECEIVABLES (Continued)

Impairment under HKAS 39 for the year ended 31 December 2017

The aging analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

		2017 二零一七年 \$'000 千元 (Restated) (經重列)
Neither past due nor impaired	並無逾期或減值	149,264
Over 3 months but within 6 months past due	逾期超過三個月但六個月內	435
Over 6 months but within 12 months past due	逾期超過六個月但十二個月內	103
Over 12 months past due	逾期超過十二個月	215
		150,017

Impairment under HKFRS 39 for the year ended 31 December 2017

Trade receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

24. 貿易應收款項 (續)

截至二零一七年十二月三十一日止年度香港會計準則第39號項下之減值

根據香港會計準則第39號，於二零一七年十二月三十一日並非被視為個別或集體減值之貿易應收款項之賬齡分析如下：

	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Neither past due nor impaired	149,264
Over 3 months but within 6 months past due	435
Over 6 months but within 12 months past due	103
Over 12 months past due	215
	150,017

截至二零一七年十二月三十一日止年度香港財務報告準則第39號項下之減值

並無逾期或減值的貿易應收款項與眾多不同客戶有關，該等客戶近期並無違約記錄。

已逾期但未減值的貿易應收款項與多名獨立客戶有關，該等客戶與本集團有良好的過往記錄。根據以往經驗，本公司董事認為毋須根據香港會計準則第39號對該等結餘計提減值撥備，因為信貸質素並無顯著變化且該等結餘仍被視為可悉數收回。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

25. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

25. 預付款項、其他應收款項及其他資產

		Notes 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Prepayments	預付款項		5,763	2,958
Deposits and other receivables	按金及其他應收款項	b	1,767,851	28,256
Amounts due from related parties	應收關連人士款項		10	10
Amounts due from an intermediate holding company	應收一間中間控股公司款項		2,045	3,899
Impairment allowance	減值撥備	a	1,775,669 (353)	35,123 (139)
			1,775,316	34,984

The amounts due from related parties and an intermediate holding company are unsecured, interest-free and repayable on demand.

應收關連人士及一間中間控股公司之款項乃無抵押、免息及按要求償還。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

25. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

- (a) The movements in provision for impairment of other receivables during the year are as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
At 1 January	於一月一日	—	—
Business combination under common control	共同控制下之業務合併	139	845
At 1 January	於一月一日	139	845
Impairment during the year recognised/(reversed) in profit or loss	年內於損益中確認/(撥回)之減值	211	(705)
Exchange differences	匯兌差額	3	(1)
At 31 December	於十二月三十一日	353	139

The above provision for impairment of other receivables is a provision for individually impaired other receivables.

- (b) The balance includes:
- (i) proceeds receivables in relation with the loan repayment by R&F on behalf of Wanda International to the Company, amounting to \$831,774,000.
 - (ii) proceeds receivables in relation with the loan repayment by AWH on behalf of Wanda Australia RE to the Company, amounting to \$715,871,000.
 - (iii) the deposits made to Australia tax authority in relation to the disposal of interest in Wanda Australia RE, amounting to \$187,183,000.
- (c) Other than the aforementioned impaired other receivables, none of the above assets is either past due or impaired. The financial assets included in the above balances relate to the receivables for which there was no recent history of default.

25. 預付款項、其他應收款項及其他資產(續)

- (a) 年內，其他應收款項之減值撥備變動如下：

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
At 1 January	—	—
Business combination under common control	139	845
At 1 January	139	845
Impairment during the year recognised/(reversed) in profit or loss	211	(705)
Exchange differences	3	(1)
At 31 December	353	139

上述其他應收款項之減值撥備乃就個別已減值之其他應收款項而計提之撥備。

- (b) 結餘包括：
- (i) 有關富力代表萬達國際向本公司償還貸款之應收所得款項831,774,000元。
 - (ii) 有關AWH代表萬達澳洲地產向本公司償還貸款之應收所得款項715,871,000元。
 - (iii) 有關出售於萬達澳洲地產之權益而向澳洲稅務機關繳納按金187,183,000元。
- (c) 除上述已減值之其他應收款項外，上述資產概無逾期或減值。計入上述結餘之金融資產與近期並無違約記錄之應收款項有關。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

26. CONTRACT INCREMENTAL COSTS

26. 合約增量成本

	31 December 2018	1 January 2018	31 December 2017
	二零一八年 十二月三十一日	二零一八年 一月一日	二零一七年 十二月三十一日
	\$'000	\$'000	\$'000
	千元	千元	千元

Contract assets arising from: 下列項目產生之合約資產：
Costs for obtaining contracts of 取得物業銷售合約之成本
sale of properties

54,067 41,839 —

Management expects the incremental costs, primarily sale commission and stamp duty paid/payable, as a result of obtaining the property sales contracts, are recoverable. The Group has capitalised the amounts and amortised them when the related revenue are recognised.

由於取得物業銷售合約，管理層預期增量成本（主要為銷售佣金及已付／應付印花稅）可予收回。本集團於相關收益確認時將該等金額資本化及予以攤銷。

The expected timing of recovery or settlement for contract incremental costs as at 31 December 2018 is as follows:

於二零一八年十二月三十一日合約增量成本之預計收回時間或結算金額如下：

		\$'000
		千元
Within one year	一年內	624
More than one year	超過一年	53,443
Total contract incremental costs	總合約增量成本	54,067

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

27. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

27. 受限制銀行存款以及現金及現金等值物

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Cash and bank balances	現金及銀行結餘	2,742,303	2,589,567
Time deposits	定期存款	3,995	11,365
		2,746,298	2,600,932
Less: Pledged for long-term bank loans	減：已為長期銀行貸款抵押	(4,938)	(11,453)
An escrow account pledged for construction work	已為建設工程抵押之託管賬戶	(64)	(191,380)
		(5,002)	(202,833)
Cash and cash equivalents	現金及現金等值物	2,741,296	2,398,099

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to \$2,341,569,000 (2017: \$1,087,877,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣計值之現金及銀行結餘為2,341,569,000元(二零一七年：1,087,877,000元)。人民幣不可自由兌換為其他貨幣，然而，根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准許透過授權開展外匯業務之銀行將人民幣兌換為其他貨幣。

銀行存款根據每日銀行存款利率賺取浮動利息。短期定期存款由一日至三個月期限不等，視乎本集團之即時現金需求而定，並按各自的短期定期存款利率賺取利息。銀行結餘及受限制現金存入近期並無違約記錄之具信譽銀行。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

27. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (Continued)

As at 31 December 2018, the Group's cash and bank balances amounting to \$943,000 and time deposits amounting to \$3,995,000 (2017: cash and bank balances amounting to \$88,000 and time deposits amounting to \$11,365,000) were pledged to secure interest-bearing bank borrowings granted to the Group as disclosed in note 31.

As at 31 December 2018, the Group deposited funds amounting to \$64,000 (2017: \$191,380,000) in an escrow account as guarantees for the settlement of construction billings.

28. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

(a) On 27 November 2017, Dalong Industrial Group Limited ("Dalong"), a non-wholly-owned subsidiary of the Company, entered into an agreement with Zhonglu Group, pursuant to which Dalong has agreed to sell and Zhonglu Group agree to acquire certain of investment properties owned by Fujian Henglicheng (a direct subsidiary of Dalong). The disposal of certain investment properties was completed in the year ended 31 December 2018, and the loss on disposal of investment properties has been recognised into other net loss.

		2018 二零一八年 \$'000 千元
At 1 January 2018	於二零一八年一月一日	37,041
Disposal of investment properties	出售投資物業	(37,041)
		—

(b) Details of the assets and liabilities classified as held for sale from discontinued operations are included in note 13 to the financial statements.

27. 受限制銀行存款以及現金及現金等值物(續)

於二零一八年十二月三十一日，本集團金額為943,000元之現金及銀行結餘及3,995,000元之定期存款(二零一七年：金額為88,000元之現金及銀行結餘及11,365,000元之定期存款)已作抵押，作為取得本集團獲授之計息銀行借款之擔保(如附註31所披露)。

於二零一八年十二月三十一日，本集團向託管賬戶存入資金64,000元(二零一七年：191,380,000元)作為結算建築費用之擔保。

28. 分類為持作出售之資產及負債

(a) 於二零一七年十一月二十七日，本公司非全資附屬公司大隆實業集團有限公司(「大隆」)與中旅集團訂立協議，據此，大隆已同意出售而中旅集團同意收購福建恒力城(大隆一間直接附屬公司)擁有之若干投資物業。截至二零一八年十二月三十一日止年度若干投資物業已完成出售，而出售投資物業之虧損已於其他虧損淨額中確認。

(b) 有關終止經營業務之分類為持作出售之資產及負債之詳情載於財務報表附註13。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

29. TRADE AND OTHER PAYABLES

An analysis of trade payables and other payables as at the end of the reporting period is as follows:

29. 貿易及其他應付款項

於報告期末之貿易應付款項及其他應付款項之分析如下：

		Notes	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
		附註		
Trade payables	貿易應付款項	a	630,190	502,548
Other payables	其他應付款項		850,311	183,686
Accruals	應計費用		1,072	98
Dividends payables	應付股息		—	7,671
Interest payable on other borrowings	其他借款應付利息	b	126,667	96,232
Interest payable to an intermediate holding company	應付一間中間控股公司利息	b	11,442	463,071
Interest payable to financial institutions	應付金融機構利息		1,795	936
Amounts due to an intermediate holding company	應付一間中間控股公司款項	c	2,954,320	4,699,203
			4,575,797	5,953,445

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

29. TRADE AND OTHER PAYABLES (Continued)

Notes:

- a. None of the Group's trade payables are expected to be settled after more than one year (2017: Nil).

