



中泛控股有限公司

CHINA OCEANWIDE HOLDINGS 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: 715



2018 ANNUAL REPORT
年報



This report is printed on environmentally friendly paper 本報告以環保紙印製

CONTENTS

目錄

Corporate Information 公司資料	2
Information for Shareholders 股東資訊	4
Definitions 釋義	6
Chairman's Statement 主席報告	8
Management Discussion and Analysis 管理層討論及分析	20
Biographical Details of Directors and Senior Management 董事及高級管理層簡歷	31
Report of the Directors 董事會報告	36
Corporate Governance Report 企業管治報告	66
Independent Auditor's Report 獨立核數師報告	93
Consolidated Income Statement 綜合收益表	107
Consolidated Statement of Comprehensive Income 綜合全面收益表	108
Consolidated Statement of Financial Position 綜合財務狀況表	110
Consolidated Statement of Cash Flows 綜合現金流量表	112
Consolidated Statement of Changes in Equity 綜合權益變動表	115
Notes to the Consolidated Financial Statements 綜合財務報表附註	117
Five Year Financial Summary 五年財務概要	297
Particulars of Major Properties 主要物業資料	298

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. HAN Xiaosheng (*Chairman*)
Mr. LIU Bing
Mr. LIU Hongwei
Mr. ZHANG Xifang
Mr. LIU Guosheng

Non-executive Directors

Mr. ZHAO Yingwei
Mr. ZHANG Fubiao

Independent Non-executive Directors

Mr. LIU Jipeng
Mr. CAI Hongping
Mr. YAN Fashan
Mr. LO Wa Kei Roy

BOARD COMMITTEES

Audit Committee

Mr. LIU Jipeng (*Committee Chairman*)
Mr. ZHAO Yingwei
Mr. LO Wa Kei Roy

Remuneration Committee

Mr. CAI Hongping (*Committee Chairman*)
Mr. HAN Xiaosheng
Mr. YAN Fashan

Nomination Committee

Mr. HAN Xiaosheng (*Committee Chairman*)
Mr. LIU Jipeng
Mr. YAN Fashan

Authorised Representatives

Mr. HAN Xiaosheng
Ms. LAM Wai Yee Sophie

董事會

執行董事

韓曉生先生 (*主席*)
劉冰先生
劉洪偉先生
張喜芳先生
劉國升先生

非執行董事

趙英偉先生
張福彪先生

獨立非執行董事

劉紀鵬先生
蔡洪平先生
嚴法善先生
盧華基先生

董事委員會

審核委員會

劉紀鵬先生 (*委員會主席*)
趙英偉先生
盧華基先生

薪酬委員會

蔡洪平先生 (*委員會主席*)
韓曉生先生
嚴法善先生

提名委員會

韓曉生先生 (*委員會主席*)
劉紀鵬先生
嚴法善先生

授權代表

韓曉生先生
林慧怡女士

CORPORATE INFORMATION

公司資料

COMPANY SECRETARY

Ms. LAM Wai Yee Sophie

INDEPENDENT AUDITOR

BDO Limited

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

公司秘書

林慧怡女士

獨立核數師

香港立信德豪會計師事務所有限公司

主要往來銀行

香港上海滙豐銀行有限公司

INFORMATION FOR SHAREHOLDERS

股東資訊

LISTING INFORMATION

上市資料

Place of Listing:

上市地點 :

Main Board of The Stock Exchange of
Hong Kong Limited (“SEHK”)

香港聯合交易所有限公司(「聯交所」)主板

Stock Codes :

股份代號 :

SEHK 聯交所 : 715

Bloomberg 彭博資訊 : 715.HK

Reuters 路透社 : 0715.HK

MARKET CAPITALISATION

市值

As at 31 December 2018: approximately HK\$6.296 billion

於2018年12月31日 : 約港幣62.96億元

FINANCIAL CALENDAR

財務日誌

2018 annual results announcement 27 March 2019

2018年度全年業績公佈 2019年3月27日

Closure of registers of members 20–23 May 2019

暫停辦理股份過戶登記 2019年5月20日至23日

2019 annual general meeting 23 May 2019

2019年度股東周年大會 2019年5月23日

2019 interim results announcement August 2019

2019年度中期業績公佈 2019年8月

REGISTERED OFFICE

註冊辦事處

Clarendon House, 2 Church Street, Hamilton HM11, Bermuda

HEAD OFFICE AND PRINCIPAL

PLACE OF BUSINESS

總辦事處及主要營業地點

64/F., Bank of China Tower, 1 Garden Road, Hong Kong

香港花園道1號中銀大廈64樓

BERMUDA PRINCIPAL SHARE

REGISTRAR

百慕達股份過戶登記總處

MUFG Fund Services (Bermuda) Limited

26 Burnaby Street, Hamilton HM11, Bermuda

HONG KONG BRANCH SHARE

REGISTRAR

香港股份過戶登記分處

Computershare Hong Kong Investor Services Limited

香港中央證券登記有限公司

Shops 1712–1716, 17th Floor, Hopewell Centre

183 Queen’s Road East, Wan Chai, Hong Kong

香港灣仔皇后大道東183號

合和中心17樓1712–1716號舖

INFORMATION FOR SHAREHOLDERS

股東資訊

CORPORATE INFORMATION

公司資訊

The press releases, financial reports and other information of the Company are available at the website of the Company at www.oceanwide.hk

本公司的新聞稿、財務報告及其他資訊登載於本公司網站 www.oceanwide.hk

Investor Relations Contact

投資者關係聯絡

Investment Management Department

投資管理部

Telephone 電話 : +852 3959 5500

Facsimile 傳真 : +852 3585 8496

Email 電郵 : ir@oceanwide.hk

Address 地址 : 64/F., Bank of China Tower,
1 Garden Road, Hong Kong
香港花園道1號中銀大廈64樓

Website

網站

www.oceanwide.hk

DEFINITIONS

釋義

“associate(s)” 「聯繫人」	means 指	has the same meaning ascribed to it under the Listing Rules 具有上市規則賦予該詞的相同涵義
“Board” 「董事會」	means 指	the board of Directors 董事會
“Bye-laws” 「公司細則」	means 指	the memorandum of association and bye-laws of the Company 本公司組織章程大綱及公司細則
“China Oceanwide Group” 「中泛集團」	means 指	China Oceanwide Group Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Oceanwide Holdings 中泛集團有限公司，為於香港註冊成立的有限公司，乃泛海控股的全資附屬公司
“China Oceanwide Holdings Group” 「中國泛海控股集團」	means 指	China Oceanwide Holdings Group Co., Ltd.*, a company incorporated in the PRC with limited liability and the controlling shareholder of Oceanwide Holdings 中國泛海控股集團有限公司，為於中國註冊成立的有限公司，乃泛海控股的控股股東
“China Oceanwide Holdings” or “Company” 「中泛控股」或「本公司」	means 指	China Oceanwide Holdings Limited (Stock Code: 715), a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange 中泛控股有限公司(股份代號：715)，為於百慕達註冊成立的有限公司，其股份於聯交所主板上市
“Director(s)” 「董事」	means 指	the director(s) of the Company 本公司董事
“Group” 「本集團」	means 指	the Company and its subsidiaries 本公司及其附屬公司
“HK\$” 「港幣」	means 指	Hong Kong dollars, the lawful currency of Hong Kong 港幣，香港的法定貨幣
“Hong Kong” 「香港」	means 指	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“IDR” 「印尼盾」	means 指	Indonesian Rupiah, the lawful currency of Indonesia 印尼盾，印尼的法定貨幣
“Indonesia” 「印尼」	means 指	the Republic of Indonesia 印度尼西亞共和國
“Listing Rules” 「上市規則」	means 指	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則

DEFINITIONS

釋義

“Model Code” 「標準守則」	means 指	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄十所載的上市發行人董事進行證券交易的標準守則
“Oceanwide Holdings” 「泛海控股」	means 指	Oceanwide Holdings Co., Ltd.* (Stock Code: 000046), a joint stock company incorporated in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange and the indirect controlling shareholder of the Company 泛海控股股份有限公司(證券代碼:000046),為於中國註冊成立的股份有限責任公司,其股份於深圳證券交易所上市,為本公司的間接控股股東
“PRC” 「中國」	means 指	the People’s Republic of China, which for the purpose of this annual report, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國,就本年報而言,不包括香港、中國澳門特別行政區及台灣
“RMB” 「人民幣」	means 指	Renminbi, the lawful currency of the PRC 人民幣,中國的法定貨幣
“SFO” 「證券及期貨條例」	means 指	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) 證券及期貨條例(香港法例第571章)
“Share(s)” 「股份」	means 指	ordinary share(s) of HK\$0.10 each in the share capital of the Company 本公司股本中每股面值港幣0.10元的普通股
“Shareholder(s)” 「股東」	means 指	holder(s) of the Shares 股份持有人
“Stock Exchange” 「聯交所」	means 指	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“U.S.” 「美國」	means 指	United States of America 美利堅合眾國
“US\$” 「美元」	means 指	U.S. dollars, the lawful currency of the U.S. 美元,美國之法定貨幣
“%” 「%」	means 指	per cent. 百分比

Unless otherwise specified, in this annual report, conversions of US\$ into HK\$, RMB into HK\$ and IDR into HK\$ in this annual report are based on the exchange rate of US\$1.00 = HK\$7.8329, RMB1.00 = HK\$1.1413 and IDR1.00 = HK\$0.000541 respectively for illustration purpose only. No representation is made that any amounts in US\$, RMB, IDR or HK\$ can be or could have been converted at the relevant dates at the above rate or any other rates at all.

除另有指明外,於本年報內,美元兌港幣、人民幣兌港幣及印尼盾兌港幣乃分別按1.00美元兌港幣7.8329元、人民幣1.00元兌港幣1.1413元及印尼盾1.00元兌港幣0.000541元的匯率換算,僅供說明之用。概不表示任何美元、人民幣、印尼盾或港幣款項可以或應可以於有關日期按上述匯率或按任何其他匯率兌換。

* for identification purpose only 僅供識別



CHAIRMAN'S STATEMENT

主席報告

CHAIRMAN'S STATEMENT

主席報告

China Oceanwide Holdings Limited (“China Oceanwide Holdings” or the “Company”, together with its subsidiaries, the “Group”), being the platform of the overseas investment businesses of its controlling shareholder, Oceanwide Holdings Co., Ltd.* (“Oceanwide Holdings”, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000046)), has devoted itself to its strategic corporate transformation since 2014, constantly expanded the portfolio and management of overseas United States dollar (“U.S. dollar” or “US\$”) denominated assets, and successfully developed itself into an international conglomerate principally engaged in the development of high quality real estate investment projects in the United States of America (the “United States” or “U.S.”), investments in commercial properties in prime locations of Shanghai, development of energy projects in the Republic of Indonesia (“Indonesia”) and finance investment and others in Hong Kong. As an investment holding company with a foothold in U.S. dollar denominated assets and investments, the Group maintained a continuous growth in assets by leveraging the diversified investing and financing management channels, internationalised capital and excellent professionals in Hong Kong. However, the Group encountered a surge in financing costs during the year ended 31 December 2018 (the “Year”) due to the deterioration in the investment and financing markets and numerous obstacles in inbound and outbound capital flow amid economic fluctuations across the globe as a result of the U.S.-China trade war (the “Trade War”). To manage its liquidity, the Group grasped the opportunity to dispose of some bond and equity investments during the Year, thereby reducing its revenue. As for the real estate development segment, while the construction of all main structures as well as the façade panel installation work of the Los Angeles project is complete, the land in New York suffered an impairment of HK\$77.6 million due to a fall in market price. Looking forward, the Group will focus on preserving business growth, exploring new revenue stream and maintaining healthy liquidity position by selling some assets at the right time in order to persistently maximise shareholders’ value. Capitalising on the ample resources, extensive experience

中泛控股有限公司(「中泛控股」或「本公司」，連同其附屬公司「本集團」)作為其控股股東泛海控股股份有限公司(「泛海控股」，其股份於深圳證券交易所上市(股份代號：000046))的境外投資業務平台，從2014年起一直致力於企業戰略轉型，不斷發展境外美元資產的配置及管理，目前已成功發展成一間國際性綜合控股企業，主要業務包括美利堅合眾國(「美國」)的優質房地產開發投資項目、上海核心地段的商用投資物業項目、印度尼西亞共和國(「印尼」)的能源電力開發項目及香港的財務投資及其他業務。作為一間立足於控股美元資產及投資業務的投資控股型公司，本集團憑藉香港市場的多元化投融资管理、國際化資本以及優秀專業人才，資產規模持續增長。然而，截至2018年12月31日止年度(「年內」)中美貿易戰(「貿易戰」)使全球經濟波動，香港的投融资環境轉趨嚴峻，資金出入境障礙增加，令本集團的融資成本上升。為管理流動性，本集團年內擇機出售部分債券及股本投資，令收入減少。房地產開發板塊方面，洛杉磯項目工程已完成所有主體結構工程封頂和外牆幕牆工程，但位於紐約的地塊隨着市場價值下跌產生減值港幣7,760萬元。展望未來，本集團將致力不斷推動業務增長及開拓收益來源，必要時伺機出售部分資產，以維持穩健的資金流動性，務求為股東持續創造最大的價值。在充分借助控股股東的強大資源、豐富

CHAIRMAN'S STATEMENT

主席報告

and leading vision of its controlling shareholder, the Group will continue to take advantage of the strategic strength and resources of Hong Kong's platform.

MACRO-ECONOMIC ENVIRONMENT

In 2018, the continuously growing U.S. economy and the promulgation of the U.S. tax reform that directly cut tax rates contributed to the increase in income from the Group's real estate development projects in the U.S.. Nevertheless, the Trade War during the Year has shaken the global stock market and, in turn, the performance of the Group's strategic finance investment segment.

Against the backdrop of the non-stop appreciation of U.S. dollar and tightening overseas financing market, the International Monetary Fund lowered its global economic growth forecast for 2019. It believed that while the Trade War will drag down world economic momentum, the depreciation of the national currencies of emerging markets will also hamper global economic growth. It is expected that the impact of the Trade War on the People's Republic of China (the "PRC") will gradually surface in 2019. In addition, due to the internal economic factors of the PRC, coupled with the uncertainty of the global macro economy and the slowdown in credit cycle and investment growth, it is expected that the Chinese economy will continue to be under pressure and GDP growth will slow down further.

In the face of a sluggish economic growth in the PRC, the office market in Shanghai witnessed a continuous drop in rental demand, increased vacancy rates and lower rental rate. According to an analysis of the premium office market in Shanghai, the current average vacancy rate in Huangpu District, Shanghai, where two of the Group's investment properties are located, is approximately 14%. In view of the upcoming new supplies in the central business district of Puxi, Shanghai, coupled with the negative impact of the exodus of many e-commerce companies on the demand, most of the owners have been forced to adjust their rent-free periods and raise their agency commissions in order to cope with the challenge.

經驗和領先理念的同時，繼續發揮香港平台的戰略及資源性優勢。

宏觀經濟環境

2018年，美國經濟持續向好，年內公佈的稅改方案直接減低稅率有利於本集團美國房地產開發項目的收益提升。然而，年內貿易戰令全球股市波動，影響了本集團戰略性財務投資板塊的表現。

在美元持續走強、境外融資環境收緊的大背景下，展望未來，國際貨幣基金組織下調了2019年的全球經濟增長預期，認為貿易戰將導致全球經濟增速放緩，新興市場國家貨幣貶值也將拉低世界經濟增速。預期貿易戰對中華人民共和國（「中國」）的影響將在2019年逐步浮現。此外，中國內部經濟因素，加上全球宏觀經濟的不確定性，以及受到信貸週期及投資增長減慢等因素影響，預計中國經濟將持續受壓，國內生產總值增長將進一步放緩。

面對中國經濟增長放緩，上海寫字樓市場的租賃需求持續放緩，導致空置率上升和租金下調。根據上海甲級寫字樓市場分析報告顯示，本集團兩幢投資物業所處的上​​海黃浦區域目前的平均空置率約為14%。另外，由於預計上海浦西核心商務區的新增供應量不斷增加，加上許多網絡商務公司的撤離對浦西區域吸納量產生負面影響，該區大部分業主需通過調整免租期、增加中介佣金等方式應對挑戰。

CHAIRMAN'S STATEMENT

主席報告

During the Year, the central government of the PRC announced a new “structural deleveraging” initiative, which posed an enormous challenge to both domestic and overseas financing. The central government has tightened its control, which has imposed pressure on overseas expansion by Chinese corporations with overseas presence. Regulations over cross-border bond issuance have also hardened in general as the PRC tightens its control over financial risks and strengthens its deleveraging efforts due to the ripple effect of the risk of defaults in the bond market. The market was also alarmed by the rise in credit risks resulting from multiple default cases amongst US\$ bonds issued by Chinese corporations. In view of the uncertainties about U.S. macro-economic policies and interest hikes, balance sheet reduction of the U.S. Federal Reserve and possible reversal of monetary policy, the management has maintained its prudent principle and given the highest priority to risk control, focusing mainly on the sufficiency of capital to support its business development. Through the flexible use of various financing channels, the Group has strengthened the availability of overseas liquidity and enhanced the efficiency of cash utilisation. With the management's sustained effort, the Group successfully raised net financing proceeds of HK\$3,500.0 million from bank and other loans and HK\$587.5 million from issuance of convertible notes, respectively, during the Year. The controlling shareholder also provided the Group with unceasing financial support to maintain sufficient liquid funds. As at 31 December 2018, the Group has drawn loans from the controlling shareholder totaling approximately HK\$5,194.8 million (31 December 2017: HK\$3,120.5 million).