The aging analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Within 3 months	三個月內	481,347	330,575
Over 3 months but within 6 months	超過三個月但六個月內	41	44
Over 6 months but within 12 months	超過六個月但十二個月內	12	114
Over 12 months	超過十二個月	148,790	171,815
		630,190	502,548

- b. The amount of \$11,442,000 in interest payable to an intermediate holding company is repayable within one year (2017: \$463,071,000), none of the Group's interest payable to an intermediate holding company is repayable more than one year (2017: Nil). The interest payable on other borrowings is repayable on demand or within one year. These interest payables are unsecured and not subject to compound interests.
- c. The amounts due to an intermediate holding company is repayable on demand or within one year and all these balances are unsecured and interest-free.

29. 貿易及其他應付款項 (續)

附註：

- a. 概無本集團貿易應付款項預期將於超過一年後結算(二零一七年：無)。

根據發票日期，於年末之貿易應付款項之賬齡分析如下：

- b. 應付一間中間控股公司利息11,442,000元須於一年內償還(二零一七年：463,071,000元)，概無本集團應付一間中間控股公司利息須於一年後償還(二零一七年：無)。其他借款之應付利息須按要求或於一年內償還。該等應付利息為無抵押及毋須支付複利。
- c. 應付一間中間控股公司之款項均須按要求或於一年內償還，而該等結餘全部為無抵押及免息。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

30. CONTRACT LIABILITIES

Details of contract liabilities as at 31 December 2018 and 1 January 2018 are as follows:

		31 December 2018 二零一八年 十二月三十一日 \$'000 千元	1 January 2018 二零一八年 一月一日 \$'000 千元
Sale of properties	銷售物業	92,974	16,093
Property management services	物業管理服務	24,518	8,643
Other services	其他服務	726	780
Total contract liabilities	合約負債總額	118,218	25,516

Contract liabilities include advances received to deliver properties, property management and other services.

30. 合約負債

於二零一八年十二月三十一日及二零一八年一月一日之合約負債詳情如下：

		31 December 2018 二零一八年 十二月三十一日 \$'000 千元	1 January 2018 二零一八年 一月一日 \$'000 千元
Sale of properties	銷售物業	92,974	16,093
Property management services	物業管理服務	24,518	8,643
Other services	其他服務	726	780
Total contract liabilities	合約負債總額	118,218	25,516

合約負債包括就交付物業、物業管理及其他服務而收取之墊款。

31. LOANS FROM FINANCIAL INSTITUTIONS

Loans from financial institutions were repayable as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Current:	即期：		
Bank loans — secured	銀行貸款 — 有抵押	46,088	183,849
Non-current:	非即期：		
Bank loans — secured	銀行貸款 — 有抵押	1,146,769	1,631,087
		1,192,857	1,814,936
Repayable:	還款期：		
Within 1 year or on demand	一年內或按要求	46,088	183,849
After 1 year but within 2 years	一年後但兩年內	95,392	53,333
After 2 years but within 5 years	兩年後但五年內	1,051,377	1,577,754
		1,192,857	1,814,936

金融機構貸款之還款期如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

31. LOANS FROM FINANCIAL INSTITUTIONS

(Continued)

The Group's other bank borrowings bear interest at floating rates. The range of the effective interest rates during the year is as follows:

		2018 二零一八年	2017 二零一七年
Effective interest rates	實際利率	3.38%-6.50%	2.25%-5.46%
(a)	As at 31 December 2018, undrawn bank facilities of the Group amounted to \$ 4,073,108,000 (2017: \$4,064,788,000).		(a) 於二零一八年十二月三十一日，本集團尚未提取之銀行信貸為4,073,108,000元(二零一七年：4,064,788,000元)。
(b)	Certain loans from financial institutions as at 31 December 2018 and 31 December 2017 were guaranteed by Mr. Chen Chang Wei ("Mr. Chen"), a former director of the Company.		(b) 於二零一八年十二月三十一日及二零一七年十二月三十一日，若干金融機構貸款由本公司一名前任董事陳長偉先生(「陳先生」)擔保。
(c)	Certain loans from financial institutions as at 31 December 2018 and 31 December 2017 were guaranteed by an intermediate holding company, Dalian Wanda Commercial Management Group Co., Ltd..		(c) 於二零一八年十二月三十一日及二零一七年十二月三十一日，若干金融機構貸款由一間中間控股公司大連萬達商業管理集團股份有限公司擔保。

The carrying amounts of all the Group's borrowings during the year were denominated in RMB and US\$. The denominated amounts at the year end are as follows:

本集團之其他銀行借款按浮動利率計息，年內之實際利率範圍如下：

		2018 二零一八年	2017 二零一七年
RMB loans and borrowings	人民幣貸款及借款	213,744	407,894
US\$ loans and borrowings	美元貸款及借款	979,113	1,407,042
		1,192,857	1,814,936

年內，本集團全部借款之賬面值均以人民幣及美元計值。於年末之貨幣計值金額如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
RMB loans and borrowings	人民幣貸款及借款	213,744	407,894
US\$ loans and borrowings	美元貸款及借款	979,113	1,407,042
		1,192,857	1,814,936

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

31. LOANS FROM FINANCIAL INSTITUTIONS

(Continued)

Assets of the Group pledged to secure the loans from financial institutions and bank facilities comprise:

			2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
		Notes 附註		
Buildings held for own use	持作自用之樓宇	16	5,463	6,153
Construction in progress	在建工程	16	608,095	336,183
Freehold land	永久業權土地	17	159,119	158,794
Investment properties	投資物業	18	850,451	1,179,998
Prepaid land lease payments	預付土地租賃款項	19	16,737	18,036
Properties under development	在建物業	22	3,113,666	1,878,000
Completed properties for sale	待售已竣工物業	23	7,655	8,031
Restricted bank deposits	受限制銀行存款	27	4,938	11,453
Investment properties included in assets classified as held for sale	計入分類為持作出售之資產之投資物業	28	—	37,041
			4,766,124	3,633,689

31. 金融機構貸款(續)

本集團已作抵押以取得金融機構貸款及銀行信貸之資產包括：

32. LOANS FROM AN INTERMEDIATE HOLDING COMPANY

Loans from an intermediate holding company were repayable as follows:

			2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
		Note 附註		
Current:	即期：			
Loans from an intermediate holding company	一間中間控股公司貸款	a	1,445,489	3,608,449
Non-current:	非即期：			
Loans from an intermediate holding company	一間中間控股公司貸款	a	678,321	757,929
			2,123,810	4,366,378

32. 一間中間控股公司貸款

一間中間控股公司貸款之還款期如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

32. LOANS FROM AN INTERMEDIATE HOLDING COMPANY (Continued)

Notes:

- a. The carrying amounts of all the Group's loans from an intermediate holding company during the year were denominated in Great British Pound ("GBP"), EURO ("EUR"), United States Dollar ("US\$"), Australia Dollar ("AUD") and Hong Kong Dollar ("HK\$"). The denominated amounts at the year end are as follows:

	Notes 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
GBP loans and borrowings	(i)	507,150	1,213,144
EUR loans and borrowings	(ii)	65,339	68,095
US\$ loans and borrowings	(ii)	678,321	689,834
AUD loans and borrowings		—	468,879
AUD loans and borrowings		—	1,926,426
HK\$ loans and borrowings	(iii)	873,000	—
		2,123,810	4,366,378

Notes:

- (i) These loans bear interest at rates of 5% per annum.
- (ii) These loans are interest-free.
- (iii) These loans bear interest at a rate of 4% per annum.
- b. Interest incurred during the year ended 31 December 2018 and interest payable to an intermediate holding company as at 31 December 2018 are set out in notes 9 and 29 respectively.

附註：

- a. 年內，本集團一間中間控股公司之全部貸款之賬面值均以英鎊(「英鎊」)、歐元(「歐元」)、美元(「美元」)、澳元(「澳元」)及港元(「港元」)計值。於年末之貨幣計值金額如下：

附註：

- (i) 該等貸款按每年5%之利率計息。
- (ii) 該等貸款為免息。
- (iii) 該等貸款按每年4%之利率計息。
- b. 截至二零一八年十二月三十一日止年度產生之利息及於二零一八年十二月三十一日應付一間中間控股公司之利息分別載於附註9及29。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

33. OTHER BORROWINGS

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Current	即期	12,821	213,518
Non-current	非即期	372,771	73,565
		385,592	287,083

Notes:

The loans were obtained from entities controlled by Mr. Chen. Certain other borrowing from the entity controlled by Mr. Chen amounting to \$12,821,000 (31 December 2017: \$11,633,000) that bear interest at 15% per annum are unsecured and repayable six months after the date of the respective drawdowns, and the interest generated for the period from 1 April 2016 to 31 December 2018 has been waived by the lender. Certain other borrowings from another entity controlled by Mr. Chen amounting to \$372,771,000 (31 December 2017: \$275,450,000) that bear interest at 10% per annum are unsecured and repayable from nine months to twenty-one months after the date of the respective drawdowns. Interest incurred during the year ended 31 December 2018 and interest payable to related parties as at 31 December 2018 are set out in notes 9 and 29 respectively.

33. 其他借款

附註：

貸款從陳先生控制之實體取得。來自陳先生控制之實體之12,821,000元(二零一七年十二月三十一日：11,633,000元)之若干其他借款按年利率15%計息，且無抵押並須於貸款之各自提取日期後六個月內償還，而貸款人已放棄二零一六年四月一日至二零一八年十二月三十一日期間產生之利息。來自陳先生控制之另一實體之372,771,000元(二零一七年十二月三十一日：275,450,000元)之若干其他借款按年利率10%計息，且無抵押並須於貸款之各自提取日期後九個月至二十一個月內償還。截至二零一八年十二月三十一日止年度應計之利息及於二零一八年十二月三十一日應付關連人士之利息分別載於附註9及29。

34. CURRENT TAXATION

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Current tax payable:	應付即期稅項：		
PRC Corporate Income Tax	中國企業所得稅	58,021	62,635
PRC Land Appreciation Tax	中國土地增值稅	127,114	215,765
		185,135	278,400

34. 即期稅項

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

35. SHARE CAPITAL

35. 股本

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Issued and fully paid:	已發行及繳足：		
4,697,346,488 (2017: 4,697,346,488) ordinary shares	4,697,346,488 (二零一七年： 4,697,346,488) 股普通股	469,735	469,735

36. RESERVES

36. 儲備

(a) The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 104 to 105 of the financial statements.

(a) 於本年度及過往年度，本集團之儲備及其變動金額於財務報表第104至105頁之綜合股權變動表內呈列。

(b) Nature and purpose of reserves

(b) 儲備性質及用途

Share premium

股份溢價

The application of the share premium is governed by the Companies Act 1981 of Bermuda.

股份溢價之使用受百慕達一九八一年公司法規管。

Statutory reserve

法定儲備

In accordance with the Company Law of the PRC and the respective articles of association of the PRC group companies, each of the subsidiaries of the Group that is domiciled in PRC is required to allocate 10% of its profit after tax, as determined in accordance with the PRC Accounting Regulations, to the statutory surplus reserve until such reserve reaches 50% of its respective registered capital.

根據中國公司法及中國集團公司之相關組織章程，本集團於中國註冊之各附屬公司須按要求分配10%的除稅後溢利（根據中國會計制度釐定）至法定盈餘儲備，直至該等儲備達至各自註冊資本的50%。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

36. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

Exchange reserve

The exchange reserve of the Group comprises all foreign exchange differences arising from the translation of the financial statements of operations in the PRC, the United Kingdom, Australia and the USA.

Special reserve

The special reserve of the Group represents (i) the difference between the aggregate nominal value of the share capital of the Company's subsidiaries acquired and the nominal value of the shares issued by the Company in connection with group reorganisation; and (ii) adjustments made to the amounts of controlling and non-controlling interests to reflect the change in relative interests as a result of changes in the Group's interests in Amazing Wise Limited that do not result in a loss of control.

Merger reserve

Merger reserve represents the difference between the fair value of the consideration paid to Wanda HK, an intermediate holding company to the Company, for the acquisition of the entire interest in Wanda Hotel Management HK and its subsidiaries which are under common control of Wanda HK, and the carrying amounts of the net assets of Wanda Hotel Management Group acquired.

36. 儲備 (續)

(b) 儲備性質及用途 (續)

匯兌儲備

本集團之匯兌儲備包括換算中國、英國、澳大利亞及美國業務之財務報表產生之所有外匯差額。

特別儲備

本集團特別儲備指(i)本公司所收購附屬公司之股本面值總額與本公司就集團重組所發行之股份面值之差額；及(ii)就控股及非控股權益金額作出之調整，以反映因本集團於Amazing Wise Limited之權益變動(並無導致失去控制權)所產生之相對權益變動。

合併儲備

合併儲備指就收購萬達酒管(香港)及其附屬公司全部權益(受萬達香港共同控制)而向萬達香港(本公司之中間控股公司)支付代價之公允價值與所收購萬達酒店管理集團資產淨值之賬面值的差額。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

36. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

Distributable reserves

The Company's share premium, special reserve and accumulated losses as at 31 December 2018 may be distributable to shareholders, after netting off with the convertible bond reserve in certain circumstances prescribed by Section 54 of the Companies Act 1981 of Bermuda.

As at 31 December 2018, the aggregate amount of reserves available for distribution to equity holders of the Company was \$2,054,658,000 (2017: \$1,938,094,000 as restated).

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

36. 儲備 (續)

(b) 儲備性質及用途 (續)

可供分派儲備

於二零一八年十二月三十一日，本公司之股份溢價、特別儲備及累計虧損於百慕達一九八一年公司法第54條所規定之若干情況下扣除可換股債券儲備後可供分派予股東。

於二零一八年十二月三十一日，可供分派予本公司權益持有人之儲備總額為2,054,658,000元(二零一七年：1,938,094,000元(經重列))。

本公司董事不建議派發截至二零一八年十二月三十一日止年度之股息(二零一七年：無)。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The following tables list out the information relating to subsidiaries of the Group which have material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

37. 擁有重大非控股權益的部分擁有附屬公司

下表載列本集團擁有重大非控股權益的附屬公司的資料。下文所示財務資料概要為未計算任何公司間撇銷的金額。

		Amazing Wise Limited Group Amazing Wise Limited 集團 \$'000 千元	Wanda Properties Investment Limited Group 萬達置業投資 有限公司集團 \$'000 千元	Wanda Americas Real Estate Investment Limited Group 萬達美洲地產投資 有限公司集團 \$'000 千元
2018	二零一八年			
Percentage of equity interest held by NCI	非控股權益持有的權益百分比	47%	49%	40%
(Loss)/profit for the year allocated to NCI	分配予非控股權益的本年度(虧損)/溢利	(146,147)	69,703	(16,015)
Dividends declared to NCI	宣派予非控股權益的股息	—	—	—
Accumulated balances of NCI at the reporting date	於報告日期的非控股權益累計餘額	296,375	513,857	158,838
2017	二零一七年			
Percentage of equity interest held by NCI	非控股權益持有的權益百分比	47%	49%	40%
(Loss)/profit for the year allocated to NCI	分配予非控股權益的本年度(虧損)/溢利	(40,941)	19,736	(56,476)
Dividends declared to NCI	宣派予非控股權益的股息	—	—	—
Accumulated balances of NCI at the reporting date	於報告日期的非控股權益累計餘額	518,259	503,225	116,181

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(Continued)

37. 擁有重大非控股權益的部分擁有附屬公司(續)

		Amazing Wise Limited Group Amazing Wise Limited 集團 \$'000 千元	Wanda Properties Investment Limited Group 萬達置業投資 有限公司集團 \$'000 千元	Wanda Americas Real Estate Investment Limited Group 萬達美洲地產投資 有限公司集團 \$'000 千元
2018	二零一八年			
Revenue	收益	100,406	275,801	—
Total expense and other net (loss)/gain	總開支及其他 (虧損)/收益淨額	(418,134)	(133,551)	(32,844)
(Loss)/profit for the year	本年度(虧損)/溢利	(317,728)	142,250	(32,844)
Total comprehensive (loss)/income for the year	本年度全面 (虧損)/收入總額	(317,728)	142,250	(32,844)
Current assets	流動資產	62,293	1,843,513	3,259,430
Non-current assets	非流動資產	1,832,322	1,548,659	781,620
Current liabilities	流動負債	(420,731)	(772,747)	(2,998,821)
Non-current liabilities	非流動負債	(848,144)	(1,570,738)	(979,113)
NCI	非控股權益	(4,296)	—	(222,652)
Net cash flows from/(used in)	產生/(所用)之現金 流量淨額			
operating activities	經營活動	72,263	717,372	(199,793)
investing activities	投資活動	—	(20,263)	(261,146)
financing activities	融資活動	(98,032)	—	(430,369)
Effect of foreign exchange rate changes	匯率變動之影響	1,115	(34,280)	6,229
Net (decrease)/increase in cash and cash equivalents	現金及現金等值物 (減少)/增加淨額	(24,654)	662,829	(885,079)