年內，中國中央政府提出了「結構性去槓桿」的新思路，境內外的融資面臨巨大考驗。對於眾多在海外發展業務的中資企業而言，國內管控收緊對海外擴張形成了壓力，加上債市違約事件集中爆發的風險傳導效應，令中央政府加強防範金融風險和推進去槓桿，跨境發債監管環境整體有所收緊；從信用風險角度而言，中資美元債繼續出現違約案例，市場審慎情緒有所升溫。面對美國宏觀政策及加息的不確定性，美國聯儲局的縮表進程，貨幣政策逆轉的可能性等問題，管理層堅守穩健原則，把風險控制放在首位，重點關注的仍是資金是否足以支援業務發展的速度，本集團通過靈活對接各類融資渠道，增強境外資金流動性整合安排，並增加現金使用效率。在管理層的不懈努力下，年內通過銀行及其他貸款共籌得融資款項淨額港幣35.000億元，通過發出可換股票據共籌得款項港幣5.875億元。本集團同時繼續得到控股股東的財務支持，以保證本集團流動資金充裕。於2018年12月31日，本集團從控股股東提得貸款總額約港幣51.948億元（2017年12月31日：港幣31.205億元）。

CHAIRMAN'S STATEMENT

主席報告

FINANCIAL RESULTS

The Group has transformed from a company engaging solely in property investment into a conglomerate integrating property investment, real estate development, energy and strategic finance investment. As at 31 December 2018, total assets of the Group, inclusive of five real estate projects in the U.S. and the energy project in Indonesia currently on hand, amounted to HK\$24,245.6 million, representing an increase of 13% as compared to HK\$21,458.1 million for last year. In particular, the scale of investment properties increased by 30% to HK\$4,413.1 million as compared to 2017, while the scale of properties under development increased by 22% to HK\$14,798.9 million as compared to 2017. Mainly located in prime locations in major cities in the U.S., such properties will be developed into diversified residential, hotel and commercial properties partly for sale and partly for holding in the future and are expected to bring ample profits and returns to the Group.

Consolidated loss attributable to the shareholders of the Group for the Year amounted to HK\$48.8 million (2017: profit of HK\$70.4 million) while loss per share amounted to HK0.30 cent (2017: earnings per share of HK0.44 cent). Excluding other net losses after taxation of HK\$93.5 million¹ (2017: net gains of HK\$29.2 million), recurring consolidated profit attributable to the shareholders amounted to HK\$44.7 million (2017: HK\$41.3 million).

¹ Other net losses (after tax and non-controlling interests) for 2018 of HK\$93.5 million represented provision for asset impairment of HK\$77.6 million, foreign exchange losses of HK\$12.8 million, fair value losses (after tax) on revaluation of financial assets at fair value through profit or loss of HK\$2.9 million, provision for expected credit losses of HK\$1.2 million, write-off of deferred income tax assets of HK\$5.3 million and net gains on disposal of financial assets of HK\$6.3 million.

Other net gains (after tax and non-controlling interests) for 2017 of HK\$29.2 million represented net gains on disposal of available-for-sale financial assets of HK\$47.6 million, fair value gains on revaluation of financial assets at fair value through profit or loss of HK\$2.5 million and foreign exchange losses of HK\$20.9 million.

財務業績

本集團已從單一的物業投資轉型為集物業投資、房地產開發、能源電力及戰略性財務投資於一體的綜合企業。計及現有的五個美國房地產開發項目及印尼能源電力項目，本集團於2018年12月31日的總資產達港幣242.456億元，比去年的港幣214.581億元增加了13%。其中，投資物業規模增長至港幣44.131億元，較2017年增長30%；開發中物業規模增長至港幣147.989億元，較2017年增長22%。上述開發中物業主要位於美國主流城市的黃金地段，將於未來被開發成多元化的住宅、酒店及商用物業，銷售與自持並存，預期會給本集團帶來豐厚的盈利回報。

本集團年內的股東應佔綜合虧損為港幣4,880萬元(2017年：利潤港幣7,040萬元)，每股虧損為港幣0.30仙(2017年：每股盈利港幣0.44仙)。撇除除稅後其他淨虧損港幣9,350萬元¹(2017年：淨利得港幣2,920萬元)，經常性股東應佔綜合利潤為港幣4,470萬元(2017年：港幣4,130萬元)。

¹ 2018年其他淨虧損(除稅及非控股權益後)港幣9,350萬元為資產減值撥備港幣7,760萬元、匯兌虧損港幣1,280萬元、重估按公允價值計入損益的財務資產公允價值虧損(除稅後)港幣290萬元、預期信用損失撥備港幣120萬元、撇銷遞延所得稅資產港幣530萬元及出售財務資產淨利得港幣630萬元。

2017年其他淨利得(除稅及非控股權益後)港幣2,920萬元為出售可供出售財務資產淨利得港幣4,760萬元、重估按公允價值計入損益的財務資產公允價值利得港幣250萬元及匯兌虧損港幣2,090萬元。

CHAIRMAN'S STATEMENT

主席報告

Revenue for the Year amounted to HK\$138.6 million (2017: HK\$142.2 million) and losses before interest expense and tax ("LBIT") for the Year was HK\$53.7 million (2017: earnings of HK\$86.6 million). Excluding other net losses of HK\$86.0 million² (2017: net gains of HK\$29.2 million), recurring earnings before interest expense and tax ("EBIT") for the Year was HK\$32.3 million (2017: HK\$57.4 million). The decrease in recurring EBIT was mainly due to a drop in revenue and a rise in operating costs expensed during the Year.

DIVIDEND

In order to retain sufficient capital for the Group's future business development and operation, the Board does not recommend the payment of a final dividend for the Year (2017: Nil).

BUSINESS OVERVIEW

Property investment

During the Year, the property investment segment continued to contribute stable rental income and profits with the two office and commercial properties in Shanghai. However, the continual influx of new supplies in the central business district of Puxi coupled with the negative impact of the exodus of many e-commerce companies on the demand, the average occupancy rate of these two office and commercial properties in Shanghai was approximately 89% as at 31 December 2018.

² Other net losses (before tax and non-controlling interests) for 2018 of HK\$86.0 million represented provision for asset impairment of HK\$77.6 million, foreign exchange losses of HK\$12.8 million, fair value losses (before tax) on revaluation of financial assets at fair value through profit or loss of HK\$0.6 million, provision for expected credit losses of HK\$1.2 million and net gains on disposal of financial assets of HK\$6.3 million.

Other net gains (before tax and non-controlling interests) for 2017 of HK\$29.2 million represented net gains on disposal of available-for-sale financial assets of HK\$47.6 million, fair value gains on revaluation of financial assets at fair value through profit or loss of HK\$2.5 million and foreign exchange losses of HK\$20.9 million.

年內收入為港幣1.386億元(2017年:港幣1.422億元),而年內的未扣除利息支出及稅項前虧損(「利息及稅前虧損」)則為港幣5,370萬元(2017年:盈利港幣8,660萬元)。撇除其他淨虧損港幣8,600萬元²(2017年:淨利得港幣2,920萬元),年內經常性未扣除利息支出及稅項前盈利(「利息及稅前盈利」)為港幣3,230萬元(2017年:港幣5,740萬元)。經常性利息及稅前盈利減少主要由於年內收入減少及營運成本費用化增加所致。

股息

為預留充足的資金予本集團將來發展及營運之用,董事會不建議派發本年度的末期股息(2017年:無)。

業務概覽

物業投資

物業投資板塊透過其位於上海的兩幢辦公室及商用物業於年內繼續帶來穩定的租金收益和利潤,但由於浦西核心商務區的新增供應量不斷增加,加上許多網絡商務公司的撤離對浦西區域吸納量產生負面影響。於2018年12月31日,上海兩幢辦公室及商用物業的平均出租率為89%。

² 2018年其他淨虧損(除稅及非控股權益前)港幣8,600萬元為資產減值撥備港幣7,760萬元、匯兌虧損港幣1,280萬元、重估按公允價值計入損益的財務資產公允價值虧損(除稅前)港幣60萬元、預期信用損失撥備港幣120萬元及出售財務資產淨利得港幣630萬元。

2017年其他淨利得(除稅及非控股權益前)港幣2,920萬元為出售可供出售財務資產淨利得港幣4,760萬元、重估按公允價值計入損益的財務資產公允價值利得港幣250萬元及匯兌虧損港幣2,090萬元。

CHAIRMAN'S STATEMENT

主席報告

Real estate development

In view of the recovery of the U.S. economy and the continuing appreciation of U.S. dollar, the Group maintained its focus on the development of its U.S. real estate projects. All of the projects are located in prime locations of major cities in the U.S. and are positioned as mid- to high-end luxurious property complexes and new regional landmarks. As at 31 December 2018, the Group had five real estate development projects as follows:

Los Angeles Project

In October 2015, the Group successfully acquired the real estate development project in Los Angeles, the U.S. from a subsidiary of its parent company, Oceanwide Holdings. This project is located in the core of Los Angeles near landmark buildings such as Staples Center (home to the Lakers and the Clippers), Microsoft Theater, Los Angeles Convention Center and The Ritz Carlton. With considerable flow of people and customers, it is an excellent site for the development of commercial complex. The project covers a total land area of approximately 18,662 square meters ("sqm") with a gross floor area of approximately 138,249 sqm. It is planned to be developed into a large scale mixed use urban commercial complex with three upscale condominiums, a luxury five-star hotel under the "Park Hyatt" brand, which is the topnotch hotel brand under the Hyatt group, a shopping mall with a gross floor area of approximately 15,476 sqm, and the largest LED signage panel on the west coast of the U.S. The construction of the project commenced in the second half of 2014. By 2018, the construction of all main structures, as well as the façade panel installation work of all main structures are complete. Over 85% of the mechanical and electrical work has been completed. Over 60% of interior drywalls in buildings 2 and 3 has been installed. The project as a whole is expected to be completed in 2020. Having received the letters of intent to lease from various large and medium enterprises, signing of lease contracts of the commercial portion has been started. As at 31 December 2018, total funds invested in the project were approximately US\$1,046.9 million (equivalent to approximately HK\$8,200.3 million).

房地產開發

着眼於美國經濟復甦和美元持續強勁，本集團致力發展美國房地產項目。各項目集中於美國主流城市的黃金地段，項目定位皆為中高端豪華綜合物業，區域新地標。於2018年12月31日，本集團共有以下五個房地產開發項目：

洛杉磯項目

2015年10月，本集團成功向母公司泛海控股的附屬公司購入了美國洛杉磯房地產開發項目，該項目位於洛杉磯市核心地帶，毗鄰斯台普斯中心(湖人隊和快船隊主場)、微軟劇場、洛杉磯會展中心、麗思卡爾頓酒店等地標建築，人流及客流相當可觀，是絕佳的商業綜合體開發用地。項目總地塊面積約18,662平方米，計容面積約138,249平方米，計劃發展成為一個大型多用途都市商業綜合體，包括三幢高檔公寓、一間使用凱悅集團旗下最高端的酒店品牌「柏悅酒店」的五星級豪華酒店、約15,476平方米的購物中心及美國西岸最大的LED廣告牌。項目於2014年下半年動工，2018年已完成所有主體結構工程封頂；完成主體外牆幕牆工程；機電工程目前已完成超過85%；2、3號樓室內隔牆部分已完成超過60%。項目總體預計於2020年完工。商業部分已開始租賃合同的簽署工作，並收到多家大中型企業的租賃意向書。於2018年12月31日，已投入項目的資金約10.469億美元(相等於約港幣82.003億元)。

CHAIRMAN'S STATEMENT

主席報告

New York Project

In March 2016, the acquisition of the sites in New York was completed. This project involves two parcels of land situated in the core area of the Seaport District, Lower Manhattan, the U.S., and are adjacent to the East River and close to the famous Brooklyn Bridge on its east, looking toward New York Harbor and the Statue of Liberty on its south, facing the World Trade Center on its west and overlooking the skyline of the whole Manhattan Island on its north. With a land area of approximately 1,367 sqm and a development area of 75,975 sqm, the site is well-positioned for hotel and residential development. Certification has been obtained from the City Planning Commission of the City of New York in respect of the project, which is planned to be developed into a mixed use building comprising a high-end hotel and residential units. The conceptual design of the project has been completed and is currently in the schematic design stage. As at 31 December 2018, total funds invested in the project were approximately US\$404.4 million (equivalent to approximately HK\$3,167.6 million).

Hawaii Projects

Ko Olina No. 2 Land

In December 2015, the Group acquired certain parcels of land in Ko Olina District on Oahu Island in Hawaii, the U.S., one of the world's most popular tourist destinations. These land parcels are one of the scarce sites available for hotel development on Oahu Island and have rich natural resources and a beautiful coastline with a land area of approximately 70,000 sqm and an estimated gross floor area of approximately 92,292 sqm. It is planned to be developed into two luxury branded hotels and residential condominiums. The project is currently in the conceptual design stage. As at 31 December 2018, total funds invested in the project were approximately US\$209.0 million (equivalent to approximately HK\$1,637.1 million).

紐約項目

紐約地塊的收購於2016年3月完成交割。項目是位於美國曼哈頓下城海港區核心地帶的兩個地塊，東臨東河，緊依著名的布魯克林大橋，南眺紐約港、自由女神像，西望紐約世界貿易中心，北面則盡覽整個曼哈頓島的天際線。佔地面積約1,367平方米，可發展面積為75,975平方米，是絕佳的酒店及住宅開發用地。項目已獲得紐約市城市規劃委員會認證，計劃發展成一幢包含高端酒店和住宅的混合用途大廈，現已完成項目概念設計，正處於方案設計階段。於2018年12月31日，已投入項目的資金約4.044億美元（相等於約港幣31.676億元）。

夏威夷項目

科琳娜二號地

本集團於2015年12月成功購入位於全球熱門旅遊地區之一的美國夏威夷歐胡島科琳娜區的若干地塊，為歐胡島的罕有酒店發展用地，擁有豐富的自然資源和優美的海岸線，面積約70,000平方米，預計總建築面積約92,292平方米，計劃發展為兩間豪華品牌酒店及公寓。該項目現時正處於概念設計階段。於2018年12月31日，已投入項目資金約2.090億美元（相等於約港幣16.371億元）。

CHAIRMAN'S STATEMENT

主席報告

Ko Olina No. 1 Land

In September 2016, the Group completed the acquisition of three parcels of land in Ko Olina District on Oahu Island in Hawaii, the U.S. with an area of approximately 106,311 sqm. The Group reached an agreement with the holding company of the "Atlantis" brand in December 2016 to develop the land parcels into an international luxury resort under the "Atlantis" brand, which shall consist of a hotel component comprising approximately 800 guestrooms, an aquarium, restaurants, bars, spas, gyms, conference facilities and outdoor pools and bars, etc. as well as a branded residence component which shall contain approximately 524 luxury residences marked in association with the "Atlantis" brand. The project is currently in the schematic design stage. As at 31 December 2018, total funds invested in the project were approximately US\$295.1 million (equivalent to approximately HK\$2,311.5 million).

Kapolei

In October 2016, the Group completed the acquisition of certain parcels of land in Kapolei on Oahu Island in Hawaii, the U.S. with an area of approximately 2.07 million sqm. These parcels of land are adjacent to the above-mentioned land parcels in Ko Olina District on Oahu Island and can create synergies and enhance brand values. The land is planned to be used for the construction of commercial and residential properties as well as community facilities. Phase I of infrastructure construction of this project is complete. As at 31 December 2018, total funds invested in the project were approximately US\$120.1 million (equivalent to approximately HK\$940.7 million).

科琳娜一號地

本集團於2016年9月完成收購位於美國夏威夷州歐胡島科琳娜區的三幅地塊，面積約106,311平方米。本集團並於2016年12月與「Atlantis」(亞特蘭蒂斯)品牌公司達成協議，將發展一個以「Atlantis」品牌命名的國際豪華度假村，內設約800間客房、水族館、餐廳、酒吧、水療中心、健身房、會議設施、室外游泳池與酒吧等；另包括一個品牌住宅部分，內設約524個與「Atlantis」品牌相關聯的豪華住宅。該項目現時正處於方案設計階段。於2018年12月31日，已投入項目資金約2.951億美元(相等於約港幣23.115億元)。

卡珀雷區

本集團於2016年10月完成收購位於美國夏威夷州歐胡島卡珀雷區的多幅地塊，面積約207萬平方米，鄰近上文所述的歐胡島科琳娜區的若干地塊，可帶來協同效應及提升品牌價值。地塊計劃發展成商業和住宅物業以及社區建設。該項目已完成一期基礎設施工程。於2018年12月31日，已投入項目資金約1.201億美元(相等於約港幣9.407億元)。

CHAIRMAN'S STATEMENT

主席報告

Energy

In 2015, the Group acquired an energy project to develop two coal-fired steam power plants (each with a net capacity of 150 megawatts) in the Medan industrial zone of Indonesia (the "Medan Project"). The project company for the Medan Project, PT. Mabar Elektrindo, has entered into a power purchase agreement with a local state-owned power grid company, PT Perusahaan Listrik Negara (Persero). The foundation work of the Medan Project has been completed and the project is now in the structural construction stage. As at 31 December 2018, total funds invested in the Medan Project were approximately US\$362.0 million (equivalent to approximately HK\$2,835.5 million).