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(Continued)

37. 擁有重大非控股權益的部分擁有附屬公司(續)

		Amazing Wise Limited Group Amazing Wise Limited 集團 \$'000 千元	Wanda Properties Investment Limited Group 萬達置業投資 有限公司集團 \$'000 千元	Wanda Americas Real Estate Investment Limited Group 萬達美洲地產投資 有限公司集團 \$'000 千元
2017	二零一七年			
Revenue	收益	129,657	83,783	—
Total expense and other net (loss)/gain	總開支及其他 (虧損)/收益淨額	(219,065)	(43,504)	(115,372)
(Loss)/profit for the year	本年度(虧損)/溢利	(89,408)	40,279	(115,372)
Total comprehensive (loss)/income for the year	本年度全面(虧損)/收入總額	(89,408)	40,279	(115,372)
Current assets	流動資產	136,907	1,279,896	3,046,715
Non-current assets	非流動資產	2,391,527	1,607,604	515,451
Current liabilities	流動負債	(763,612)	(285,536)	(2,137,377)
Non-current liabilities	非流動負債	(724,494)	(1,574,973)	(1,407,042)
NCI	非控股權益	(55,292)	—	(181,803)
Net cash flows from/(used in)	產生/(所用)之現金 流量淨額			
operating activities	經營活動	4,807	6,921	(50,404)
investing activities	投資活動	(7,991)	7,201	(54,491)
financing activities	融資活動	12,339	—	934,320
Effect of foreign exchange rate changes	匯率變動之影響	1,705	67,918	4,440
Net increase in cash and cash equivalents	現金及現金等值物 增加淨額	10,860	82,040	833,865

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

38. DISPOSAL OF SUBSIDIARIES

- (a) On 18 May 2018, the Group completed the disposal of its entire equity interest in Wanda Australia CP Group to AWH for a cash consideration of AUD 315,044,422 (the “Australia Disposal”). Further details of the Australia Disposal have been set out in the Company’s circular dated 22 February 2018 and announcements dated 29 January 2018, 21 March 2018 and 18 May 2018.

The net assets of the Wanda Australia CP Group included in assets and liabilities classified in held for sale at the date of disposal were as follows:

38. 出售附屬公司

- (a) 於二零一八年五月十八日，本集團完成向AWH出售其於萬達商業澳洲集團之全部股本權益，現金代價為315,044,422澳元（「澳洲出售事項」）。有關澳洲出售事項之進一步詳情載於本公司日期為二零一八年二月二十二日之通函及日期為二零一八年一月二十九日、二零一八年三月二十一日及二零一八年五月十八日之公告內。

萬達商業澳洲集團於出售日期計入分類為持作出售之資產及負債之資產淨值如下：

	Note 附註	2018 二零一八年 \$'000 千元
Net assets disposed of:	已出售之資產淨值：	
Property, plant and equipment	物業、廠房及設備	24,422
Construction in progress	在建工程	138,791
Freehold land	永久業權土地	943,432
Investment in a joint venture	於一間合營企業之投資	2,479,412
Deferred tax assets	遞延稅項資產	105,828
Properties under development	在建物業	2,304,538
Trade and other receivables	貿易及其他應收款項	113,824
Cash and cash equivalents	現金及現金等值物	259
Pledged deposits	已抵押存款	47,237
Trade and other payables	貿易及其他應付款項	(35,952)
Long-term loans	長期貸款	(4,839,779)
Reclassification of exchange reserve on translation of a foreign operation	換算海外業務之匯兌儲備之重新分類	32,536
		1,314,548
Gain on disposal of a subsidiary	出售一間附屬公司之收益	473,277
Transaction expenses	交易開支	68,196
		1,856,021
Satisfied by:	出售所得：	
Cash consideration received in the current year	於本年度收取之現金代價	1,113,613
Cash consideration received in the current year by the intermediate holding company	中間控股公司於本年度收取之現金代價	742,408
		1,856,021

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

38. DISPOSAL OF SUBSIDIARIES (Continued)

(a) (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

		2018 二零一八年 \$'000 千元
Total consideration	總代價	1,856,021
Cash consideration received in the current year by the intermediate holding company	中間控股公司於本年度收取之現金代價	(742,408)
Cash and bank balances disposed of	已出售之現金及銀行結餘	(47,496)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售一間附屬公司之現金及現金等值物流入淨額	1,066,117

- (b) On 6 July 2018, the Group completed the disposal of its entire equity interest in Wanda International Group to R&F for a cash consideration of GBP35,609,277.96 (the “Wanda International Disposal”). Further details of the Wanda International Disposal have been set out in the Company’s circular dated 15 March 2018 and announcements dated 16 January 2018, 7 February 2018, 6 March 2018, 12 June 2018 and 6 July 2018.

38. 出售附屬公司 (續)

(a) (續)

有關出售一間附屬公司之現金及現金等值物流入淨額之分析如下：

- (b) 於二零一八年七月六日，本集團完成向富力出售其於萬達國際集團之全部股本權益，現金代價為35,609,277.96英鎊（「萬達國際出售事項」）。有關萬達國際出售事項之進一步詳情分別載於本公司日期為二零一八年三月十五日之通函及本公司日期為二零一八年一月十六日、二零一八年二月七日、二零一八年三月六日、二零一八年六月十二日及二零一八年七月六日之公告內。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

38. DISPOSAL OF SUBSIDIARIES (Continued)

(b) (Continued)

The net assets of the Wanda International Group in assets and liabilities classified in held for sale at the date of disposal were as follows:

38. 出售附屬公司 (續)

(b) (續)

萬達國際集團於出售日期計入分類為持作出售之資產及負債之資產淨值如下：

	Note	2018
	附註	二零一八年
		\$'000
		千元
Net assets disposed of:	已出售之資產淨值：	
Property, plant and equipment	物業、廠房及設備	238
Construction in progress	在建工程	698,974
Freehold land	永久業權土地	246,223
Contract Assets	合約資產	51,480
Properties under development	在建物業	2,995,398
Prepayments and other receivables	預付款項及其他應收款項	318,448
Cash and cash equivalents	現金及現金等值物	48,743
Trade and other payables	貿易及其他應付款項	(2,915,445)
Long-term loans	長期貸款	(1,556,685)
Non-controlling interests	非控股權益	64,923
Reclassification of exchange reserve on translation of a foreign operation	換算海外業務之匯兌儲備之重新分類	(27,406)
		(75,109)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	442,419
Transaction expenses	交易開支	2,760
		370,070
Satisfied by:	出售所得：	
Cash consideration received in the current year	於本年度收取之現金代價	370,070

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

38. DISPOSAL OF SUBSIDIARIES (Continued)

(b) (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

		2018 二零一八年 \$'000 千元
Total consideration	總代價	370,070
Cash and bank balances disposed of	已出售之現金及銀行結餘	(48,743)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售一間附屬公司之現金及現金等值物流入淨額	321,327

38. 出售附屬公司 (續)

(b) (續)

有關出售一間附屬公司之現金及現金等值物流入淨額之分析如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

39. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

39. 綜合現金流量表附註

(a) Changes in liabilities arising from financing activities

(a) 融資活動所產生的負債變動

			Loans from financial institutions	Loans and amounts due to an intermediate holding company	Other borrowings	Interests payables to financial institutions, other borrowings and an intermediate holding company	Total
		Note	\$'000	\$'000	\$'000	\$'000	\$'000
		附註	千元	千元	千元	千元	千元
At 1 January 2018	於二零一八年一月一日		1,814,936	9,065,580	287,083	560,239	11,727,838
Changes from financing cash flows	融資現金流量變動		(609,992)	(3,826,820)	97,320	(623,000)	(4,962,492)
Interest expenses	利息開支	9	-	-	-	184,773	184,773
Foreign exchange movement	外匯變動		(12,087)	(160,630)	1,189	17,892	(153,636)
At 31 December 2018	於二零一八年十二月三十一日		1,192,857	5,078,130	385,592	139,904	6,796,483

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

39. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Changes in liabilities arising from financing activities (Continued)

		Note	Loans from financial institutions	Loans and amounts due to an intermediate holding company	Other borrowings	Interests payables to financial institutions, other borrowings and an intermediate holding company	Total
		附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2017	於二零一七年一月一日		3,371,778	8,218,325	266,296	464,961	12,321,360
Changes from financing cash flows	融資現金流量變動		(141,988)	1,357,832	(1,393)	(170,703)	1,043,748
Interest expenses	利息開支	9	—	—	—	242,405	242,405
Foreign exchange movement	外匯變動		160,536	352,093	22,180	25,952	560,761
Liabilities directly associated with the assets classified as liabilities held for sale	與分類為持作出售負債之資產直接相關之負債		(1,575,390)	(862,670)	—	(2,376)	(2,440,436)
At 31 December 2017	於二零一七年十二月三十一日		1,814,936	9,065,580	287,083	560,239	11,727,838

39. 綜合現金流量表附註 (續)

(a) 融資活動所產生的負債變動 (續)

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

39. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Total taxes paid

The total taxes paid during the year were:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Operating activities:	經營活動：		
PRC profits tax paid	已付中國所得稅	82,438	88,379
PRC LAT tax paid	已付中國土地增值稅	22,431	—
		104,869	88,379
Investing activities:	投資活動：		
Overseas taxes paid	已付海外稅項	31,957	—

39. 綜合現金流量表附註(續)

(b) 已付稅項總額

年內已付稅項總額：

40. CAPITAL COMMITMENTS

The Group had the following commitments for property development expenditure at the end of the reporting period:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Contracted, but not provided for	已訂約但未撥備	4,235,913	12,627,924

The above commitments mainly include construction related costs to be incurred in respect of the Group's property development projects.