Finance investment and others

In July 2018, the Company disposed of its entire equity interest in a former wholly-owned subsidiary which held an equity investment in an unlisted company prior to the disposal, to a connected person of the Company for a consideration of US\$12.8 million. Based on the disposal consideration, the Group recorded a fair value gain of HK\$19.5 million for the Year arising from the revaluation of the equity investment in the unlisted company. The net effect of such gain and the revaluation of other fund investments was a fair value loss of HK\$0.6 million for the Year. During the Year, the Group also disposed of some bonds and recorded realised net gains of HK\$6.3 million (2017: HK\$19.7 million). As at 31 December 2018, the fair value of the Group's equity, fund and debt investments was HK\$379.0 million (31 December 2017: HK\$989.4 million), representing 1.6% of the total assets of the Group.

能源電力

本集團於2015年併入了開發位於印尼棉蘭工業區的兩座燃煤蒸氣發電廠(各自淨產能為150兆瓦)的能源電力項目(「棉蘭項目」)。棉蘭項目公司PT. Mabar Elektrindo與當地國有電網公司PT Perusahaan Listrik Negara (Persero)簽署了電力購買協議。棉蘭項目已完成地基作業，正處於土木工程階段。於2018年12月31日，已投入棉蘭項目資金約為3.620億美元(相等於約港幣28.355億元)。

財務投資及其他

2018年7月，本公司以代價1,280萬美元出售一家前全資附屬公司的全部股權予本公司之一名關連人士，該附屬公司於出售前持有一間非上市公司的股本投資。因應出售代價，本集團已於年內為該非上市公司的股本投資重估而獲得公允價值利得港幣1,950萬元，連同重估其他基金投資，實際年內錄得公允價值虧損港幣60萬元。年內，本集團亦出售部分債券並錄得已變現淨利得港幣630萬元(2017年：港幣1,970萬元)。於2018年12月31日，本集團之股票、基金及債務投資公允價值為港幣3.790億元(2017年12月31日：港幣9.894億元)，佔本集團資產總值的1.6%。

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK

While scaling up all its business segments, the Group focuses on building up a portfolio of both long- and short-term U.S. dollar denominated investments. All projects are being executed and carried out on track. Looking forward, in view of the upcoming business expansion and increasing capital expenditure, the management will continue to concentrate on maintaining sufficient capital reserve through multiple fund raising means such as shareholder's or external loans, debt financing and equity financing. The management will also monitor all capital and operational risks arising from the Group's business growth, and complete the development of the projects as soon as possible in order to generate investment returns.

The property investment segment will cope with challenges in the market by adjusting rent-free periods and raising agency commissions, and strive to contribute stable rental income and profit to the Group by boosting the occupancy rates of both of its properties in Shanghai.

As for the real estate development segment, the management will tighten its control over the existing projects in terms of capital expenditures and costs while advancing them and ensuring their timely delivery so as to bring returns to and realise profits for the Group on schedule.

The energy segment will also endeavor to facilitate the construction of the Medan Project, enforce stringent quality, safety and cost control, procure the safe and efficient commission of the project on schedule, and thus add a stable source of revenue to the Group.

展望

本集團全力拓展各個業務板塊，目前投資組合中注重美元項目，長期與短期投資項目並存，各項目執行和運營均已步入軌道。展望未來，在本集團業務擴張、資本開支增加的現狀下，管理層將繼續關注資本儲備是否充裕，通過股東或第三方貸款、各種債權融資以及股權融資等多個途徑籌集資金，高度控制伴隨業務增長帶來的各類資本及運營風險，盡快完成各項目的建設以取得投資回報。

物業投資板塊將透過調整免租期、增加中介佣金等方式應對市場挑戰，致力提升其位於上海的兩幢物業的出租率，為本集團貢獻穩定的租金收益及利潤。

房地產開發板塊將致力發展各個現有項目，與此同時，管理層將加重項目管控，嚴格控制資本開支和各類成本，保證項目可按時交付，如期實現對本集團的盈利貢獻，帶領本集團進入盈利釋放期。

能源電力板塊將致力推進棉蘭項目建設，並嚴控質量、安全及成本，把棉蘭項目安全高效的推到目標投產期，務求擴闊本集團穩定收入的來源。

CHAIRMAN'S STATEMENT

主席報告

Furthermore, the Group will continue to identify investment and business expansion opportunities in a prudent and diligent manner. To make the most of its funds and expand its business, it will continue to seek viable projects and quality assets in order to improve its profitability, enhance shareholders' returns, enlarge the scale of its asset portfolio, and thus lay a solid foundation for future development. With the experience of and support from the Company's controlling shareholder, the management undertakes to further expand the property investment, real estate development, energy and finance investment segments with the aim of enhancing the long-term returns for the Company's shareholders.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to all of our staff for their hard work and dedication and to thank all of the Company's shareholders, business partners and customers for their continuous and staunch support.

HAN Xiaosheng

Chairman

Hong Kong, 27 March 2019

此外，本集團將繼續謹慎和周全地物色投資及業務拓展機會，善用資金擴展業務領域，繼續尋求可發展項目，併入優質資產，以提升盈利能力，增加股東回報，令本集團資產規模得以提升，為未來的發展奠下紮實基礎。憑藉本公司控股股東的經驗及支援，管理層矢志把物業投資、房地產開發、能源電力及財務投資板塊持續壯大，以提升本公司股東的長遠回報。

致謝

本人謹代表董事會，向全體員工的努力不懈及克盡己責表示衷心感謝。本人亦藉此機會感謝本公司全體股東、業務夥伴及客戶長久以來的鼎力支持。

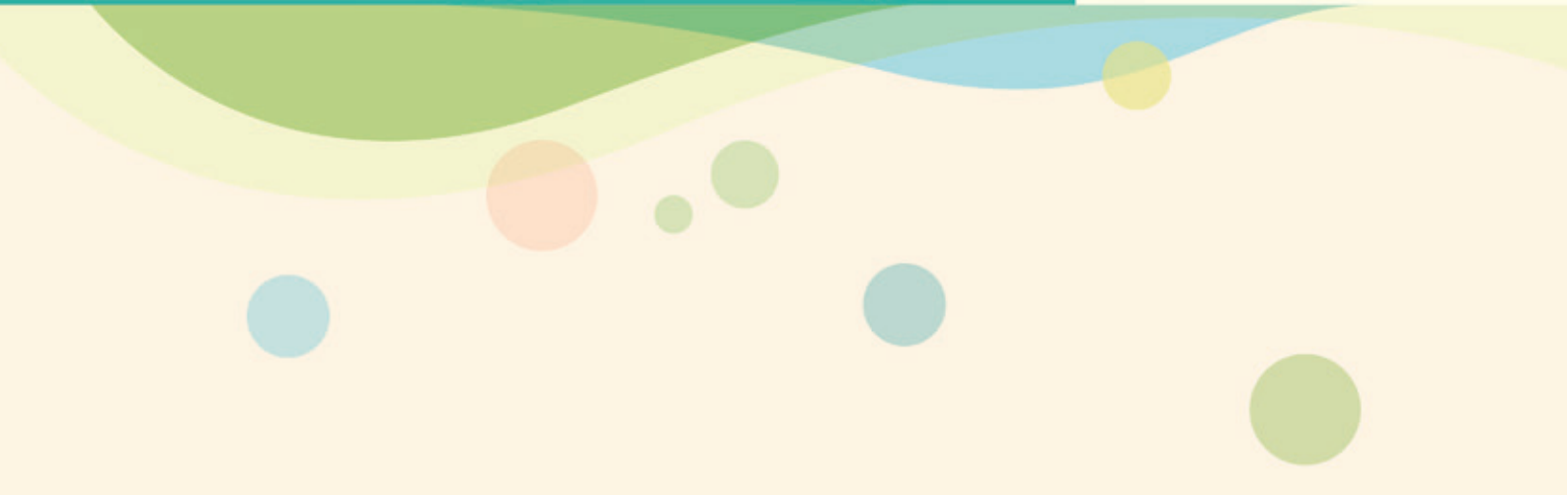
主席

韓曉生

香港，2019年3月27日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group has developed into a conglomerate with synergetic development in four major business segments, namely “Property Investment”, “Real Estate Development”, “Energy” and “Finance Investment and Others”, forming a sound business development strategy. The management actively procured financing through various financing channels according to its capital requirements. All segments have taken shape with bright development outlook. For the finance investment segment, the management has restructured its portfolio and disposed of certain assets when opportunity arises so as to realise profits. For the real estate development segment, funds have been channelled to the projects in an orderly manner. After settling the litigation regarding the land, the energy project is now in the structural construction stage. As to property investment, the Group took various initiatives to increase the rental income. While preserving business development and expanding revenue stream, the Group will continue to follow prudent financial management principals and maintain sound liquidity in order to maximise shareholders’ value in a sustainable manner.

Property investment

In 2018, revenue generated from the two office and commercial properties in Shanghai under the property investment segment amounted to HK\$96.1 million (2017: HK\$92.2 million). EBIT was HK\$81.0 million, representing an increase of 8% from HK\$75.2 million for the corresponding period of 2017. The increase in both revenue and EBIT was mainly attributable to the appreciation of Renminbi (“RMB”). As at 31 December 2018, the average occupancies of these two properties were approximately 89%. The performance of the property investment segment is expected to be under the unabating pressure of upcoming supplies rolling out one by one in the central business district of Puxi, Shanghai, while demand is falling as many e-commerce companies are leaving the district. The management will cope with challenges in the market and strive for higher occupancy rates by adjusting rent-free periods and raising agency commissions.

業務回顧

本集團已發展成為「物業投資」、「房地產開發」、「能源電力」及「財務投資及其他」四大板塊協同發展的綜合控股企業，形成了一套穩健的業務發展策略。管理層積極因應資金需求從多個渠道安排融資，各個板塊整體佈局已初具規模，具有廣闊的發展前景；財務投資方面擇機重組投資組合，出售獲利資產；房地產開發方面各個項目按序投放資金；能源電力項目方面在解決了土地訴訟後正處於土建工程階段中；而物業投資方面通過各種方法增加租金收益。本集團將繼續致力不斷推動業務增長及開拓收入來源，同時採取審慎的理財原則，維持穩健的資金流動性，務求為股東持續創造最大的價值。

物業投資

2018年，物業投資板塊兩幢位於上海的辦公室及商用物業帶來的收入為港幣9,610萬元（2017年：港幣9,220萬元）。利息及稅前盈利為港幣8,100萬元，較2017年同期之港幣7,520萬元增加8%，收入和利息及稅前盈利增加主要由於人民幣升值所致。於2018年12月31日，兩幢物業的平均出租率約為89%。預計上海浦西核心商務區未來的新增供應量將不斷增加，加上許多網絡商務公司的撤離對浦西區域吸納量產生負面影響，物業投資板塊業績將持續受壓，管理層將通過調整免租期、增加中介佣金等方式應對市場挑戰，致力提升出租率。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Real estate development

With the unique and strategic foresights of the management, the real estate development segment has acquired several quality projects in the U.S. and is now in possession of over 2.26 million sqm of land in prime locations of various major cities in the U.S. for development. The U.S. tax reforms and multiple financial stimuli implemented by the federal government are expected to provide further impetus to economic growth in the U.S. With the continuously strong U.S. dollar, the total asset value of the Group's projects in the U.S. has reached HK\$18,239.9 million with a total investment of US\$2,075.5 million (equivalent to HK\$16,257.2 million). A brief description of each project is set out in the following table:

房地產開發

憑藉管理層獨到的先見性和戰略眼光，房地產開發板塊於早前已併入美國優質的項目，現已在美國主要城市擁有超過226萬平方米的土地面積以作發展之用，在美國稅改和聯邦政府不斷推出財政振興措施下，預期可進一步推動美國經濟增長，加上美元持續強勁，本集團的美國項目總資產已達港幣182.399億元，累計總投入20.755億美元(相等於港幣162.572億元)，下表為各項目的基本概況：

Project name 項目名稱	Site area 土地面積 (sqm) (平方米)	Fund invested as at 31 December 2018 於2018年 12月31日 已投入資金 (US\$' million) (百萬美元)	Current project status 項目現時情況	Project development 項目發展
Los Angeles Project 洛杉磯項目	18,662	1,046.9	The construction of all main structures, as well as the façade panel installation work of all main structures are complete. Over 85% of the mechanical and electrical work has been completed. Over 60% of interior drywalls in buildings 2 and 3 has been installed. 完成所有主體結構工程封頂；完成主體外牆幕牆工程；機電工程目前已完成超過85%；2、3號樓室內隔牆部分已完成超過60%。	Upscale condominiums, a luxury five-star hotel under the "Park Hyatt" brand, a large-scale shopping mall and the largest LED signage panel on the west coast of the U.S. 高尚公寓、以「柏悅酒店」品牌命名的五星級豪華酒店、大型購物商場及美國西岸最大的LED廣告牌
New York Project 紐約項目	1,367	404.4	Conceptual design completed and is currently in the schematic design stage. 已完成概念設計，正處於方案設計階段。	A mixed use building comprising a high-end hotel and residential units 包含高端酒店和住宅的混合用途大廈
Hawaii Ko Olina No. 2 Land Project 夏威夷科琳娜二號地項目	70,000	209.0	Currently in the conceptual design stage. 正處於概念設計階段。	Two luxury branded hotels and residential condominiums 兩間奢華品牌酒店及公寓
Hawaii Ko Olina No. 1 Land Project 夏威夷科琳娜一號地項目	106,311	295.1	Currently in the schematic design stage. 正處於方案設計階段。	An international luxury resort under the "Atlantis" brand with luxury residences and a hotel 發展以「Atlantis」(亞特蘭蒂斯)品牌命名的國際豪華度假村，包含豪華公寓及酒店

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Project name 項目名稱	Site area 土地面積 (sqm) (平方米)	Fund invested as at 31 December 2018 於2018年 12月31日 已投入資金 (US\$ million) (百萬美元)	Current project status 項目現時情況	Project development 項目發展
Hawaii Kapolei Project 夏威夷卡珀雷區項目	2,066,286	120.1	Phase 1 of infrastructure construction is complete. 已完成一期基礎設施工程。	Commercial properties, residential properties and community facilities 商業、住宅及社區建設

The real estate development segment did not record any revenue in 2018, as compared to that of HK\$1.6 million for 2017, which was mainly attributable to the rental income from properties acquired for the Hawaii Ko Olina No. 1 Land Project prior to the commencement of its development. During 2018, LBIT of the real estate development segment was HK\$105.2 million (2017: HK\$20.6 million). Due to the continuous interest hikes and unsatisfactory performance of the real estate sales market in New York, the Company made an impairment provision of HK\$77.6 million for the New York Project. Excluding the impairment provision, LBIT was HK\$27.6 million (2017: HK\$20.6 million), which was mainly due to the increase in marketing expenses and absence of rental income from the land of the Hawaii Ko Olina No. 1 Land Project in 2018. Rental income was recorded from the land of that project last year.

Energy

In 2015, the Group acquired an energy project to develop two coal-fired steam power plants (each with a net capacity of 150 megawatts) in the Medan industrial zone of Indonesia (the "Medan Project"). The project company for the Medan Project has entered into a power purchase agreement with a local state-owned power grid company, PT Perusahaan Listrik Negara (Persero). The foundation work of the Medan Project has been completed and the project is now in the structural construction stage. Upon commencement of operation, the Medan Project is expected to contribute a stable revenue stream to the Group. As at 31 December 2018, total funds invested in the Medan

2018年，房地產開發板塊沒有收入，於2017年港幣160萬元的收入主要為發展夏威夷科琳娜一號地項目開始前，出租為開發而收購的物業租金收益。於2018年，房地產開發板塊利息及稅前虧損為港幣1.052億元（2017年：港幣2,060萬元），受持續加息和紐約的房地產銷售市場表現未如理想影響，本公司對紐約項目計提了減值撥備港幣7,760萬元，撇除減值撥備後的利息及稅前虧損為港幣2,760萬元（2017年：港幣2,060萬元），虧損增加主要為項目的營銷費用增加，以及去年夏威夷科琳娜一號地項目有租金收益，而2018年該項目地塊已沒有出租所致。

能源電力

本集團於2015年併入了開發位於印尼棉蘭工業區的兩座燃煤蒸氣發電廠（各自淨產能為150兆瓦）的能源電力項目（「棉蘭項目」）。棉蘭項目公司與當地國有電網公司PT Perusahaan Listrik Negara (Persero)簽署了電力購買協議。棉蘭項目已完成地基作業，正處於土建工程階段，預計投產後將為本集團帶來穩定的收入來源。截

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Project were approximately US\$362.0 million (equivalent to approximately HK\$2,835.5 million).