40. 資本承擔

於報告期末，本集團物業發展支出之承擔如下：

上述承擔主要包括就本集團物業發展項目而產生之建設相關費用。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

41. PLEDGE OF ASSETS

Details of the Group's loans from financial institutions, which are secured by the assets of the Group, are included in note 31 to the financial statements.

42. OPERATING LEASE COMMITMENTS

As lessor

The Group leases out its investment properties under operating lease arrangements on terms ranging from two to fifteen years and with an option for renewal after the expiry dates, at which time all terms will be renegotiated.

The Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

41. 資產抵押

本集團抵押其資產所獲取的金融機構貸款之詳情載於財務報表附註31。

42. 經營租賃承擔

作為出租人

本集團根據經營租賃安排出租投資物業，租期介乎二至十五年，可於屆滿日期後選擇續租，屆時將會重新協商所有條款。

本集團根據與其承租人訂立之不可撤銷經營租賃於下列期間到期之未來最少應收租金總額如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Within one year	一年內	153,341	133,067
In the second to fifth years, inclusive	兩年至五年(包括首尾年度)	359,959	342,150
After five years	五年後	254,179	293,879
		767,479	769,096

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

42. OPERATING LEASE COMMITMENTS (Continued)

As lessee

The Group leases certain office premises under operating lease arrangements, negotiated for terms ranging from three to six years with an option for renewal after the expiry dates, at which time all terms will be renegotiated.

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Within one year	一年內	22,115	30,368
In the second to fifth years, inclusive	兩年至五年(包括首尾年度)	1,354	14,907
After five years	五年後	—	—
		23,469	45,275

42. 經營租賃承擔(續)

作為承租人

本集團根據經營租賃安排租賃若干辦公室物業，協定期限介乎三至六年，可於屆滿日期後選擇續租，屆時將會重新協商所有條款。

本集團根據不可撤銷經營租賃於下列期間到期之未來最少應付之租金總額如下：

43. CONTINGENT LIABILITIES

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Guarantees given to banks for: Mortgage facilities granted to purchasers of the Group's properties	就下列事項而給予銀行之擔保： 授予本集團物業買家 之按揭授信	413,711	475,855

43. 或然負債

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

43. CONTINGENT LIABILITIES (Continued)

The Group has provided guarantees in respect of the mortgage facilities granted by certain banks to the purchasers of the Group's properties. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee periods commence from the dates of grant of the relevant mortgage loans and end after the execution of individual purchasers' collateral agreements.

The financial guarantee contracts are measured at the higher of the ECL allowance and the amount initially recognised less the cumulative amount of income recognised. The ECL allowance is measured by estimating the cash shortfalls, which are based on the expected payments to reimburse the holders for a credit loss that it incurs less any amounts that the Group expects to receive from the purchasers. The amount initially recognised representing the fair value at initial recognition of the financial guarantees was not significant. The Group did not incur any material losses during the financial period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. The directors consider that in case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty, and therefore no ECL allowance has been made in connection with the guarantees.

43. 或然負債 (續)

本集團已就若干銀行授予本集團物業買家之按揭授信而提供擔保。根據擔保安排之條款，倘該等買家拖欠按揭還款，本集團須負責償還拖欠之按揭貸款以及應計利息及違約買家結欠銀行之罰款，而本集團有權接管相關物業之合法業權。本集團之擔保期由授出相關按揭貸款當日起計至個別買家的抵押品協議獲執行後結束。

財務擔保合約乃按預期信貸虧損撥備及初步確認金額減已確認累計收入金額(以較高者為準)計量。預期信貸虧損撥備乃透過估計現金差額計量，現金差額乃根據償還持有人所產生信貸虧損的預期款項減本集團預期自買方收取之任何款項計算得出。代表財務擔保於初步確認時之公允價值之初步確認金額並不重大。本集團於就授予本集團物業買家之按揭授信而提供擔保之財政期間並無產生任何重大虧損。董事認為倘出現拖欠還款，有關物業之可變現淨值能彌償尚未償還之按揭貸款及任何應計利息以及罰款，因此，並無就有關擔保作出預期信貸虧損撥備。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

44. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following significant transactions with related parties during the year:

			2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Companies controlled by the ultimate controlling shareholder:	最終控股股東控制之公司：			
Purchase of equipment	購買設備	(i)	—	1,716
Sale of equipment	銷售設備		—	1,902
Purchase of services	購買服務	(i)	9	2,147
Property management services	物業管理服務	(i)	1,528	712
Hotel design services	酒店設計服務	(i)	14,828	2,485
Hotel construction management services	酒店建設管理服務	(i)	5,323	3,036
Hotel management services	酒店管理服務	(i)	69,944	259,735
Rental income	租金收入		6,203	5,772
Rental expense	租金開支	(i)	12,340	4,791

- (i) It included the related party transactions of Wanda Hotel Management Group, which was acquired by the Company on 31 December 2018.

The above transactions were made according to the published prices and conditions offered to the major customers of the Group.

44. 重大關連人士交易

- (a) 除財務報表其他部分所詳述的交易外，本集團於年內與關連人士進行以下重大交易：

- (i) 其包括本公司於二零一八年十二月三十一日收購之萬達酒店管理集團之關連人士交易。

上述交易乃根據本集團主要客戶獲提供之已公佈價格及條件進行。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with key management personnel

The remuneration of key management personnel of the Group, including the amounts paid to the Company's directors, is as follows:

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Short-term employee benefits 短期僱員福利	18,730	6,460

Further details of directors' and the chief executive's emoluments are included in note 10 to the financial statements.

(c) Loans from an intermediate holding company

Please refer to note 32 for the loans from an intermediate holding company to the Company. Interest incurred during the year and interest payable to related parties as at 31 December 2018 are set out in notes 9 and 29 respectively.

(d) Guarantees provided by an intermediate holding company

An Company's intermediate holding company has guaranteed certain bank loans made to the Group of up to \$979,113,000 (2017: \$1,407,042,000) as at the end of the reporting period, as further detailed in note 31 to the financial statements.

44. 重大關連人士交易 (續)

(b) 與主要管理人員之交易

本集團之主要管理人員薪酬(包括已付本公司董事之款項)如下:

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Short-term employee benefits 短期僱員福利	18,730	6,460

董事及主要行政人員酬金之進一步詳情載於財務報表附註10。

(c) 一間中間控股公司貸款

一間中間控股公司提供予本公司之貸款請參閱附註32。於年內產生之利息及於二零一八年十二月三十一日應付關連人士之利息分別載於附註9及29。

(d) 一間中間控股公司提供之擔保

於報告期末，本公司之一間中間控股公司已就授予本集團之最多979,113,000元(二零一七年：1,407,042,000元)之若干銀行貸款提供擔保，其進一步詳情載於財務報表附註31。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

44. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(e) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of rental income above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The related party transactions in respect of loans from an intermediate holding company, other related party transactions and guarantees provided by an intermediate holding company above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, they are exempt from disclosure requirements under Chapter 14A of the Listing Rules.