As the Medan Project is still in the construction stage, LBIT of the energy segment for the Year was HK\$20.0 million (2017: HK\$9.7 million). Excluding the provision for expected credit losses on the amount due from the non-controlling shareholder of HK\$1.2 million, recurring LBIT would be HK\$18.8 million (2017: HK\$9.7 million). The increase in LBIT was primarily attributable to the increase in expensed operating costs during the Year.

Finance investment and others

In 2018, revenue from the finance investment and others segment was HK\$42.5 million, representing a decrease of 12% as compared to HK\$48.4 million in 2017. LBIT was HK\$9.5 million, as compared to EBIT of HK\$41.7 million for the corresponding period of 2017. Excluding other net losses for 2018 and other net gains for 2017³, recurring LBIT was HK\$2.3 million, as compared to the recurring EBIT of HK\$12.6 million for the corresponding period of 2017. The increase in LBIT was mainly due to the decrease in revenue and increase in operating costs during the Year.

至2018年12月31日，已投入棉蘭項目資金約為3.620億美元（相等於約港幣28.355億元）。

由於棉蘭項目尚處於建設階段，能源電力板塊年內利息及稅前虧損為港幣2,000萬元（2017年：港幣970萬元）。撇除為應收非控股股東款項的預期信用損失撥備港幣120萬元，經常性利息及稅前虧損為港幣1,880萬元（2017年：港幣970萬元）。利息及稅前虧損增加主要由於年內營運成本費用化增加導致。

財務投資及其他

2018年內財務投資及其他板塊之收入為港幣4,250萬元，較2017年之港幣4,840萬元減少12%；利息及稅前虧損為港幣950萬元，2017年同期則為利息及稅前盈利港幣4,170萬元。撇除2018年其他淨虧損及2017年其他淨利得³，經常性利息及稅前虧損為港幣230萬元，2017年同期則為利息及稅前盈利港幣1,260萬元。利息及稅前虧損增加主要是由於年內收入減少及經營成本上升所致。

³ Other net losses (before tax and non-controlling interests) for 2018 of HK\$7.2 million represented foreign exchange losses of HK\$12.8 million, fair value losses (before tax) on revaluation of financial assets at fair value through profit or loss of HK\$0.6 million and net gains on disposal of financial assets of HK\$6.3 million.

Other net gains (before tax and non-controlling interests) for 2017 of HK\$29.2 million represented net gains on disposal of available-for-sale financial assets of HK\$47.6 million, fair value gains on revaluation of financial assets at fair value through profit or loss of HK\$2.5 million and foreign exchange losses of HK\$20.9 million.

³ 2018年其他淨虧損（除稅及非控股權益前）港幣720萬元為匯兌虧損港幣1,280萬元、重估按公允價值計入損益的財務資產公允價值虧損（除稅前）港幣60萬元及出售財務資產淨利得港幣630萬元。

2017年其他淨利得（除稅及非控股權益前）港幣2,920萬元為出售可供出售財務資產淨利得港幣4,760萬元、重估按公允價值計入損益的財務資產公允價值利得港幣250萬元減去匯兌虧損港幣2,090萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the Year, the Group grasped the opportunity to dispose of some bonds and recorded total realised net gains of HK\$6.3 million (2017: HK\$19.7 million). In July 2018, the Company disposed of its entire equity interest in a former wholly-owned subsidiary which held an equity investment in an unlisted company prior to the disposal, to a connected person of the Company for a consideration of US\$12.8 million. Based on the disposal consideration, the Group recorded a fair value gain of HK\$19.5 million for the Year arising from the revaluation of the equity investment in the unlisted company. The net effect of such gain and the revaluation of other fund investments was a fair value loss of HK\$0.6 million for the Year. As at 31 December 2018, the fair value of the Group's listed and unlisted equity securities and bond investments was HK\$379.0 million (31 December 2017: HK\$989.4 million). The decrease was mainly due to the disposal of some listed bonds and securities when opportunities arose, as well as the recognition of impairment provision of HK\$189.1 million made for the fair value decrease of equity investment in other comprehensive expenses.

FUTURE DEVELOPMENT STRATEGY OF THE GROUP

The Group has been actively identifying quality investment opportunities in the real estate, finance and energy sectors and continuously expanding its business and enhancing its market position outside the PRC so as to bring stable overall returns and value growth for the shareholders of the Company and to strengthen the competitive advantages of the Group as a whole. Each of the investment decisions is made for the benefit of the shareholders of the Company in the long run by considering the market conditions in different locations and the risk of and return on each project.

年內，本集團擇機出售部分債券共錄得已變現淨利得港幣630萬元(2017年：港幣1,970萬元)。2018年7月，本公司以代價1,280萬美元出售一家前全資附屬公司的全部股權予本公司之一名關連人士，該附屬公司於出售前持有一間非上市公司的股本投資。因應出售代價，本集團已於年內為該非上市公司的股本投資重估而獲得公允價值利得港幣1,950萬元，連同重估其他基金投資實際年內錄得公允價值虧損港幣60萬元。於2018年12月31日，本集團之上市及非上市股票證券及債券投資公允價值為港幣3.790億元(2017年12月31日：港幣9.894億元)，下跌主要因為已擇機出售部分上市債券及股票和為股票投資的公允價值下跌計提港幣1.891億元減值撥備，該撥備已確認至其他全面開支。

本集團的未來發展策略

本集團一直積極於中國境外市場物色優質房地產、金融及能源電力行業方面之投資機會，持續拓展中國境外之業務發展及市場地位，以期為本公司股東帶來整體穩定回報及締造價值增長及有助提升本集團整體競爭優勢。各項投資決定皆以本公司股東的長遠利益為依歸，並按各地市場情況及項目的風險與回報作考慮。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL OVERVIEW

Fund Management

The primary treasury and funding policies of the Group focus on liquidity management to achieve an optimum level of liquidity, while funding subsidiary operations in a cost-efficient manner. Management closely monitors the liquidity position of the Group to ensure the liquidity structure, comprising assets, liabilities and commitments, of the Group can meet its funding requirements. The Group's finance department will source funding by borrowings and issuance of debts, convertible notes and new shares when necessary. Operating as a centralised service, the finance department manages the Group's funding needs and monitors financial risks, such as those relating to interest and foreign exchange rates, as well as counterparty.

During the year ended 31 December 2018, the Group did not enter into any interest or currency swaps or other financial derivative transactions.

Interest rate risk

The Group has no significant interest-bearing assets and liabilities except for cash and bank deposits, loans receivable, listed debt securities included in financial assets at fair value through other comprehensive income, bank loans, amount due to an intermediate holding company, amount due to a fellow subsidiary and other loans. The interest rates for the loans receivable, listed debt securities, amount due to an intermediate holding company, amount due to a fellow subsidiary and other loans are fixed.

財務概覽

資金管理

本集團之主要資金及融資政策重點為流動資金管理以達致最佳的流動性，並以有成本效益的方式為附屬公司運作提供資金支持。管理層密切監察本集團之流動資金狀況，確保本集團資產、負債及承擔之流動資金結構足以應付資金需求。本集團之財務部門將在有需要時以借貸、發債及發行可換股票據及新股方式引入資金。財務部門以中央管理形式運作，負責管理本集團之資金需要並監察財務風險，例如關於利息、外匯匯率及交易對方之風險。

於截至2018年12月31日止年度內，本集團並無訂立任何利息或貨幣掉期或其他財務衍生工具交易。

利率風險

除現金及銀行存款、應收貸款、包含於按公允價值計入其他全面收益的財務資產內之上市債務證券、銀行貸款、應付一間中間控股公司款項、應付一間同系附屬公司款項及其他貸款外，本集團並無其他重大計息資產和負債。應收貸款、上市債務證券、應付一間中間控股公司款項、應付一間同系附屬公司款項及和其他貸款之利率為固定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Foreign exchange risk

The Group's revenue and operating costs are denominated in Hong Kong dollars ("HK\$"), United States dollars ("US\$") and RMB. The Group is exposed to other currency movements, primarily in terms of investments in the United States and Indonesia, bank deposits, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and bank and other loans denominated in US\$.

Market price risk

The Group's main market price risk exposures relate to its financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which mainly comprise listed debt securities and listed equity securities. The Group's management manages this risk by closely monitoring the price movement and changes in market conditions that may have an impact on the value of these financial assets.

Credit risk

Surplus of the Group's capital are to be managed in a prudent manner, usually in the form of bank deposits with financial institutions with good credit ratings. The senior management of the Group regularly monitors price movements of financial institutions and its counterparties and credit ratings and sets limits for the total amount of credit for each of its counterparties, in order to manage and control default and credit risks.

The Group's investments in listed debt securities included in financial assets at fair value through other comprehensive income are listed in Singapore with credit rating of A2/A- as rated by Moody's and Standard & Poor's as at 31 December 2018. As at 31 December 2018, the loans receivables of the Group were mainly loans receivables made to the non-controlling shareholder of the jointly developed Medan Project.

外匯風險

本集團之收入及經營成本乃按港幣、美元及人民幣計算。本集團承受其他貨幣變動風險，主要為按美元計算之於美國及印尼的投資、銀行存款、按公允價值計入其他全面收益的財務資產、按公允價值計入損益的財務資產以及銀行及其他貸款。

市場價格風險

本集團的主要市場價格風險與按公允價值計入其他全面收益的財務資產和按公允價值計入損益的財務資產有關，該等資產以上市債務證券及上市股票證券為主。本集團管理層密切監察可能對該等財務資產價值有所影響的價格變動及市況轉變以管理此風險。

信貸風險

本集團的盈餘資金以審慎方式管理，通常以銀行存款方式存放於具有良好信貸評級之金融機構。為管控違約信貸風險，本集團之高級管理人員定期監察金融機構及其對手方的價格變動、信貸評級及其為其各對手方所設的信貸總額。

本集團包含於按公允價值計入其他全面收益的財務資產之上市債券證券於新加坡上市，並於2018年12月31日獲得穆迪及標準普爾評為A2/A-信貸評級。於2018年12月31日，本集團的應收貸款主要為應收共同發展棉蘭項目的非控股股東貸款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity and Working Capital

As at 31 December 2018, the Group's total unsecured and unrestricted cash, liquid funds and listed investments amounted to HK\$678.0 million (2017: HK\$1,221.4 million), 9.2%, 88.6% and 2.2% of which were denominated in the US\$, HK\$ and RMB respectively and the remainder were denominated in in various other currencies.

As at 31 December 2018, the Group had bank and other loans (including convertible notes) of HK\$6,147.5 million (2017: HK\$5,328.4 million), of which HK\$3,025.7 million (2017: HK\$3,981.4 million) were floating-rate borrowings repayable within one year, HK\$1,488.2 million (2017: HK\$280.0 million) were fixed-rate borrowings repayable within one year, and HK\$1,633.6 million (2017: HK\$1,067.0 million) were fixed-rate borrowings repayable in two to five years. The Group also had an amount due to an intermediate holding company of HK\$5,194.8 million, which was fixed-rate borrowing repayable in two to five years (2017: HK\$3,120.5 million fixed-rate borrowing repayable on demand). The Group's gearing ratio (being calculated as total bank and other loans divided by total equity) as at 31 December 2018 was 56.9% (2017: 47.7%).

The Group will seek to secure additional financing for its continuous development and construction. The management team expects to obtain bank loans to finance the construction costs of the projects and the operations of the Group. In the event that any or all of the above loans cannot be secured, the Group will be able to obtain additional working capital through alternative fund raising activities, such as equity financing and/or loans from the Company's intermediate holding companies and/or any other parties, with the financial support of the Company's controlling shareholder.

流動資金及營運資金

於2018年12月31日，本集團之未抵押及未受限制現金、流動資金及上市投資共值港幣6.780億元（2017年：港幣12.214億元）。其中9.2%以美元計算，88.6%以港幣計算，2.2%以人民幣計算，其餘則按其他不同貨幣計算。

本集團於2018年12月31日的銀行及其他貸款（包括可換股票據）為港幣61.475億元（2017年：港幣53.284億元），當中有港幣30.257億元（2017年：港幣39.814億元）為浮息借貸並須於一年內償還，港幣14.882億元（2017年：港幣2.800億元）為定息借貸並須於一年內償還，港幣16.336億元（2017年：港幣10.670億元）為定息借貸，須於二年至五年內償還。本集團亦有一筆應付一間中間控股公司款項港幣51.948億元於二年至五年內償還之定息借貸（2017年：港幣31.205億元按要求償還之定息借貸）。於2018年12月31日，本集團之資產負債比率（按銀行及其他貸款總額除以權益總額計算）為56.9%（2017年：47.7%）。

本集團將為其持續發展及建設尋求額外融資。管理層預期將通過獲得銀行貸款以支付各項目的建設成本及為本集團提供營運資金。倘若上述任何或全部貸款未能實現，在本公司控股股東的財務支持下，本集團將可透過其他融資活動獲得額外營運資金，如股本融資及／或獲得來自本公司之中間控股公司及／或任何其他人士之貸款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cash Flows

During the year ended 31 December 2018, net cash used in operating activities and investing activities amounted to HK\$2,145.1 million (2017: HK\$1,724.2 million) and HK\$296.4 million (2017: HK\$1,228.2 million), respectively. The increase in net cash used in operating activities was mainly due to the further development of various real estate development projects in the U.S. in 2018. Net cash generated from financing activities during the Year amounted to HK\$2,413.4 million (2017: HK\$3,024.5 million), mainly included proceeds from bank and other loans as well as borrowings from an intermediate holding company.

Charges and contingent liabilities

The details of the pledged assets and contingent liabilities of the Group as at 31 December 2018 are set out in Note 34, to the consolidated financial statements in this annual report.

Apart from those disclosed in Note 34, the Group had not created any other guarantee or other contingent liabilities during the years ended 31 December 2018 and 2017.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the PRC, the U.S. and Indonesia, while the Company itself is listed on the Stock Exchange. The Group accordingly shall comply with relevant laws and regulations in the PRC, the U.S. and Indonesia and the respective places of incorporation of the Company and its subsidiaries.

During the year and up to the date of this annual report, the Board was unaware of any non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

現金流量

截至2018年12月31日止年度，經營業務及投資業務所用現金淨額分別為港幣21.451億元（2017年：港幣17.242億元）及港幣2.964億元（2017年：港幣12.282億元）。經營業務所用現金淨額增加主要因為2018年進一步發展美國房地產項目所致。年內融資業務所產生現金淨額為港幣24.134億元（2017年：港幣30.245億元），大部分融資現金流入主要為銀行及其他貸款和中間控股公司借貸。

抵押及或有負債

於2018年12月31日，本集團之資產抵押及或有負債詳情載於本年報的綜合財務報表附註34。

除附註34所披露者外，於截至2018年及2017年12月31日止年度內，本集團並無提供任何其他擔保或其他或有負債。

遵守法規

本集團的業務主要由本公司於中國、美國及印尼的附屬公司進行，而本公司於聯交所上市。本集團因此須遵守中國、香港、美國及印尼以及本公司及其附屬公司各自註冊成立地點的相關法規。

於年內及直至本年報日期，董事會並不知悉存在對本集團業務及營運造成重大影響的適用法律及法規之任何不合規情況。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

HUMAN RESOURCES

As at 31 December 2018, the Group employed 114 (2017: 131) employees. Total employee remuneration costs (including the Directors' emoluments) for the year ended 31 December 2018, amounted to HK\$113.4 million (2017: HK\$97.6 million).

The Group ensures that the remuneration packages of its employees are competitive and that individual performance is rewarded according to the remuneration management policy of the Group. The remuneration packages of the employees are reviewed annually.

PAST PERFORMANCE AND FORWARD LOOKING STATEMENTS

The performance and the results of operations of the Group contained in this annual report are historical in nature, and past performance is no guarantee for the future results of the Group. This annual report may contain forward-looking statements and opinions, which are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this annual report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialize or turn out to be incorrect.

人力資源

於2018年12月31日，本集團僱用114名員工（2017年：131名）。於截至2018年12月31日止年度內，僱員薪酬成本總額（包括董事酬金）為港幣1.134億元（2017年：港幣9,760萬元）。

本集團確保僱員之薪酬及福利水平具有競爭力，並會就僱員之個別表現按本集團之薪酬管理制度作出獎勵。僱員之薪酬及福利每年均會進行檢討。

過往表現及前瞻性陳述

本年報所載本集團的表現及營運業績僅為歷史數據，過往表現並不保證本集團日後的業績。本年報或載有基於現有計劃、估計與預測作出的前瞻性陳述及意見，因此涉及風險及不明朗因素。實際業績可能與該等前瞻性陳述及意見中論及的預期表現有重大差異。本集團、各董事、本集團僱員及代理概不承擔(a)更正或更新本年報所載前瞻性陳述或意見的任何義務；及(b)在任何前瞻性陳述或意見不能實現或變成不確的情況下引致的任何責任。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

DIRECTORS

Executive Directors

Mr. HAN Xiaosheng, aged 62, has been an executive Director since November 2014 and a chairman and a chief executive officer of the Company since December 2014. Mr. HAN is also a chairman of the nomination committee (the “Nomination Committee”) and a member of the remuneration committee (the “Remuneration Committee”) under the Board as well as a director of several subsidiaries of the Company. He is a senior accountant in the PRC and is currently a chairman of the supervisory committee of Oceanwide Holdings. He is also an executive director and a chairman of China Tonghai International Financial Limited (“China Tonghai International Financial”, formerly known as China Oceanwide International Financial Limited, whose shares are listed on the Stock Exchange (Stock Code: 952)). Mr. HAN previously served as an executive director and a chief executive officer of Oceanwide Holdings (from May 2015 to March 2019). He obtained a Master’s degree in economics from Renmin University of China in July 1996 and a Doctor’s degree in management science from Huazhong University of Science and Technology in June 2018.

Mr. LIU Bing, aged 61, has been an executive Director since November 2014. Mr. LIU is also a director of several subsidiaries of the Company. He is currently a vice chairman of Minsheng Holdings Co., Ltd.* (“Minsheng Holdings”), whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 000416). He is also a non-executive director of China Tonghai International Financial. Mr. LIU obtained his Master’s degree in business administration from Sacred Heart University in the U.S. in August 1989.

Mr. LIU Hongwei, aged 52, has been an executive Director since November 2014. Mr. LIU is also a director of several subsidiaries of the Company. He is currently a non-executive director of CuDECO Limited, whose shares are listed on the Australian Securities Exchange (Stock Code: CDU). He is also an executive director of China Tonghai International Financial. Mr. LIU obtained a Bachelor’s degree in engineering from Dalian Ocean University in July 1989 and a Master’s degree in management from Massey University in New Zealand in April 2006.

董事

執行董事

韓曉生先生，62歲，自2014年11月起出任執行董事，並自2014年12月起出任本公司主席兼總裁。韓先生亦為董事會轄下提名委員會（「提名委員會」）主席和董事會轄下薪酬委員會（「薪酬委員會」）成員，並為本公司多間附屬公司的董事。彼為中國高級會計師，現任泛海控股監事會主席及中國通海國際金融有限公司（「中國通海國際金融」，前稱中國泛海國際金融有限公司，其股份於聯交所上市（股份代號：952））執行董事兼主席。韓先生歷任泛海控股執行董事兼總裁（2015年5月至2019年3月）。彼於1996年7月獲中國人民大學經濟學碩士學位，並於2018年6月獲華南科技大學管理科學博士學位。

劉冰先生，61歲，自2014年11月起出任執行董事。劉先生亦為本公司多間附屬公司的董事。彼現任民生控股股份有限公司（「民生控股」，其股份於深圳證券交易所上市（證券代碼：000416））副董事長及中國通海國際金融非執行董事。劉先生於1989年8月獲美國聖哈特大學工商管理碩士學位。

劉洪偉先生，52歲，自2014年11月起出任執行董事。劉先生亦為本公司多間附屬公司的董事，彼現任CuDECO Limited（其股份於澳洲證券交易所上市（股份代號：CDU））非執行董事及中國通海國際金融執行董事。劉先生於1989年7月獲大連海洋大學工程學學士學位，並於2006年4月獲新西蘭梅西大學管理學碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. ZHANG Xifang, aged 46, has been an executive Director since August 2017. Mr. ZHANG is also a director of several subsidiaries of the Company. He is currently a director of Oceanwide Holdings and an executive director of China Tonghai International Financial. He served as a head of the operation division of the finance and asset management department and a deputy director of the finance and asset management department of State Grid Corporation of China, a deputy general manager of State Grid Asset Management Co., Ltd.*, a deputy general manager of State Grid Yingda International Holdings Group Co., Ltd.*, a general manager of Yingda Taihe Property Insurance Co., Ltd.* and a chairman of Yingda Insurance Asset Management Co., Ltd.* Mr. ZHANG studied the undergraduate programme of accounting at Central University of Finance and Economics from September 1991 to June 1995 and obtained a Bachelor's degree of economics. He also studied the programme of business administration at Tsinghua University School of Economics and Management from March 2006 to January 2009 and received a Master's degree in business administration.

Mr. LIU Guosheng, aged 50, has been an executive Director since November 2014. Mr. LIU is also a director of several subsidiaries of the Company. He is a senior accountant in the PRC. Mr. LIU is currently a chief financial officer of Oceanwide Holdings. Mr. LIU obtained a Bachelor's degree in economics from Hangzhou Dianzi University (formerly known as Hangzhou Institute of Electronic Industry) in July 1991 and a Master's degree in economics from Wuhan University in December 2008.

Non-executive Directors

Mr. ZHAO Yingwei, aged 48, has been a non-executive Director since November 2014. Mr. ZHAO is also a member of the audit committee (the "Audit Committee") under the Board. He is a senior accountant in the PRC and is currently a deputy chairman of the supervisory committee of Oceanwide Holdings, the chairman of the supervisory committee of Minsheng Holdings and a non-executive director of China Tonghai International Financial. Mr. ZHAO previously served as an executive director of Oceanwide Holdings. He obtained a Bachelor's degree in economics from Renmin University of China in January 1997 and a Master's degree in engineering from Beihang University in January 2013.

張喜芳先生，46歲，自2017年8月起出任執行董事。張先生亦為本公司多間附屬公司的董事，現任泛海控股董事及中國通海國際金融執行董事。彼歷任國家電網有限公司財務資產管理部運行處處長和財務資產管理部副主任、國網資產管理有限公司副總經理、國網英大國際控股集團有限公司副總經理、英大泰和財產保險股份有限公司總經理及英大保險資產管理有限公司董事長。張先生於1991年9月至1995年6月在中央財經大學修讀會計本科課程，獲經濟學學士學位。並於2006年3月至2009年1月在清華大學經濟管理學院修讀工商管理課程，獲工商管理碩士學位。

劉國升先生，50歲，自2014年11月起出任執行董事。劉先生亦為本公司多間附屬公司的董事。彼為中國高級會計師，現任泛海控股財務總監。劉先生於1991年7月獲杭州電子科技大學（前稱杭州電子工業學院）經濟學學士學位，並於2008年12月獲武漢大學經濟學碩士學位。

非執行董事

趙英偉先生，48歲，自2014年11月起出任非執行董事。趙先生亦為董事會轄下審核委員會（「審核委員會」）成員。彼為中國高級會計師，現任泛海控股監事會副主席、民生控股監事會主席及中國通海國際金融非執行董事。趙先生歷任泛海控股執行董事。彼於1997年1月獲中國人民大學經濟學學士學位，並於2013年1月獲北京航空航天大學工程學碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. ZHANG Fubiao, aged 54, has been a non-executive Director since March 2018. He previously served as a chief financial officer of Minsheng Insurance Brokers Co., Ltd.*, a chief financial officer, a deputy general manager and a chief financial officer of Oceanwide Energy Investment Baotou Co., Ltd.* (“Oceanwide Energy Investment Baotou”), a deputy vice president and a risk management director of Oceanwide Energy Holdings Co., Ltd.* (“Oceanwide Energy Holdings”), chief financial officer of Oceanwide Real Estate Investment Management Co., Ltd.*, and a risk management director of Oceanwide Power Holdings Co., Ltd.* (“Oceanwide Power Holdings”). Mr. ZHANG is currently a director of Oceanwide Power Holdings and a deputy general manager of Oceanwide Energy Investment Baotou. He is also a risk management director of Oceanwide Energy Holdings as well as a deputy general manager and a risk management director of Oceanwide Energy Investment Baotou. He is an accountant holding a Master’s degree in accounting from the Finance Academy of the Ministry of Finance of the People’s Republic of China in July 1999.

Independent Non-executive Directors

Mr. LIU Jipeng, aged 62, has been an independent non-executive Director since November 2014. He is also a chairman of the Audit Committee and a member of the Nomination Committee. Mr. LIU is a senior economist and certified public accountant in the PRC. He is currently an independent non-executive director of China Minsheng Banking Corp., Ltd., whose shares are dually listed on the Stock Exchange (Stock Code: 1988) and the Shanghai Stock Exchange (Stock Code: 600016), and China Tonghai International Financial; an independent director of Zhongjin Gold Corp., Ltd.*, whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600489), and Chongqing Changan Automobile Co., Ltd., whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 000625). He also previously served as an independent non-executive director of Wanda Hotel Development Company Limited (whose shares are listed on the Stock Exchange (Stock Code: 169)) (from 2013 to 2019)) and Dalian Wanda Commercial Properties Co., Ltd. (whose shares were previously listed on the Stock Exchange (Stock Code: 3699) and delisted in September 2016) (from 2012 to 2016)). Mr. Liu obtained a Bachelor’s degree in economics from Capital University of Economics and Business (formerly known as Beijing School of Economics) in July 1983 and a Master’s degree in economics from Graduate School of Chinese Academy of Social Sciences in July 1986.

張福彪先生，54歲，自2018年3月起出任非執行董事。彼歷任民生保險經紀有限公司財務總監、泛海能源投資包頭有限公司(「泛海能源投資包頭」)財務總監、副總經理兼財務總監、泛海能源控股股份有限公司(「泛海能源控股」)副總裁、風險控制總監、泛海不動產投資管理有限公司財務總監及泛海電力控股有限公司(「泛海電力控股」)風險控制總監。張先生現任泛海電力控股董事、泛海能源控股風險控制總監及泛海能源投資包頭副總經理兼風險控制總監。彼為會計師，於1999年7月獲中國財政部財政研究所會計學碩士學位。

獨立非執行董事

劉紀鵬先生，62歲，自2014年11月起出任獨立非執行董事。彼亦為審核委員會主席與提名委員會成員。劉先生為中國高級經濟師及註冊會計師，彼現任中國民生銀行股份有限公司(其股份同時於聯交所(股份代號：1988)及上海證券交易所(證券代碼：600016)上市)及中國通海國際金融獨立非執行董事；中金黃金股份有限公司(其股份於上海證券交易所上市(證券代碼：600489))及重慶長安汽車股份有限公司(其股份於深圳證券交易所上市(證券代碼：000625))獨立董事。彼歷任萬達酒店發展有限公司(其股份於聯交所上市(股份代號：169)) (2013年至2019年)及大連萬達商業地產股份有限公司(其股份先前於聯交所上市(股份代號：3699)，於2016年9月退市)(2012年至2016年)。劉先生於1983年7月獲首都經濟貿易大學(前稱北京經濟學院)經濟學學士學位，並於1986年7月獲中國社會科學院研究生院經濟學碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. CAI Hongping, aged 64, has been an independent non-executive Director since November 2014. He is also chairman of the Remuneration Committee. Mr. CAI is currently an independent non-executive director of China Eastern Airlines Corporation Limited (whose shares are dually listed on the Stock Exchange (Stock Code: 670) and the Shanghai Stock Exchange (Stock Code: 600115)) and COSCO SHIPPING Development Co., Ltd.* (whose shares are dually listed on the Stock Exchange (Stock Code: 2866) and the Shanghai Stock Exchange (Stock Code: 601866)). He previously served as an executive chairman of corporate finance, Asia Pacific in Deutsche Bank. Mr. CAI obtained an associate degree in journalism from Fudan University in June 1988.

Mr. YAN Fashan, aged 67, has been an independent non-executive Director since November 2014. Mr. YAN is also a member of the Remuneration Committee and the Nomination Committee. He is currently a professor in the school of economics at Fudan University and an independent director of Pengqi Technology Development Co., Ltd.* (whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600614)). He obtained a Master's degree in economics from Fudan University in 1981 and a Doctor of Philosophy degree in economics from Fudan University in June 1998.

Mr. LO Wa Kei Roy, aged 47, has been an independent non-executive Director since November 2014. He is also a member of the Audit Committee. Mr. LO is a certified public accountant in Hong Kong, a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow of the CPA Australia and an associate of The Institute of Chartered Accountants in England and Wales. Mr. LO is currently an independent non-executive director of several companies whose shares are listed on the Stock Exchange, including Sheen Tai Holdings Group Company Limited (Stock Code: 1335), Sun Hing Vision Group Holdings Limited (Stock Code: 125), China Zhongwang Holdings Limited (Stock Code: 1333), Xinming China Holdings Limited (Stock Code: 2699), China Tonghai International Financial, Wan Kei Group Holdings Limited (Stock Code: 1718) and G-Resources Group Limited (Stock Code: 1051). He also serves as a managing director of Shinewing (HK) CPA Limited, a

蔡洪平先生，64歲，自2014年11月起出任獨立非執行董事。彼亦為薪酬委員會主席。蔡先生現任中國東方航空股份有限公司(其股份同時於聯交所(股份代號：670)和上海證券交易所(證券代碼：600115)上市)和中遠海運發展股份有限公司(其股份同時於聯交所(股份代號：2866)及上海證券交易所(證券代碼：601866)上市)獨立非執行董事。彼歷任德意志銀行亞太區企業融資部執行主席。蔡先生於1988年6月獲復旦大學新聞學專科學位。

嚴法善先生，67歲，自2014年11月起出任獨立非執行董事。嚴先生亦為薪酬委員會與提名委員會成員。彼現任復旦大學經濟學院教授和鵬起科技發展股份有限公司(其股份於上海證券交易所上市(證券代碼：600614))獨立董事。彼於1981年獲復旦大學經濟學碩士學位，並於1998年6月獲復旦大學經濟學博士學位。

盧華基先生，47歲，自2014年11月起出任獨立非執行董事。彼亦為審核委員會成員。盧先生為香港執業會計師、香港會計師公會資深會員、澳洲會計師公會資深會員及英格蘭及威爾士特許會計師協會會員。盧先生現任多間股份於聯交所上市的公司之獨立非執行董事，包括順泰控股集團有限公司(股份代號：1335)、新興光學集團控股有限公司(股份代號：125)、中國忠旺控股有限公司(股份代號：1333)、新明中國控股有限公司(股份代號：2699)、中國通海國際金融、宏基集團控股有限公司(股份代號：1718)及國際資源集團有限公司(股份代號：1051)。彼亦擔任信永中和(香港)會計師事務所有限公司之管理合夥人、中國人民政治協商會議上海市浦東新區委員會委員及香港獨立非執行董事協會常務副會長兼常務理事。盧先

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

member of the Shanghai Pudong New Area Committee of the Chinese People's Political Consultative Conference and the executive vice-president and an executive council member of the Hong Kong Independent Non-Executive Director Association. Mr. LO obtained a Bachelor's degree in business administration from University of Hong Kong in November 1993 and a Master's degree in professional accounting from Hong Kong Polytechnic University in November 2000.

Senior Management

Mr. WU Chen, aged 48, has been a deputy chief executive officer of the Company since December 2014. Mr. WU is an engineer in the PRC. He is currently the supervisor of Oceanwide Holdings and previously served as the vice president of Oceanwide Holdings. He obtained a Master's degree in business administration from Roosevelt University in the U.S..

Mr. SHI Yuehong, aged 55, has been a risk control director of the Company since December 2014. Mr. SHI is a senior engineer. He holds a degree in construction engineering from Tongji University.

Ms. WAN Wing Sze May, aged 42, has been a chief financial officer of the Company since March 2015. Ms. WAN joined the Company in January 2004. Ms. Wan holds a Bachelor of business administration degree in accounting and is a fellow member of the Hong Kong Institute of Certified Public Accountants. She has more than 19 years of experience in auditing, accounting, financial management and business control and has extensive experience in corporate restructuring.

生於1993年11月獲香港大學工商管理學士學位，並於2000年11月獲香港理工大學專業會計碩士學位。

高級管理層

武晨先生，48歲，自2014年12月起出任本公司副總裁。武先生為中國工程師，現任泛海控股監事，歷任泛海控股副總裁。彼持有美國羅斯福大學工商管理碩士學位。

石悅宏先生，55歲，自2014年12月起出任本公司風險控制總監。石先生為高級工程師。彼持有同濟大學建築工程專業學位。

溫穎思女士，42歲，自2015年3月起出任本公司財務總監，彼於2004年1月加入本公司。溫女士持有會計學工商管理學士學位，並為香港會計師公會資深會員。彼於審計、會計、財務管理及業務監控方面擁有逾19年經驗，並於企業重組方面亦擁有豐富經驗。

REPORT OF THE DIRECTORS

董事會報告

The Board is pleased to present to the Shareholders its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are property investments in the PRC, real estate development in the U.S. and the development in the energy sector in Indonesia as well as finance investment and others. Particulars of the Company's principal subsidiaries are set out in Note 39 to the consolidated financial statements.

The analysis of the revenue and results by principal activities and geographical locations of the operations of the Group during the year are set out in Note 8 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated income statement on page 107 of this annual report.

No final dividend is recommended by the Board for the year ended 31 December 2018.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting (the "AGM") of the Company to be held on Thursday, 23 May 2019, the register of members of the Company will be closed from Monday, 20 May 2019 to Thursday, 23 May 2019, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 17 May 2019.