44. 重大關連人士交易 *(續)*

(e) 關連交易所適用之上市規則

上述有關租金收入之關連人士交易構成上市規則第十四A章所定義之持續關連交易。

有關上述一間中間控股公司貸款、其他關連人士交易及一間中間控股公司提供之擔保之關連人士交易構成上市規則第十四A章所定義之關連交易或持續關連交易。然而，有關交易獲豁免遵守上市規則第十四A章所載之披露規定。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

		Financial assets at amortised cost	Loans and receivables
		按攤銷成本列賬之 金融資產	貸款及應收款項
		2018	2017
		二零一八年	二零一七年
		\$'000	\$'000
		千元	千元
			(Restated) (經重列)
Trade receivables	貿易應收款項	319,721	150,017
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款項 之金融資產	1,769,553	32,026
Pledged deposits	已抵押存款	5,002	202,833
Cash and cash equivalents	現金及現金等值物	2,741,296	2,398,099
		4,835,572	2,782,975

45. 按類別劃分之金融工具

於報告期末，各類別金融工具之賬面值載列如下：

金融資產

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

45. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

Financial liabilities

		Financial liabilities at amortised cost	
		按攤銷成本列賬之金融負債	
		2018	2017
		二零一八年	二零一七年
		\$'000	\$'000
		千元	千元
		(Restated) (經重列)	
Financial liabilities included in trade and other payables	計入貿易及其他應付款項之金融負債	4,574,725	5,953,347
Loans from financial institutions	金融機構貸款	1,192,857	1,814,936
Other borrowings	其他借款	385,592	287,083
Loans from an intermediate holding company	一間中間控股公司貸款	2,123,810	4,366,378
		8,276,984	12,421,744

46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments reasonably approximate to their fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, financial assets included in prepayments and other receivables, financial liabilities included in trade and other payables, loans from financial institutions, loans from other borrowings and loans from an intermediate holding companies approximate to their carrying amounts largely due to the short-term maturities of these instruments.

46. 金融工具之公允價值及公允價值等級

本集團金融工具之賬面值與其公允價值合理相若。

管理層評估，現金及現金等值物、已抵押存款、貿易應收款項、計入預付款項及其他應收款項之金融資產、計入貿易及其他應付款項之金融負債、金融機構貸款、其他借款之貸款及一間中間控股公司貸款之公允價值與其賬面值相若，主要由於該等工具為短期性質。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group did not have any financial assets and financial liabilities measured at fair value as at 31 December 2018 and 2017.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted bank deposits and interest-bearing bank loans and other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, other receivables, trade payables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments for trading purposes. The directors review and agree policies for managing each of these risks and they are summarised below:

46. 金融工具之公允價值及公允價值等級 *(續)*

金融資產及負債之公允價值按工具於有意交易方現時進行之一項交易(並非強制或清算出售)內可予交換之金額列賬。

於二零一八年及二零一七年十二月三十一日，本集團並無任何按公允價值計量之金融資產及金融負債。

47. 金融風險管理目標及政策

本集團主要金融工具包括現金及現金等值物、受限制銀行存款、計息銀行貸款及其他借款。該等金融工具主要目的乃為本集團經營業務籌集資金。本集團自業務直接產生多項其他金融資產及負債，如貿易應收款項、其他應收款項、貿易應付款項及其他應付款項。

本集團金融工具產生之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。本集團並未持有或發行作交易目的之衍生金融工具。董事檢討及協議管理各項此等風險之政策，概述如下：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

		Increase in basis points	Decrease in profit before tax
		基點上升	除稅前 溢利減少 \$'000 千元
31 December 2018	二零一八年十二月三十一日	100	(2,137)
31 December 2017	二零一七年十二月三十一日	100	(4,079)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the year and had applied the exposure to interest rate risk to bank loans in existence at that date. The estimated percentage increase represents management's assessment of a reasonably possible change in interest rates over the year until the end of the next reporting period.

47. 金融風險管理目標及政策 (續)

利率風險

本集團面臨之市場利率變動之風險主要與本集團以浮動利率計息之債務有關。

下表顯示在所有其他變量維持不變之情況下，本集團之除稅前溢利(因浮息借款之影響)對利率合理可能變動之敏感程度。

上述敏感度分析乃假設利率變動於年末已經發生，並將利率風險承擔應用於該日已存在之銀行貸款。估計增加百分比指管理層對利率於年內直至下個報告期末之合理可能變動之評估。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

Had the disposal of Wanda Australia CP Group and Wanda International Group been completed during the year ended 31 December 2018, the Group's business would be principally conducted in RMB and US\$. The functional currencies of the Group's subsidiaries in the PRC and the USA are RMB and US\$, respectively, and these subsidiaries do not have significant monetary assets or liabilities denominated in currencies other than their respective functional currencies. The functional currency of the Group's other subsidiaries is the Hong Kong dollar. The Group also have monetary assets or liabilities denominated in EUR, GBP and AUD.

The Company is exposed to currency risk primarily through restricted bank deposits, cash and cash equivalents, trade receivables, prepayments and other receivables, trade and other payables, current taxation, loans from financial institutions, loans from an intermediate holding company and amounts due from subsidiaries that are denominated in GBP, EUR, US\$, AUD and RMB.

47. 金融風險管理目標及政策 (續)

外匯風險

倘萬達商業澳洲集團及萬達國際集團之出售事項已於截至二零一八年十二月三十一日止年度完成，則本集團主要以人民幣及美元經營業務。本集團之中國及美國附屬公司之功能貨幣分別為人民幣及美元，該等附屬公司並無重大貨幣資產或負債以除彼等各自之功能貨幣外之其他貨幣列值。本集團其他附屬公司之功能貨幣為港元。本集團亦擁有以歐元、英鎊及澳元計值之貨幣資產或負債。

本公司主要透過以英鎊、歐元、美元、澳元及人民幣列值之受限制銀行存款、現金及現金等值物、貿易應收款項、預付款項及其他應收款項、貿易及其他應付款項、即期稅項、金融機構貸款、一間中間控股公司貸款及應收附屬公司款項承擔貨幣風險。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates on the Group's profit before tax and the Group's equity.

47. 金融風險管理目標及政策 (續)

外匯風險 (續)

下表列示本集團之除稅前溢利及本集團之權益於報告期末對匯率之合理可能變動之敏感度。

		Increase/ (decrease) in foreign exchange rate 匯率 上升/(下降) %	Increase/ (decrease) in profit before tax 除稅前 溢利 增加/(減少) \$'000 千元	Increase/ (decrease) in equity* 權益 增加/(減少)* \$'000 千元
2018	二零一八年			
If the Hong Kong dollar weakens against EUR	倘港元兌歐元貶值	1	(653)	(653)
If the Hong Kong dollar strengthens against EUR	倘港元兌歐元增值	(1)	653	653
If the Hong Kong dollar weakens against GBP	倘港元兌英鎊貶值	1	5,430	5,430
If the Hong Kong dollar strengthens against GBP	倘港元兌英鎊增值	(1)	(5,430)	(5,430)
If the Hong Kong dollar weakens against US\$	倘港元兌美元貶值	1	(41,893)	(41,893)
If the Hong Kong dollar strengthens against US\$	倘港元兌美元增值	(1)	41,893	41,893
If the Hong Kong dollar weakens against AUD	倘港元兌澳元貶值	1	5,895	5,895
If the Hong Kong dollar strengthens against AUD	倘港元兌澳元增值	(1)	(5,895)	(5,895)
If the Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	1	15,235	15,235
If the Hong Kong dollar strengthens against RMB	倘港元兌人民幣增值	(1)	(15,235)	(15,235)

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

		Increase/ (decrease) in foreign exchange rate	Increase/ (decrease) in profit before tax 除稅前 溢利	Increase/ (decrease) in equity*
		匯率 上升/(下降) %	增加/(減少) \$'000 千元	增加/(減少)* \$'000 千元
2017	二零一七年			
If the Hong Kong dollar weakens against EUR	倘港元兌歐元貶值	1	(681)	(681)
If the Hong Kong dollar strengthens against EUR	倘港元兌歐元增值	(1)	681	681
If the Hong Kong dollar weakens against GBP	倘港元兌英鎊貶值	1	(12,891)	(12,891)
If the Hong Kong dollar strengthens against GBP	倘港元兌英鎊增值	(1)	12,891	12,891
If the Hong Kong dollar weakens against US\$	倘港元兌美元貶值	1	(33,051)	(33,051)
If the Hong Kong dollar strengthens against US\$	倘港元兌美元增值	(1)	33,051	33,051
If the Hong Kong dollar weakens against AUD	倘港元兌澳元貶值	1	(99,095)	(99,095)
If the Hong Kong dollar strengthens against AUD	倘港元兌澳元增值	(1)	99,095	99,095
If the Hong Kong dollar weakens against RMB (restated)	倘港元兌人民幣貶值 (經重列)	1	7,380	7,380
If the Hong Kong dollar strengthens against RMB (restated)	倘港元兌人民幣增值 (經重列)	(1)	(7,380)	(7,380)

* Excluding retained earnings

* 不包括保留溢利

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The Group has no concentrations of credit risk. The extent of the Group's credit exposure is represented by the aggregate balance of cash at banks, restricted bank deposits, trade receivables, prepayments and other receivables.