董事會欣然向全體股東提呈其報告連同本集團截至2018年12月31日止年度之經審核綜合財務報表。

主要業務與經營地區之分析

本公司之主要業務為投資控股，其附屬公司之主要業務為於中國從事物業投資，於美國從事房地產開發及於印尼從事能源電力開發，以及財務投資及其他業務。本公司主要附屬公司的詳情載於綜合財務報表附註39。

本集團於年內按主要業務和經營地區劃分的收入與業績分析載於綜合財務報表附註8。

業績及利潤分配

本集團截至2018年12月31日止年度之業績載於本年報第107頁之綜合收益表內。

董事會不建議派發截至2018年12月31日止年度之末期股息。

暫停辦理股份過戶登記

為確定有權出席本公司將於2019年5月23日(星期四)舉行的股東周年大會(「股東周年大會」)並於會上表決的資格，本公司將於2019年5月20日(星期一)至2019年5月23日(星期四)(包括首尾兩天)暫停辦理股份過戶登記手續，在此期間將不會辦理股份過戶登記手續。為確保符合資格出席股東周年大會並於會上表決，所有股份過戶表格連同有關股票必須不遲於2019年5月17日(星期五)下午4時30分送達本公司香港股份過戶登記分處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)，以辦理登記手續。

REPORT OF THE DIRECTORS

董事會報告

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2018 is set out in the Chairman's Statement and Management Discussion and Analysis from pages 8 to 19 and pages 20 to 30 of this annual report respectively. Description of the risks and uncertainties faced by the Group are disclosed in this annual report.

MAJOR PROJECTS AND EVENTS

Details regarding major projects undertaken by the Group and events that have taken place during the year ended 31 December 2018 are set out in the Management Discussion and Analysis from pages 20 to 30 of this annual report.

RESERVES

Particulars on the movements in the reserves of the Company and the Group during the year are set out in Note 40 to the consolidated financial statements and the consolidated statement of changes in equity from pages 115 to 116 of this annual report respectively.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2018 calculated under the Companies Act of Bermuda amounted to HK\$109,045,000.

PROPERTIES, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

Details of the movements of properties, plant and equipment, investment properties and properties under development during the year are set out in Notes 17, 18 and 24 to the consolidated financial statements, respectively.

PROPERTIES

Particulars of major properties of the Group are set out from pages 298 to 300 of this annual report.

業務回顧

本集團截至2018年12月31日止年度之業務回顧分別載於本年報第8頁至19頁之主席報告及第20頁至30頁之管理層討論及分析中。關於本集團面對的風險及不明朗因素的敘述於本年報內披露。

主要項目與事項

本集團截至2018年12月31日止年度進行之主要項目及事項的詳情載於本年報第20頁至30頁之管理層討論及分析中。

儲備

本公司及本集團年內之儲備變動分別詳列於綜合財務報表附註40及本年報第115頁至116頁的綜合權益變動表。

可供分派儲備

根據百慕達公司法計算，本公司於2018年12月31日之可供分派儲備為港幣109,045,000元。

物業、機器及設備、投資物業以及發展中物業

物業、機器及設備、投資物業以及發展中物業於本年度內之變動詳情分別載列於綜合財務報表附註17、18及24。

物業

本集團主要物業詳列於本年報第298頁至300頁。

REPORT OF THE DIRECTORS

董事會報告

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 29 to the consolidated financial statements.

DIRECTORS

The Directors during the year and up to the date of this annual report were:

Executive Directors

HAN Xiaosheng
LIU Bing
LIU Hongwei
ZHANG Xifang
LIU Guosheng

Non-executive Directors

ZHAO Yingwei
ZHANG Fubiao

Independent Non-executive Directors

LIU Jipeng
CAI Hongping
YAN Fashan
LO Wa Kei Roy

In accordance with Bye-law 112 of the Bye-laws, Messrs. HAN Xiaosheng, LIU Bing, LIU Hongwei and LIU Guosheng shall retire by rotation at the AGM and, being eligible, will offer themselves for re-election at the AGM.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out from pages 31 to 35 of this annual report.

股本

本公司股本於年內之變動詳情載於綜合財務報表附註29。

董事

於年內及截至本年報日期之董事為：

執行董事

韓曉生
劉冰
劉洪偉
張喜芳
劉國升

非執行董事

趙英偉
張福彪

獨立非執行董事

劉紀鵬
蔡洪平
嚴法善
盧華基

根據公司細則第112條，韓曉生先生、劉冰先生、劉洪偉先生及劉國升先生須於股東周年大會上輪值告退，惟彼等符合資格並願意於股東周年大會上膺選連任。

董事及高級管理層簡歷

本公司董事及高級管理層簡歷載於本年報第31至35頁。

REPORT OF THE DIRECTORS

董事會報告

UPDATE ON DIRECTOR'S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

根據上市規則第13.51B(1)條更新董事資料

Upon specific enquiry by the Company and confirmations from the Directors, the changes in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the date of the Company's 2018 interim report are set out below:

經本公司具體查詢及各董事作確認後，自本公司2018年中期報告日期後，根據上市規則第13.51B(1)條須披露的董事資料之變動載列如下：

Name of Director 董事姓名	Details of Change 變動詳情
HAN Xiaosheng 韓曉生	Ceased to be chief executive officer of Oceanwide Holdings on 21 February 2019 and redesignated from executive director to chairman of the supervisory committee of Oceanwide Holdings on 11 March 2019. 於2019年2月21日終止出任泛海控股總裁，並於2019年3月11日由泛海控股執行董事改任為監事會主席。
LIU Bing 劉冰	Ceased to be chairman of supervisory committee of Oceanwide Holdings on 11 March 2019. 於2019年3月11日終止出任泛海控股監事會主席。
LIU Hongwei 劉洪偉	Ceased to be supervisor of Oceanwide Holdings on 11 March 2019. 於2019年3月11日終止出任泛海控股監事。
ZHANG Xifang 張喜芳	Ceased to be executive vice president of Oceanwide Holdings on 11 March 2019. 於2019年3月11日終止出任泛海控股執行副總裁。
ZHAO Yingwei 趙英偉	Re-designated from executive director to deputy chairman of the supervisory committee of Oceanwide Holdings on 11 March 2019. 於2019年3月11日由泛海控股執行董事改任為監事會副主席。
LIU Jipeng 劉紀鵬	Resigned as an independent non-executive director of Wanda Hotel Development Company Limited (whose shares are listed on the Stock Exchange (Stock Code: 169)) on 21 March 2019. 於2019年3月21日辭任萬達酒店發展有限公司(其股份於聯交所上市(股份代號：169))獨立非執行董事。

ANNUAL CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事的年度獨立性確認

The Company has received from each of the independent non-executive Directors (the "INED(s)") an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers that all of them to be independent.

本公司已接獲各獨立非執行董事(「獨立非執行董事」)根據上市規則第3.13條就其獨立性出具的年度確認函，並認為彼等各均屬獨立人士。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the businesses of the Group, to which the Company, its holding company or any of its subsidiaries was a party and in which any Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' SERVICE CONTRACT

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, the following Directors had interests in the following businesses (apart from the businesses of the Company or its subsidiaries) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Group conducted during the year required to be disclosed as follows pursuant to Rule 8.10(2) of the Listing Rules:

Name of Director 董事姓名	Name of Company 公司名稱	Position(s) of Director 董事職位	Nature of Competing Business 競爭業務性質
HAN Xiaosheng 韓曉生	China Oceanwide Holdings Group 中國泛海控股集團	Executive Director 執行董事	Real estate investment 房地產投資
	Oceanwide Holdings 泛海控股	Executive Director, Chief Executive Officer 執行董事、總裁	Real estate development and investment 房地產開發與投資

董事於合約之權益

年終或年內任何時間並無任何由本公司訂立、與本集團業務有關且董事於當中擁有重大權益(不論直接或間接)之重大合約存續。

董事之服務合約

擬於股東周年大會上膺選連任的董事概無與本公司訂有任何不可於一年內免付賠償(法定賠償除外)而終止之服務合約。

董事於競爭業務之權益

年內，下列董事在下列公司、其附屬公司、聯營公司或其他投資形式經營而被視為與或可能與本集團年內所經營之主要業務直接或間接構成競爭之下列業務(本公司或其附屬公司業務除外)中擁有權益，而須根據上市規則第8.10(2)條作出以下披露：

REPORT OF THE DIRECTORS

董事會報告

Name of Director 董事姓名	Name of Company 公司名稱	Position(s) of Director 董事職位	Nature of Competing Business 競爭業務性質
LIU Bing 劉冰	China Oceanwide Holdings Group 中國泛海控股集團	Executive Director, Executive Vice President, Risk Management Director 執行董事、執行副總裁、風險控制總監	Real estate investment 房地產投資
	Oceanwide Holdings 泛海控股	Chairman of Supervisory Committee 監事會主席	Real estate development and investment 房地產開發與投資
LIU Hongwei 劉洪偉	China Oceanwide Holdings Group 中國泛海控股集團	Vice President 副總裁	Real estate investment 房地產投資
	Oceanwide Holdings 泛海控股	Supervisor 監事	Real estate development and investment 房地產開發與投資
ZHANG Xifang 張喜芳	Oceanwide Holdings 泛海控股	Director, Executive Vice President 董事、執行副總裁	Real estate development and investment 房地產開發與投資
LIU Guosheng 劉國升	Oceanwide Holdings 泛海控股	Chief Financial Officer 財務總監	Real estate development and investment 房地產開發與投資
ZHAO Yingwei 趙英偉	China Oceanwide Holdings Group 中國泛海控股集團	Executive Director, Executive Vice President, Chief Financial Officer 執行董事、執行副總裁、財務總監	Real estate investment 房地產投資
	Oceanwide Holdings 泛海控股	Executive Director 執行董事	Real estate development and investment 房地產開發與投資

REPORT OF THE DIRECTORS

董事會報告

As the Board is independent of the boards of directors of the above entities, the Group has been able to carry on its businesses independently of, and at arm's length with, the above entities. Further, although the above entities are also engaged in real estate development and investment, no competition is considered to exist among members of the Group (which focus on offshore investments) and the above entities (which focus on onshore investments).

Save as disclosed above, as at 31 December 2018, none of the Directors or their respective associates had any interest in a business, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

DIRECTORS' EMOLUMENTS

The Directors' emoluments for the year ended 31 December 2018 are set out in Note 16 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company's existing share option scheme (the "Share Option Scheme") was conditionally adopted on 19 May 2015, under which the Directors may grant options to eligible persons to subscribe for the Shares, subject to the terms and conditions as stipulated therein.

The following is a summary of the principal terms of the Share Option Scheme:

1. Purpose

The purpose of the Share Option Scheme is to provide the participants (the "Participants") with an opportunity to obtain an equity interest in the Company, thus linking their interest with the interest of the Group and thereby providing them with an incentive to work better for the interest of the Group.

由於董事會獨立於上述實體之董事會，因此本集團能獨立於上述實體公平開展其業務。另外，儘管上述實體亦從事房地產發展及投資，但本集團之成員公司(重心為境外投資)及上述實體(重心為境內投資)間概無被視為存在競爭。

除上文所披露者外，於2018年12月31日，根據上市規則，董事或彼等各自之聯繫人概無於與或可能與本集團業務直接或間接構成競爭之業務中擁有權益。

董事酬金

截至2018年12月31日止年度之董事酬金載於綜合財務報表附註16。

購股權計劃

本公司現有購股權計劃(「購股權計劃」)於2015年5月19日獲有條件採納。根據購股權計劃，董事可向合資格人士授出購股權以認購股份，惟須受限於其所訂明之條款及條件。

購股權計劃之主要條款概述如下：

1. 目的

購股權計劃旨在向參與者(「參與者」)提供獲得本公司股權之機會，通過將個人權益與本集團權益掛鉤，繼而激勵彼等更好地為本集團利益服務。

REPORT OF THE DIRECTORS

董事會報告

2. Participants

The Board may, at their discretion, invite any Directors (whether executive or non-executive and whether independent or not), any employee (whether full-time or part-time) and any consultant or adviser of or to the Company or the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid), who, in the absolute opinion of the Board, have contributed or will contribute to the Company or the Group, as the Participants.

3. Total number of Shares available for issue under the Share Option Scheme

The maximum number of Shares available for issue under the Share Option Scheme must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme (i.e. 19 May 2015), being 1,076,176,870 Shares.

4. Maximum entitlement of each Participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted pursuant to the Share Option Scheme to each Participant in any 12-month period shall not exceed 1% of the number of Shares in issue as at the date of grant unless approved by the Shareholders in general meeting.

5. Subscription price

The subscription price shall be such price to be determined by the Board in its absolute discretion and notified to the Participant in the offer and shall be at least the higher of:

- (a) the closing price per Share as stated in the daily quotations sheet issued by the Stock Exchange on the offer date;
- (b) the average closing price per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) consecutive business days immediately preceding the offer date; and
- (c) the nominal value per Share.

2. 參與者

董事會可全權酌情邀請其認為曾經或將會對本公司或本集團作出貢獻之本公司或本集團任何董事(無論為執行或非執行及無論為獨立或非獨立)、任何僱員(無論為全職或兼職)以及任何諮詢人或顧問(無論為聘用或合約或義務性質,亦無論是否受薪)為參與者。

3. 根據購股權計劃可供發行之股份總數

根據購股權計劃可供發行之股份最高數目合共不得超過批准購股權計劃當日(即2015年5月19日)已發行股份之10%,即1,076,176,870股股份。

4. 每名參與者之最高配額

除非於股東大會上獲股東批准,否則在任何12個月期間內根據購股權計劃向每名參與者授出之購股權獲行使時已發行及可能將予發行之股份總數不得超過於授出日期已發行股份數目之1%。

5. 認購價

認購價須為董事會絕對酌情釐定之價格,並於要約時通知參與者,且不低於以下較高者:

- (a) 聯交所於要約日期發出每日報價表所示之每股股份收市價;
- (b) 聯交所於緊接要約日期前連續五(5)個營業日發出每日報價表所示之每股股份平均收市價;及
- (c) 每股股份面值。

REPORT OF THE DIRECTORS

董事會報告

6. Option Period

A period of time where the grantee may exercise the option (the “Option Period”), which period in any circumstances shall not be more than 10 years from the offer date to be notified by the Board to each grantee which the Option Period shall commence on the offer date and expire on the last day of the Option Period as determined by the Board.

7. Exercise period

Subject to the any condition or restriction in connection with the exercise of the option which may be imposed by the Board when granting the option and the provisions of the Share Option Scheme, the option may be exercised by the grantee (or his or her legal personal representative(s)) at any time during the Option Period.

8. Term of the Share Option Scheme

No option may be granted under the Share Option Scheme on or after the date of the tenth anniversary of the date on which the Share Option Scheme becomes unconditional (the “Scheme Period”), but in respect of all options which remain outstanding and exercisable on the expiry of the Scheme Period, the provisions of the Share Option Scheme shall remain in full force and effect.

No option had been granted by the Company under the Share Option Scheme since its date of adoption.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme as disclosed in the section headed “Share Option Scheme” above, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

RIGHTS ISSUE

No rights issues were conducted by the Company during the year.

6. 購股權期限

承授人可行使購股權的期限（「購股權期限」），為在任何情況下，自董事會向各承授人知會的要約日期起計不超過10年，而購股權期限將自要約日期起計算，並於董事會釐定的購股權期限最後一日屆滿。

7. 行使期限

在董事會可能於授出購股權時所施加任何有關行使購股權的條件或限制及購股權計劃條款的限制下，承授人（或其法定代表人）可於購股權期限內隨時行使購股權。

8. 購股權計劃期限

於由購股權計劃成為無條件之日起滿第十週年當日（「計劃期間」）或之後不得根據購股權計劃授出任何購股權，惟就於計劃期間屆滿時仍未行使及可行使之所有購股權而言，購股權計劃之條文將仍具十足效力及作用。

本公司自採納購股權計劃當日起，並無根據購股權計劃授出購股權。

股票掛鈎協議

除上文「購股權計劃」一節所披露之購股權計劃外，本公司概無於年內訂立或於年末存續之股票掛鈎協議。

供股

年內，本公司並無進行供股。

REPORT OF THE DIRECTORS

董事會報告

CONVERTIBLE NOTES

On 27 December 2018, the Company issued convertible notes with an aggregate principal amount of HK\$600 million with the initial conversion price of HK\$0.71 per share (subject to adjustment). For further details, please refer to the announcements of the Company dated 12, 20, 27 and 28 December 2018 and Note 30d to the consolidated financial statements.

As at the date of this annual report, the net proceeds from the issue of the notes of HK\$587.5 million have been utilised in the following ways: (i) as to HK\$556.5 million for refinancing two loans advanced by licensed banks in Hong Kong; (ii) as to HK\$14.0 million for interest payment; and (iii) as to approximately HK\$13.3 million for the general operating expenses.

As at the date of this annual report, the conversion right attaching to the notes had not been exercised by the noteholders.

Details of the convertible notes are set out in Note 30d to the consolidated financial statements.