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

		12-month ECLs 12個月預期信貸虧損		Lifetime ECLs 存續預期信貸虧損		
		Stage 1 第1階段 \$'000 千元	Stage 2 第2階段 \$'000 千元	Stage 3 第3階段 \$'000 千元	Simplified approach 簡化方法 \$'000 千元	\$'000 千元
Trade receivables*	貿易應收款項*	—	—	—	321,316	321,316
Financial assets included in prepayments and other receivables — Normal**	計入預付款項及其他應收款項之金融資產 — 正常**	1,769,906	—	—	—	1,769,906
Pledged deposits — Not yet past due	已抵押存款 — 尚未逾期	5,002	—	—	—	5,002
Cash and cash equivalents — Not yet past due	現金及現金等值物 — 尚未逾期	2,741,296	—	—	—	2,741,296
		4,516,204	—	—	321,316	4,837,520

47. 金融風險管理目標及政策 (續)

信貸風險

本集團並無任何集中信貸風險。本集團之信貸風險涉及銀行現金、受限制銀行存款以及貿易應收款項、預付款項及其他應收款項之結餘總額。

於二零一八年十二月三十一日之最高風險及年結階段

下表載列根據本集團信貸政策並主要基於逾期資料(除非其他資料可在毋須付出不必要成本或努力之情況下即獲得)，及於二零一八年十二月三十一日之年結階段分類得出之信貸質素及最高信貸風險。所呈列之金額代表金融資產總賬面值及財務擔保合約信貸風險。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Maximum exposure and year-end staging as at 31 December 2018 (Continued)

- * For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 24 to the financial statements.
- ** The credit quality of the financial assets included in prepayments and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Maximum exposure as at 31 December 2017

The extent of the Group's credit exposure is represented by the aggregate balance of cash at banks, restricted bank deposits, trade receivables and other receivables.

For deposits at banks, deposits are only placed with reputable banks.

For the trade receivables arising from the sale of properties, the Group manages the credit risk by fully receiving cash before delivery of properties. The Group has set out policies to ensure follow-up action is taken to recover overdue debts. The Group also reviews regularly the recoverable amount of each individual trade receivable balance to ensure that adequate provisions for impairment losses are made for irrecoverable amounts. The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

47. 金融風險管理目標及政策 (續)

於二零一八年十二月三十一日之最高風險及年結階段 (續)

- * 就本集團應用簡化減值方法之貿易應收款項而言，基於之撥備矩陣之資料於財務報表附註24披露。
- ** 倘計入預付款項及其他應收款項之金融資產並未逾期且概無資料顯示該等金融資產之信貸風險自初始確認以來顯著增加，則其信貸質素被視為「正常」，否則該等金融資產之信貸質素被視為「可疑」。

於二零一七年十二月三十一日之最高風險

本集團信貸風險之程度乃以銀行現金、受限制銀行存款、貿易應收款項及其他應收款項之結餘總額呈列。

就銀行存款而言，存款僅存放於信譽良好之銀行。

就銷售物業產生之貿易應收款項而言，本集團透過在交付物業前收取全數現金管理信貸風險。本集團已制定政策以確保採取跟進行動收回逾期債務。本集團亦定期審閱各項個別貿易應收款項結餘之可收回金額，以確保就不可收回金額作出充足之減值虧損撥備。若無計及所持有之任何抵押品，則最高信貸風險為財務狀況表內各項金融資產之賬面值扣除任何減值撥備。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Maximum exposure as at 31 December 2017 (Continued)

In addition, the Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. Detailed disclosure of these guarantees is set out in note 43. Except for these financial guarantees by the Group as set out in note 43, the Group does not provide guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of each reporting period is disclosed in note 43.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables and other receivables are set out in notes 24 and 25, respectively.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other loans.

47. 金融風險管理目標及政策 (續)

於二零一七年十二月三十一日之最高風險 (續)

此外，本集團為若干物業單位買家安排銀行融資，並提供擔保以作為該等買家還款責任之抵押。有關該等擔保之詳細披露載於附註43。除了於附註43所載本集團所提供之該等財務擔保，本集團並無提供擔保而使本集團面對信貸風險。於各報告期末，與該等財務擔保有關之最高信貸風險乃於附註43作出披露。

有關本集團因貿易應收款項及其他應收款項引致之信貸風險之詳細量化披露分別載於附註24及25。

流動資金風險

本集團使用經常性流動資金計劃工具監察其資金短缺之風險。該工具已計及本集團之金融工具及金融資產(如貿易應收款項)之到期日以及預期經營活動現金流量。

本集團之目標為透過運用銀行貸款及其他貸款維持資金來源不間斷與靈活性之間之平衡。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		2018 二零一八年				
		Less than 1 year or on demand 一年內或 按要求 \$'000 千元	1 to 2 years 一至兩年 \$'000 千元	2 to 5 years 兩至五年 \$'000 千元	Over 5 years 超過五年 \$'000 千元	Total 總計 \$'000 千元
Loans from financial institutions	金融機構貸款	106,268	152,750	1,125,680	—	1,384,698
Other borrowings	其他借款	12,821	447,325	—	—	460,146
Loans from an intermediate holding company	一間中間控股公司貸款	1,508,487	678,321	—	—	2,186,808
Trade payables and other payables	貿易應付款項及其他應付款項	4,574,725	—	—	—	4,574,725
		6,202,301	1,278,396	1,125,680	—	8,606,377

47. 金融風險管理目標及政策 (續)

流動資金風險 (續)

於報告期末，本集團基於已訂約未折現付款之金融負債之到期情況如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

		2017 二零一七年				
		Less than 1 year or on demand 一年內或 按要求 \$'000 千元	1 to 2 years 一至兩年 \$'000 千元	2 to 5 years 兩至五年 \$'000 千元	Over 5 years 超過五年 \$'000 千元	Total 總計 \$'000 千元
Loans from financial institutions	金融機構貸款	254,736	115,121	1,713,837	—	2,083,694
Other borrowings	其他借款	243,855	75,778	—	—	319,633
Loans from an intermediate holding company	一間中間控股公司貸款	3,789,934	68,095	689,834	—	4,547,863
Trade payables and other payables (restated)	貿易應付款項及其他應付款項 (經重列)	5,953,346	—	—	—	5,953,346
		10,241,871	258,994	2,403,671	—	12,904,536

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year.

47. 金融風險管理目標及政策 (續)

流動資金風險 (續)

		2017 二零一七年				
		Less than 1 year or on demand 一年內或 按要求 \$'000 千元	1 to 2 years 一至兩年 \$'000 千元	2 to 5 years 兩至五年 \$'000 千元	Over 5 years 超過五年 \$'000 千元	Total 總計 \$'000 千元
Loans from financial institutions	金融機構貸款	254,736	115,121	1,713,837	—	2,083,694
Other borrowings	其他借款	243,855	75,778	—	—	319,633
Loans from an intermediate holding company	一間中間控股公司貸款	3,789,934	68,095	689,834	—	4,547,863
Trade payables and other payables (restated)	貿易應付款項及其他應付款項 (經重列)	5,953,346	—	—	—	5,953,346
		10,241,871	258,994	2,403,671	—	12,904,536

資本管理

本集團資本管理之主要目標為保障本集團按持續基準經營之能力及維持穩健之資本比率，以支持其業務及盡量提高股東之投資價值。

本集團管理其資本架構，並按經濟情況變動及相關資產之風險特徵作出調整。為維持或調整資本架構，本集團或會調整向股東派息、向股東退回資本或發行新股份。本年度並無就資本管理的目標、政策或程序作出變動。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group monitors capital using a gearing ratio and a debt-to-asset ratio. The gearing ratio is defined as net debt divided by total equity plus net debt. Net debt comprise loans from financial institutions, including current and non-current portions, other borrowings and loans from an intermediate holding company, less cash and cash equivalents and pledged deposits. The debt-to-asset ratio is total liabilities net of advances from customers divided by total assets. The gearing ratio as at the end of the reporting period was as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Loans from financial institutions	金融機構貸款	1,192,857	1,814,936
Other borrowings	其他借款	385,592	287,083
Loans from an intermediate holding company	一間中間控股公司貸款	2,123,810	4,366,378
Less: Cash and cash equivalents	減：現金及現金等值物	(2,741,296)	(2,398,099)
Pledged deposits	已抵押存款	(5,002)	(202,833)
Net debt	負債淨額	955,961	3,867,465
Total equity	總權益	3,207,391	3,355,723
Total equity plus net debt	總權益加負債淨額	4,163,352	7,223,188
Gearing ratio	資本負債比率	22.96%	53.54%

47. 金融風險管理目標及政策 (續)

資本管理 (續)

本集團使用資本負債比率及債務對資產比率監控資本。資本負債比率定義為以負債淨額除以總權益加負債淨額。負債淨額包括金融機構貸款(包括即期及非即期部分)、其他借款、一間中間控股公司貸款減現金及現金等值物及已抵押存款。債務對資產比率為以總負債減客戶墊款除以總資產。於報告期末之資本負債比率如下：

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The debt-to-asset ratio as at the end of the reporting period was as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元 (Restated) (經重列)
Total liabilities	總負債	9,126,040	16,369,499
Less: Advances from customers	減：客戶墊款	(63,974)	(67,945)
		9,062,066	16,301,554
Total assets	總資產	12,333,431	19,725,222
Debt-to-asset ratio	債務對資產比率	73.48%	82.64%

48. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which should be disclosed till the date these financial statements were approved.