DONATIONS

Donations amounted to HK\$784,000 (2017: HK\$792,000) were made by the Group during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement which enables the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

可換股票據

2018年12月27日，本公司發行本金總額為港幣6億元的可換股票據，初步換股價為每股港幣0.71元(可予調整)。進一步詳情請參閱本公司2018年12月12日、20日、27日及28日的公告及綜合財務報表附註30d。

於本年報日期，發行票據的所得款項淨額港幣5.875億元已按以下方式動用：(i)港幣5.565億元用於為香港持牌銀行墊付的兩筆貸款再融資；(ii)港幣1,400萬元用於支付利息；及(iii)約港幣1,330萬元用作一般經營支出。

於本年報日期，票據持有人並無行使票據所附帶的轉換權。

可換股票據的詳情載於綜合財務報表附註30d。

捐款

年內，本集團作出慈善捐款港幣784,000元(2017年：港幣792,000元)。

董事購買股份或債券之權利

本公司或其任何附屬公司於年內並無訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES IN THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 December 2018, the interests and short positions of the Directors and their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Company's own Model Code for Securities Transactions by Directors (the "Securities Code") were as follows:

(I) Long positions in Shares

Name of Director 董事姓名	Capacity 身份	Nature of Interests 權益性質	Number of Shares held 所持股份數目	Approximate% of shareholding in the Company 佔本公司 股權之概約 百分比
LIU Jipeng 劉紀鵬	Beneficial owner 實益擁有人	Personal interest 個人權益	9,212,000	0.06

董事於本公司及其相聯法團之股份、相關股份及債券中之權益及淡倉

於2018年12月31日，董事及彼等各自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)之股份、相關股份及債券中擁有，並已根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例之該等條文董事被視為或被當作擁有之權益及淡倉)，或已列入本公司根據證券及期貨條例第352條規定備存之登記冊內，或已根據本公司本身之董事進行證券交易的標準守則(「證券守則」)知會本公司及聯交所之權益及淡倉如下：

(I) 於股份之好倉

REPORT OF THE DIRECTORS

董事會報告

(II) Long positions in shares of Oceanwide Holdings

(II) 於泛海控股股份之好倉

Name of Director 董事姓名	Capacity 身份	Nature of Interests 權益性質	Number of ordinary shares in Oceanwide Holdings held 所持泛海控股 普通股數目	Approximate% of shareholding in Oceanwide Holdings 佔泛海控股股權 之概約百分比
HAN Xiaosheng 韓曉生	Beneficial owner 實益擁有人	Personal interest 個人權益	3,500,000	0.06
LIU Bing 劉冰	Beneficial owner 實益擁有人	Personal interest 個人權益	90,000	0.001
LIU Hongwei 劉洪偉	Beneficial owner 實益擁有人	Personal interest 個人權益	30,000	0.0005
ZHANG Xifang 張喜芳	Beneficial owner 實益擁有人	Personal interest 個人權益	276,000	0.005
LIU Guosheng 劉國升	Beneficial owner 實益擁有人	Personal interest 個人權益	400,000	0.007
ZHAO Yingwei 趙英偉	Beneficial owner 實益擁有人	Personal interest 個人權益	200,000	0.003

Save as disclosed above, as at 31 December 2018, none of the Directors and the chief executives of the Company and their respective associates had any other interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Securities Code, to be notified to the Company and the Stock Exchange.

除上文所披露者外，於2018年12月31日，本公司董事及最高行政人員以及彼等各自的聯繫人概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有，而根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的任何其他權益或淡倉（包括根據證券及期貨條例之該等條文彼等被視為或被當作擁有之權益及淡倉），或根據證券及期貨條例第352條須列入該條例所指之登記冊內，或根據證券守則須知會本公司及聯交所之任何其他權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

So far as is known to the Directors, as at 31 December 2018, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Long positions in Shares

主要股東及其他人士於股份及相關股份之權益及淡倉

就董事所知，於2018年12月31日，下列人士於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露之權益或淡倉，或已列入本公司須按證券及期貨條例第336條存置之登記冊或以其他方式知會本公司及聯交所之權益或淡倉：

於股份之好倉

Name 姓名／名稱	Capacity 身份	Number of Shares held 所持股份數目	Approximate% of shareholding in the Company 佔本公司股權之 概約百分比
LU Zhiqiang 盧志強	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 1) (附註1)	74.95
HUANG Qiongzi 黃瓊姿	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 1) (附註1)	74.95
Tohigh Holdings Co., Ltd.* 通海控股有限公司	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 2) (附註2)	74.95
Oceanwide Group Co., Ltd.* 泛海集團有限公司	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 3) (附註3)	74.95
China Oceanwide Holdings Group 中國泛海控股集團	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 3) (附註3)	74.95
Oceanwide Holdings 泛海控股	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 4) (附註4)	74.95

REPORT OF THE DIRECTORS

董事會報告

Name 姓名／名稱	Capacity 身份	Number of Shares held 所持股份數目	Approximate% of shareholding in the Company 佔本公司股權之 概約百分比
China Oceanwide Group 中泛集團	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 5) (附註5)	74.95
Oceanwide Holdings International Co., Ltd 泛海控股國際有限公司	Beneficial owner 實益擁有人	11,267,476,178 (Note 5) (附註5)	69.80
Haitong Securities Co., Ltd. 海通證券股份有限公司	Interests of controlled corporations 受控制公司之權益	10,245,856,608 (Note 6) (附註6)	63.47
Haitong International Holdings Limited 海通國際控股有限公司	Interest of controlled corporations 受控制公司之權益	10,245,856,608 (Note 7) (附註7)	63.47
Haitong International Securities Group Limited 海通國際證券集團有限公司	Interest of controlled corporations 受控制公司之權益	10,245,856,608 (Note 7) (附註7)	63.47
Haitong International Financial Solutions Limited 海通國際金融服務有限公司	Security interest in Shares 持有股份的保證權益	9,002,697,108 (Note 8) (附註8)	55.78
Haitong International Financial Products Limited 海通國際金融產品有限公司	Beneficial owner 實益擁有人	830,985,500 (Note 8) (附註8)	5.15

Notes:

附註：

- | | |
|---|--|
| <p>(1) Mr. LU Zhiqiang and Ms. HUANG Qiongzi (spouse of Mr. LU Zhiqiang) together held more than one-third of the voting power at general meetings of Tohigh Holdings Co., Ltd.*. By virtue of the SFO, Mr. LU Zhiqiang and Ms. HUANG Qiongzi were deemed to be interested in all the Shares in which Tohigh Holdings Co., Ltd.* is interested.</p> | <p>(1) 盧志強先生及黃瓊姿女士(盧志強先生之配偶)合共持有通海控股有限公司股東大會上超過三分之一之投票權。根據證券及期貨條例，盧志強先生及黃瓊姿女士被視為於通海控股有限公司擁有權益之所有股份中擁有權益。</p> |
| <p>(2) Tohigh Holdings Co., Ltd.* held 100% interest in the entire issued share capital of Oceanwide Group Co., Ltd.*. By virtue of the SFO, Tohigh Holdings Co., Ltd.* was deemed to be interested in all the Shares in which Oceanwide Group Co., Ltd.* was interested.</p> | <p>(2) 通海控股有限公司持有泛海集團有限公司全部已發行股本的100%權益。根據證券及期貨條例，通海控股有限公司被視為於泛海集團有限公司擁有權益之所有股份中擁有權益。</p> |

REPORT OF THE DIRECTORS

董事會報告

- (3) Oceanwide Group Co., Ltd.* held 98% interest in the issued share capital of China Oceanwide Holdings Group. By virtue of the SFO, Oceanwide Group Co., Ltd.* was deemed to be interested in all the Shares in which China Oceanwide Holdings Group was interested.
- (4) China Oceanwide Holdings Group directly and indirectly held 68.49% interest in the issued share capital of Oceanwide Holdings. By virtue of the SFO, China Oceanwide Holdings Group was deemed to be interested in all the Shares in which Oceanwide Holdings was interested.
- (5) Oceanwide Holdings International Co., Ltd, Oceanwide Holdings International Finance Limited and Oceanwide Real Estate International Company Limited are the wholly-owned subsidiaries of China Oceanwide Group, which in turn is a wholly owned subsidiary of Oceanwide Holdings. By virtue of the SFO, China Oceanwide Group and Oceanwide Holdings were deemed to be interested in an aggregate of 12,098,515,178 Shares, including: (i) 11,267,476,178 Shares held by Oceanwide Holdings International Co., Ltd; (ii) 751,500,000 Shares held by Oceanwide Holdings International Finance Limited; and (iii) 79,539,000 Shares held by Oceanwide Real Estate International Company Limited. Oceanwide Holdings International Co., Ltd and Oceanwide Holdings International Finance Limited have charged 8,251,197,108 Shares and 751,500,000 Shares respectively in favour of Haitong International Financial Solutions Limited for a loan facility. Oceanwide Holdings International Co., Ltd. has also charged 3,016,279,070 Shares in favour of China Minsheng Banking Corp., Ltd., Hong Kong Branch in order to secure the obligations of China Tonghai International Financial Limited ("CTIF", formerly known as China Oceanwide International Financial Limited, whose shares are listed on the Stock Exchange (Stock Code: 952)), a non-wholly owned subsidiary of Oceanwide Holdings, under a credit facility.
- (6) Haitong Securities Co., Ltd held 100% interest in the issued share capital of Haitong International Holdings Limited. By virtue of the SFO, Haitong Securities Co., Ltd was deemed to be interested in all the Shares in which Haitong International Holdings Limited was interested.
- (7) Haitong International Holdings Limited indirectly held 63.47% interest in the issued share capital of Haitong International Securities Group Limited. By virtue of the SFO, Haitong International Holdings Limited was deemed to be interested in all the Shares in which Haitong International Securities Group Limited was interested.
- (8) Haitong International Financial Solutions Limited and Haitong International Financial Products Limited are the indirect subsidiaries of Haitong International Securities Group Limited. By virtue of the SFO, Haitong International Securities Group Limited was deemed to be interested in (i) 9,002,697,108 Shares in which Haitong International Financial Solutions Limited had security interest and; (ii) 830,985,500 Shares beneficially owned by Haitong International Financial Products Limited.
- (3) 泛海集團有限公司持有中國泛海控股集團已發行股本**98%**權益。根據證券及期貨條例，泛海集團有限公司被視為於中國泛海控股集團擁有權益之所有股份中擁有權益。
- (4) 中國泛海控股集團直接及間接持有泛海控股已發行股本**68.49%**權益。根據證券及期貨條例，中國泛海控股集團被視為於泛海控股擁有權益之所有股份中擁有權益。
- (5) 泛海控股國際有限公司、泛海控股國際金融有限公司及泛海建設國際有限公司為中泛集團之全資附屬公司，而中泛集團則為泛海控股之全資附屬公司。根據證券及期貨條例，中泛集團及泛海控股被視為於合共**12,098,515,178**股股份中擁有權益，包括：(i) 泛海控股國際有限公司持有的**11,267,476,178**股股份；(ii) 泛海控股國際金融有限公司持有的**751,500,000**股股份；及 (iii) 泛海建設國際有限公司持有的**79,539,000**股股份。泛海控股國際有限公司及泛海控股國際金融有限公司就一項貸款融資分別抵押**8,251,197,108**股股份及**751,500,000**股股份予海通國際金融服務有限公司。泛海控股國際有限公司並抵押**3,016,279,070**股股份予中國民生銀行股份有限公司香港分行，以確保泛海控股的非全資附屬公司中國通海國際金融有限公司（「中國通海國際金融」，前稱中國泛海國際金融有限公司，其股份於聯交所上市（股份代號：952））履行一項信貸融資項下的責任。
- (6) 海通證券股份有限公司持有海通國際控股有限公司已發行股本**100%**權益。根據證券及期貨條例，海通證券股份有限公司被視為於海通國際控股有限公司擁有權益的所有股份中擁有權益。
- (7) 海通國際控股有限公司間接持有海通國際證券集團有限公司已發行股本**63.47%**權益。根據證券及期貨條例，海通國際控股有限公司被視為於海通國際證券集團有限公司擁有權益的所有股份中擁有權益。
- (8) 海通國際金融服務有限公司及海通國際金融產品有限公司為海通國際證券集團有限公司間接附屬公司。根據證券及期貨條例，海通國際證券集團有限公司被視為 (i) 於海通國際金融服務有限公司擁有保證權益的**9,002,697,108**股股份；及 (ii) 海通國際金融產品有限公司實益擁有的**830,985,500**股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

Save as disclosed above, as at 31 December 2018, there was no other person who held interests and/or short positions in the Shares or underlying Shares which was required, to be entered in the register to be kept under section 336 of Part XV of the SFO, or was a substantial shareholder of the Company.

MATERIAL RELATED PARTY TRANSACTIONS

Details of material related party transactions entered by the Group during the year ended 31 December 2018 are set out in Note 37 to the consolidated financial statements, of which (a) the transactions summarised in Note 37a(iii), b(i)(1)&(iv), c(i), d(ii) and e(i) constituted non-exempted continuing connected transactions under the Listing Rules and the Company has complied with the applicable requirements under Chapter 14A of the Listing Rules; and (b) the transactions summarised in Note 37a(i) to (ii), b(i)(2) to (iii), d(i) and e(ii) constituted continuing connected transactions which are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14.76(1) of the Listing Rules.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Pursuant to Chapter 14A of the Listing Rules, the following connected transactions and continuing connected transactions entered by the Group during the year are required to be disclosed in this annual report:

除上文所披露者外，於2018年12月31日，概無其他人士在股份或相關股份中擁有須列入按證券及期貨條例第XV部第336條存置之登記冊的權益及／或淡倉，或為本公司主要股東。

重大關聯方交易

本集團於截至2018年12月31日止年度訂立之重大關聯方交易載於綜合財務報表附註37，其中(a)附註37a(iii)、b(i)(1)及(iv)、c(i)、d(ii)及e(i)概述之交易構成上市規則項下之不獲豁免持續關連交易，本公司已就此遵守上市規則第十四A章項下的適用規定；及(b)附註37a(i)至(ii)、b(i)(2)至(iii)、d(i)及e(ii)概述之交易構成持續關連交易，獲完全豁免遵守上市規則第14.76(1)條項下之報告、年度審核、公佈及獨立股東批准規定。

關連交易及持續關連交易

根據上市規則第十四A章規定，本集團於年內進行的以下關連交易及持續關連交易須於本年報內披露：

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS

Consulting Services Agreement

On 30 December 2015, China Oceanwide International Investment Company Limited (“China Oceanwide International Investment”), a wholly-owned subsidiary of China Oceanwide Holdings Group, which in turn is the controlling shareholder of Oceanwide Holdings, entered into a consulting services agreement (the “Consulting Services Agreement”) with China Oceanwide Power Co., Limited (“China Oceanwide Power”), a wholly-owned subsidiary of the Company, pursuant to which China Oceanwide International Investment shall provide consultancy services for the two coal fuel steam power plant facilities with net capacity of 150 megawatt (“MW”) each developed by PT. Mababar Elektrindo (“PT Mababar”), a non-wholly owned subsidiary of the Company, in the Medan Industrial Area, North Sumatra, Indonesia (the “Medan Project”) to China Oceanwide Power and PT Mababar and assist China Oceanwide Power and PT Mababar in the financing and insurance arrangement in respect of the Medan Project and to assist the development of PT Mababar.

Subject to China Oceanwide International Investment successfully assisting China Oceanwide Power or PT Mababar in securing a loan facility of not less than US\$400,000,000 (equivalent to approximately HK\$3,133.1 million) from the relevant banks or financial institutes during the course of providing the above consultancy services, China Oceanwide Power agreed to pay a service fee of not more than US\$1,000,000 (equivalent to approximately HK\$7.8 million) (exclusive of tax) (the “Service Fee”) to China Oceanwide International Investment.

The Consulting Services Agreement had expired on 29 December 2017 and a supplemental agreement to Consulting Services Agreement was entered into between China Oceanwide International Investment and China Oceanwide Power on 1 February 2018 to extend the service period of China Oceanwide International Investment to 31 January 2021.

關連交易

諮詢服務協議

2015年12月30日，泛海控股的控股股東中國泛海控股集團的全資附屬公司中國泛海國際投資有限公司（「中國泛海國際投資」）與本公司的全資附屬公司中國泛海電力有限公司（「中國泛海電力」）訂立諮詢服務協議（「諮詢服務協議」），據此，中國泛海國際投資須就本公司的非全資附屬公司PT. Mababar Elektrindo（「PT Mababar」）於印尼北蘇門答臘省棉蘭工業區開發之兩座燃煤蒸氣發電廠設施（各自淨產能為150兆瓦）（「棉蘭項目」）向中國泛海電力及PT Mababar提供諮詢服務，並在棉蘭項目的融資及保險安排方面協助中國泛海電力及PT Mababar，以及協助發展PT Mababar。

倘若中國泛海國際投資於提供上述諮詢服務過程中成功協助中國泛海電力或PT Mababar自有關銀行或金融機構取得不少於400,000,000美元（相等於約港幣31.331億元）的貸款融資，則中國泛海電力同意向中國泛海國際投資支付不超過1,000,000美元（相等於約港幣780萬元）（不包括稅項）的服務費（「服務費」）。

諮詢服務協議於2017年12月29日屆滿，2018年2月1日，中國泛海國際投資與中國泛海電力訂立諮詢服務協議的補充協議，將中國泛海國際投資的服務期延長至2021年1月31日。

REPORT OF THE DIRECTORS

董事會報告

During the year, nil fee was paid by China Oceanwide Power under the Consulting Services Agreement (as supplemented by the supplemental agreement).