49. COMPARATIVE AMOUNTS

As stated in note 2, comparative figures have been restated to reflect the effects of the business combination under common control and certain comparatives figures have been reclassified to conform with the current year's presentation.

47. 金融風險管理目標及政策 (續)

資本管理 (續)

於報告期末之債務對資產比率如下：

48. 報告期後事項

於該等財務報表批准日期前並無須予披露之報告期後事項。

49. 比較金額

誠如附註2所述，比較數字已重列以反映於同一控制下之業務合併之影響，及若干比較數字已重新分類以符合本年度之呈列方式。

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

50. 本公司財務狀況表

於報告期末，本公司財務狀況表資料如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	468	1,043
Investments in subsidiaries	於附屬公司之投資	1,781,782	1,023,782
Loans to subsidiaries	給予附屬公司之貸款	719,476	718,006
Total non-current assets	非流動資產總值	2,501,726	1,742,831
CURRENT ASSETS	流動資產		
Other receivables	其他應收款項	843,322	60,993
Loans to subsidiaries	給予附屬公司之貸款	438,655	5,151,476
Amounts due from an intermediate holding company	應收一間中間控股公司款項	1,871	—
Cash and cash equivalents	現金及現金等值物	312,158	22,359
Total current assets	流動資產總值	1,596,006	5,234,828
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	4,576	1,652,389
Amounts due to subsidiaries	應付附屬公司款項	11	—
Amounts due to an intermediate holding company	應付一間中間控股公司款項	179,860	—
Loans from an intermediate holding company	一間中間控股公司貸款	1,380,150	2,476,292
Interest payable to an intermediate holding company	應付一間中間控股公司利息	8,742	441,149
Total current liabilities	流動負債總值	1,573,339	4,569,830
NET CURRENT ASSETS	流動資產淨值	22,667	664,998
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	2,524,393	2,407,829
Net assets	資產淨值	2,524,393	2,407,829
EQUITY	權益		
Equity attributable to owners of the parent	母公司擁有人應佔權益		
Share capital	股本	469,735	469,735
Reserves (note)	儲備(附註)	2,054,658	1,938,094
Total equity	總權益	2,524,393	2,407,829

Ding Benxi
丁本錫
Chairman
主席

Ning Qifeng
寧奇峰
Executive Director
執行董事

Notes to Financial Statements

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有註明外，均以港元列示)

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium 股份溢價 \$'000 千元	Special reserve 特別儲備 \$'000 千元	Accumulated losses 累計虧損 \$'000 千元	Total 總計 \$'000 千元
At 1 January 2017	於二零一七年一月一日	1,935,266	127,961	(114,716)	1,948,511
Loss for the year and total comprehensive loss for the year	本年度虧損及 本年度全面虧損總額	—	—	(10,417)	(10,417)
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	1,935,266	127,961	(125,133)	1,938,094
Gain for the year and total comprehensive income for the year	本年度收益及 本年度全面收益總額	—	—	116,564	116,564
At 31 December 2018	於二零一八年 十二月三十一日	1,935,266	127,961	(8,569)	2,054,658

50. 本公司財務狀況表(續)

附註：

本公司儲備摘要如下：

51. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 20 March 2019.

51. 批准財務報表

財務報表於二零一九年三月二十日經董事會批准及授權刊發。

Financial Summary

財務概要

		Year ended 31 December 截至十二月三十一日止年度				2018
		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (經重列)	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)	二零一八年 HK\$'000 千港元
RESULTS	業績					
Continuing operations	持續經營業務					
Revenue	收益	185,849	2,078,406	428,512	656,380	1,019,791
Profit/(loss) before tax from continuing operations	持續經營業務之 除稅前溢利/(虧損)	(46,405)	1,409,045	182,980	(88,244)	(84,391)
Income tax credit/(expenses) from continuing operations	持續經營業務之 所得稅抵免/(開支)	51,902	(608,659)	(134,957)	(186,326)	17,853
Profit/(loss) for the year from continuing operations	持續經營業務之 本年度溢利/(虧損)	5,497	800,386	48,023	(274,570)	(66,538)
Discontinued operations	終止經營業務					
Profit/(loss) for the year from discontinued operations	終止經營業務之 本年度溢利/(虧損)	(122,591)	(821,218)	59,087	(379,669)	898,880
Profit/(loss) for the year	本年度溢利/(虧損)	(117,094)	(20,832)	107,110	(654,239)	832,342
Profit/(loss) attributable to owners of the parent	母公司擁有人 應佔溢利/(虧損)	(176,026)	(262,693)	(29,622)	(285,438)	766,716
Non-controlling interests	非控股權益	58,932	241,861	136,732	(368,801)	65,626
Profit/(loss) for the year	本年度溢利/(虧損)	(117,094)	(20,832)	107,110	(654,239)	832,342

Financial Summary

財務概要

At 31 December
於十二月三十一日

		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (經重列)	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)	2018 二零一八年 HK\$'000 千港元
ASSETS and LIABILITIES	資產及負債					
Total assets	總資產	12,184,402	15,408,014	16,871,801	19,725,222	12,333,431
Total liabilities	總負債	8,706,053	12,508,887	13,928,608	16,369,499	9,126,040
Net assets	資產淨值	3,478,349	2,899,127	2,943,193	3,355,723	3,207,391
Equity attributable to owners of the parent	母公司擁有人 應佔權益	2,769,147	2,188,931	2,009,382	2,420,504	2,220,090
Non-controlling interests	非控股權益	709,202	710,196	933,811	935,219	987,301
Total equity	總權益	3,478,349	2,899,127	2,943,193	3,355,723	3,207,391

Property Portfolio

物業組合

1. MAJOR PROPERTIES UNDER DEVELOPMENT

1. 主要在建物業

Location	Intended use	Stage of completion	Expected date of completion	Site area	Gross floor area	Group's interest
位置	擬定用途	竣工階段	預期竣工日期	地盤面積 (sq.m.) (平方米)	建築面積 (sq.m.) (平方米)	本集團的權益 (%)
400 East Waterside Drive, Chicago, Illinois, 60601 USA	Residential and commercial 住宅及商業	Under development 發展中	2020 二零二零年	4,838	176,000	54%

2. COMPLETED PROPERTIES HELD FOR SALE

2. 待售已竣工物業

Location	Existing use	Gross floor area	Group's interest
位置	現時用途	建築面積 (sq.m.) (平方米)	本集團的權益 (%)
Hengli City No. 128 Wusi Road Gulou District Fuzhou City, Fujian 福建福州市 鼓樓區 五四路128號 恒力城	Residential and commercial 住宅及商業	1,452	50.35%
Site P05, north to Huan Cheng Nan Road No. 1, Guilin, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區 桂林市環城南一路 以北P05地塊	Residential and commercial 住宅及商業	14,602	51%

Property Portfolio

物業組合

3. MAJOR PROPERTIES HELD FOR INVESTMENT

3. 主要持作投資物業

Location	Existing use	Gross floor area	Group's interest	Term of lease
位置	現時用途	建築面積 (sq.m.) (平方米)	本集團 的權益 (%)	租期
The Commercial Podium of Hengli City No. 128 Wusi Road Gulou District Fuzhou City, Fujian 福建福州市 鼓樓區 五四路 128 號 恒力城商業平台	Commercial 商業	53,387	50.35%	Medium 中期
Portion of the Carpark of Hengli City No. 128 Wusi Road Gulou District Fuzhou City, Fujian 福建福州市 鼓樓區 五四路 128 號 恒力城部分停車場	Commercial 商業	10,386	50.35%	Medium 中期
Portion of the Office of Hengli City No. 128 Wusi Road Gulou District Fuzhou City, Fujian 福建福州市 鼓樓區 五四路 128 號 恒力城部分辦公室	Commercial 商業	11,192	50.35%	Medium 中期
The Shopping Mall of Site P05, north to Huan Cheng Nan Road No. 1, Guilin, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區 桂林市環城南一路 以北 P05 地塊商場	Commercial 商業	152,440	51%	Medium 中期

Property Portfolio

物業組合

4. MAJOR PROPERTIES HELD FOR OWN USE

4. 主要持作自用物業

Location	Existing use	Gross floor area	Group's interest
位置	現時用途	建築面積 (sq.m.) (平方米)	本集團 的權益 (%)
40/F the office of Hengli City No. 128 Wusi Road Gulou District Fuzhou City, Fujian 福建福州市 鼓樓區 五四路 128 號 恒力城 40 樓辦公室	Office 辦公室	981	50.35%