Disposal of a wholly-owned subsidiary

On 30 July 2018, the Company entered into a sale and purchase agreement with Oceanwide Sigma Limited, a wholly-owned subsidiary of China Oceanwide International Investment owned via a fund where a wholly-owned subsidiary of China Oceanwide International Investment is the general partner, for disposal of its entire equity interest in China Oceanwide International Limited, the former wholly-owned subsidiary of the Company which owned equity interest in an unlisted company (the “Unlisted Company”) at a consideration of US\$12.8 million (the “Consideration”).

Completion of the disposal has taken place simultaneously with the signing of the agreement. As at 31 December 2018, the equity interests in the Unlisted Company were classified as financial assets at fair value through profit or loss in these annual financial statements and the Group has recognised net fair value gains of HK\$100.5 million on revaluation of investment in the Unlisted Company for the year ended 31 December 2018 with reference to the Consideration. For details, please refer to the announcement of the Company dated 30 July 2018.

CONTINUING CONNECTED TRANSACTIONS

Apartment and Office Lease Agreements

On 18 January 2015, PT. China Oceanwide Indonesia (“PT COI”), a wholly-owned subsidiary of China Oceanwide International Investment and PT Mabar entered into an apartment lease agreement pursuant to which PT Mabar agreed to lease certain apartments located in Jln. Senopati Raya No. 44, Jakarta Selatan from 1 February 2015 to 31 December 2017.

年內，中國泛海電力並無根據諮詢服務協議（經補充協議補充）支付任何費用。

出售一間全資附屬公司

2018年7月30日，本公司與Oceanwide Sigma Limited（為中國泛海國際投資透過一個基金擁有的全資附屬公司，而中國泛海國際投資的全資附屬公司為該基金的普通合夥人）訂立買賣協議，以出售中泛國際有限公司（擁有一間非上市公司（「非上市公司」）股本投資的本公司前全資附屬公司）的全部股本權益，代價為1,280萬美元（「代價」）。

出售事項已於協議簽訂時同時落實完成。於2018年12月31日，非上市公司的股本權益已於本全年財務報表分類為按公允價值計入損益的財務資產，而本集團已參照代價確認截至2018年12月31日止年度的重估非上市公司投資的公允價值淨利得港幣1.005億元。詳情請參閱本公司2018年7月30日的公告。

持續關連交易

公寓及辦公室租賃協議

2015年1月18日，中國泛海國際投資的全資附屬公司PT. China Oceanwide Indonesia（「PT COI」）與PT Mabar訂立公寓租賃協議，據此，PT Mabar同意租用位於Jln. Senopati Raya No. 44, Jakarta Selatan的部分公寓，租期由2015年2月1日起至2017年12月31日止。

REPORT OF THE DIRECTORS

董事會報告

On 18 May 2015, PT COI and PT Mabar entered into an office lease agreement pursuant to which PT Mabar agreed to lease certain office space located in Jl. KH. Mas Mansyur Kav. 126, Jakarta 12920-Indonesia from 1 June 2015 to 31 December 2017.

On 18 June 2015, PT COI and PT Mabar entered into an apartment lease agreement pursuant to which PT Mabar agreed to lease certain apartments located in Jln. Senopati Raya No. 44, Jakarta Selatan from 1 July 2015 to 31 December 2017 (together with the above apartment lease agreement and office lease agreement, the “Expired Agreements”).

On 29 December 2017, PT COI and PT Mabar entered into a renewed apartment lease agreement and a renewed office lease agreement (collectively the “Renewed Agreements”) to renew the Expired Agreements for a term of three years commencing from 1 January 2018 to 31 December 2020.

The maximum aggregate amount of rent payable by PT Mabar under the Renewed Agreements, determined based on the annual rent stated in the Renewed Agreements is IDR12,479,544,000 (equivalent to approximately HK\$6.8 million, excluding value added tax (“VAT”), other fees and utility bills) for each of the three financial years ending 31 December 2020.

The annual cap under the Renewed Agreements was determined between PT COI and PT Mabar after arm’s length negotiation on normal commercial terms, taking into account the location of the relevant properties, the term of the Renewed Agreements, the market rates and conditions, and the historical annual rental amounts under the Expired Agreements.

During the year ended 31 December 2018, the rent paid by PT Mabar under the Renewed Agreements was IDR12,479,544,000 (equivalent to approximately HK\$6.8 million).

2015年5月18日，PT COI與PT Mabar訂立辦公室租賃協議，據此，PT Mabar同意租用位於Jl. KH. Mas Mansyur Kav. 126, Jakarta 12920-Indonesia的部分辦公室場地，租期由2015年6月1日起至2017年12月31日止。

2015年6月18日，PT COI與PT Mabar訂立公寓租賃協議，據此，PT Mabar同意租用位於Jln. Senopati Raya No. 44, Jakarta Selatan的部分公寓，租期由2015年7月1日起至2017年12月31日止(連同上述公寓租賃協議及辦公室租賃協議統稱為「到期協議」)。

2017年12月29日，PT COI與PT Mabar訂立公寓租賃續期協議及辦公室租賃續期協議(統稱「續期協議」)，以重續到期協議，由2018年1月1日起至2020年12月31日止為期3年。

截至2020年12月31日止各三個財政年度，根據續期協議訂明的年租金釐定，PT Mabar根據續期協議應付的租金最高總金額為12,479,544,000印尼盾(相等於約港幣680萬元)(不包括增值稅、其他費用及公用賬單)。

續期協議項下的年度上限乃由PT COI與PT Mabar經公平協商後按正常商業條款，並經考慮相關物業之位置、續期協議之年期及市場租金及市況以及到期協議訂明的各年歷史年租金金額。

截至2018年12月31日止年度，PT Mabar根據續期協議已付的租金為12,479,544,000印尼盾(相等於約港幣680萬元)。

REPORT OF THE DIRECTORS

董事會報告

Capital Contribution to a Non-wholly Owned subsidiary

On 14 May 2014, China Oceanwide Power as lender and Shanghai Electric Power Construction Co., Ltd* (“SEPC”, which held 20% equity interest in PT Mabar, together with PT. Shanghai Electric Power (“PT SEPC”), collectively the “SEPC Group”) as borrower entered into a loan agreement pursuant to which China Oceanwide Power agreed to make available a loan in the principal amount of up to US\$3,500,000 (equivalent to approximately HK\$27.4 million) at an interest rate equivalent to the rate of expected average financing cost for the power plant project developed by PT Mabar to SEPC. The purpose of this loan was to provide SEPC with funds to make capital contribution into PT Mabar in proportion to its 20% equity interest. The loan shall be repaid when SEPC obtains the approval of the State Administration of Foreign Exchange of the PRC (“SAFE”) for the transfer of its capital overseas. During the year ended 31 December 2016, SEPC has repaid the loan with the approval of SAFE. During the year ended 31 December 2018, no interest income was incurred. As at 31 December 2018, the interest receivable of the loan was approximately US\$531,000 (equivalent to approximately HK\$4.2 million).

Engineering, Procurement and Construction Contracts

On 23 December 2013, PT Mabar as employer and SEPC as contractor entered into a master agreement (the “Master Agreement”) pursuant to which PT Mabar engaged SEPC to provide all materials, parts, equipment and construction equipment, transportation to sites (including customs clearance) and other labour services and to perform all works, activities and services on a fixed lump sum turnkey basis for the design, engineering, procurement, construction, commissioning, testing and completion of, and making good of defects in relation to the power plant facilities of the Medan Project. The Master Agreement was renewed twice on 23 November 2015 and 8 June 2017 respectively, the renewed total consideration was US\$431,930,000 (equivalent to approximately HK\$3,383.3 million). For further details, please refer to 2017 annual report of the Company.

向一家非全資附屬公司作注資

2014年5月14日，中國泛海電力(作為貸款人)與上海電力建設有限責任公司(「SEPC」，持有PT Mabar 20%股權，連同PT. Shanghai Electric Power(「PT SEPC」)統稱為「SPEC集團」)(作為借款人)訂立貸款協議，據此，中國泛海電力同意向SEPC提供本金金額最多為3,500,000美元(相等於約港幣2,740萬元)的貸款，利率等同於PT Mabar所發展的發電廠項目之預計平均融資成本之利率。此貸款旨在向SEPC提供資金以按其20%股權比例向PT Mabar注資。該貸款須於SEPC獲得中國國家外匯管理局(「外管局」)批准向海外轉移其資本時償還。截至2016年12月31日止年度內，SEPC取得外管局的批准，並償還貸款。截至2018年12月31日止年度內，並無產生利息收入。於2018年12月31日，該貸款的應收利息約為531,000美元(相等於約港幣420萬元)。

工程、採購及建設合約

2013年12月23日，PT Mabar(作為僱主)與SEPC(作為承包商)訂立總協議(「總協議」)，據此，PT Mabar委聘SEPC提供所有材料、零件、設備及建設設備、現場運輸(包括報關)及其他勞工服務，並就設計、工程、採購、建設、調試、測試及完成棉蘭項目的發電廠設施，按固定總價全包基準履行所有工作、活動及服務，並保證並無缺陷。總協議分別於2015年11月23日及2017年6月8日重續。重續後的總代價為431,930,000美元(相等於約港幣33.833億元)。進一步詳情請參閱本公司2017年年報。

REPORT OF THE DIRECTORS

董事會報告

During the year, the amount paid by PT Mababar under the aforesaid agreements was US\$15,093,000 (equivalent to approximately HK\$118.2 million).

Loan Transaction

On 14 May 2014, China Oceanwide Power as lender entered into a loan agreement (the “Loan Agreement”) with PT. Garda Sayap Garuda (“GSG”, which held 20% equity interest in PT Mababar) as borrower, making available a loan (the “Loan”) in the principal amount of the lower of: (i) US\$22,442,400 (equivalent to approximately HK\$175.8 million); or (ii) the amount equivalent to the face value of 20% of the total registered capital of PT Mababar, at an interest rate equivalent to the financing interest rate of the Medan Project. GSG also pledged all the shares it owned in PT Mababar (i.e. 20% equity interest in PT Mababar), to China Oceanwide Power as security to guarantee the Loan.

On 30 December 2015, China Oceanwide Power and GSG entered into a supplemental loan agreement pursuant to which the parties agreed to revise, among others, (i) the principal amount of the Loan to US\$28,353,000 (equivalent to approximately HK\$222.1 million); (ii) the loan period to three years commencing from the date of the Loan Agreement; and (iii) the interest rate equivalent to the financing interest rate (including but not limited to upfront fee, commitment fee, loan arrangement fee, bank advisory, agency and management fee etc.) of the Medan Project.

On 12 May 2017, China Oceanwide Power and GSG entered into a supplemental agreement (the “Supplemental Agreement”) to renew the Loan Agreement for a term commencing from 17 May 2017 to 31 December 2019.

For further details, please refer to the 2017 annual report of the Company.

年內，PT Mababar根據上述協議所支付的款項為15,093,000美元(相等於約港幣1.182億元)。

貸款交易

2014年5月14日，中國泛海電力(作為貸款人)與PT. Garda Sayap Garuda(「GSG」，持有PT Mababar 20%股權)(作為借款人)訂立貸款協議(「貸款協議」)，涉及貸款(「該貸款」)的本金金額為以下較低者為準：(i) 22,442,400美元(相等於約港幣1.758億元)；或(ii) 相等於PT Mababar註冊資本總額20%的面值金額，而利率相等於棉蘭項目的融資利率。GSG亦將其所擁有PT Mababar全部股份(即PT Mababar 20%股權)質押予中國泛海電力，作為擔保該貸款的抵押品。

2015年12月30日，中國泛海電力與GSG訂立補充貸款協議，據此，訂約方同意修訂(其中包括)(i) 該貸款的本金金額為28,353,000美元(相等於約港幣2.221億元)；(ii) 貸款期限為自貸款協議日期起計三年；及(iii) 利率相等於棉蘭項目的融資利率(包括但不限於預付費、承諾費、貸款安排費、銀行諮詢、代理及管理費等)。

2017年5月12日，中國泛海電力與GSG訂立補充協議(「補充協議」)，以重續貸款協議，年期由2017年5月17日起至2019年12月31日止。

進一步詳情請參閱本公司2017年年報。

REPORT OF THE DIRECTORS

董事會報告

The annual caps under the Loan Agreement are set out as follows: 貸款協議項下的年度上限載列如下：

For the year ended 31 December 2016 截至2016年12月31日止年度	For the period from 1 January 2017 to 14 May 2017 自2017年1月1日起至2017年5月14日止期間
US\$ 美元	US\$ 美元
31,500,000 (equivalent to approximately HK\$246.7 million) (相等於約港幣2.467億元)	32,500,000 (equivalent to approximately HK\$254.6 million) (相等於約港幣2.546億元)

The annual caps under the Loan Agreement were determined with reference to the principal amount of the Loan and based on the assumption that GSG would borrow up to US\$28,353,000 (equivalent to approximately HK\$222.1 million) for each of the above periods. 貸款協議項下的年度上限乃經參照貸款本金金額及基於假設GSG將於上述各期間借入最多28,353,000美元(相等於約港幣2.221億元)而釐定。

The annual caps under the Supplemental Agreement are set out as follows: 補充協議項下之年度上限載列如下：

For the period from 17 May 2017 to 31 December 2017 自2017年5月17日起至 2017年12月31日止期間	For the year ended 31 December 2018 截至2018年 12月31日止年度	For the year ending 31 December 2019 截至2019年 12月31日止年度
US\$ 美元	US\$ 美元	US\$ 美元
33,500,000 (equivalent to approximately HK\$262.4 million) (相等於約港幣2.624億元)	35,500,000 (equivalent to approximately HK\$278.1 million) (相等於約港幣2.781億元)	37,500,000 (equivalent to approximately HK\$293.7 million) (相等於約港幣2.937億元)

The annual caps under the Supplemental Agreement were determined with reference to (i) the historical transaction amounts under the Loan Agreement; (ii) the principal amount of the Loan and the annual interest rate under the Supplemental Agreement; and (iii) the assumption that GSG will borrow up to US\$28,353,000 (equivalent to approximately HK\$222.1 million) for each of the above periods. 補充協議項下之年度上限乃經參照 (i) 貸款協議項下之歷史交易金額；(ii) 貸款之本金金額及補充協議項下之年利率；及 (iii) 假設GSG將於上述各期間借入最多28,353,000美元(相等於約港幣2.221億元)而釐定。

REPORT OF THE DIRECTORS

董事會報告

During the year, an interest income (before discounting) of approximately US\$1,985,000 (equivalent to approximately HK\$15.5 million) was accrued by China Oceanwide Power. As at 31 December 2018, the principal and interest receivable (before discounting) of the Loan was US\$35,011,000 (equivalent to approximately HK\$274.2 million).

年內，中國泛海電力取得利息收入(貼現前)約1,985,000美元(相等於約港幣1,550萬元)。於2018年12月31日，該貸款的本金及應收利息(貼現前)為35,011,000美元(相等於約港幣2.742億元)。

Services Transactions and Investment and Lending transactions

On 21 September 2017, the Company entered into a framework services agreement (the “Framework Services Agreement”) with CTIF. Pursuant to the Framework Services Agreement, the Company and CTIF have conditionally agreed to engage in various services transactions, and investment and lending transactions with each other for the period from 20 November 2017 to 31 December 2019. Oceanwide Holdings is the controlling shareholder of both the Company and CTIF.

服務交易與投資及貸款交易

2017年9月21日，本公司與中國通海國際金融訂立框架服務協議(「框架服務協議」)。根據框架服務協議，本公司與中國通海國際金融有條件同意彼此之間於自2017年11月20日起至2019年12月31日止期間進行若干服務交易與投資及貸款交易。泛海控股為本公司及中國通海國際金融的控股股東。

The annual caps for the period from 20 November 2017 to 31 December 2017 and for the two financial years ended 31 December 2018 and ending 31 December 2019 are shown below:

於2017年11月20日至2017年12月31日期間以及截至2018年12月31日及2019年12月31日止兩個財政年度的年度上限列明如下：

Type of transactions 交易類型	For the period from 20 November 2017 to 31 December 2017 自2017年11月20日起至 2017年12月31日止期間	Year ended 31 December 2018 截至2018年 12月31日止年度	Year ending 31 December 2019 截至2019年 12月31日止年度
	HK\$ million 港幣百萬元	HK\$ million 港幣百萬元	HK\$ million 港幣百萬元
(1) Service transactions 服務交易			
(a) Income from service transactions provided to CTIF and its group companies (collectively, “CTIF Group”) (including ancillary services) 向中國通海國際金融及其下屬公司(統稱「中國通海國際金融集團」)提供之服務交易(包括配套服務)之收益	0.5	5	5
(b) Expenses for service transactions provided by CTIF Group (including ancillary services) 就中國通海國際金融集團提供的服務交易(包括配套服務)之費用	6.5	65	65

REPORT OF THE DIRECTORS

董事會報告

Type of transactions 交易類型	For the period from 20 November 2017 to 31 December 2017 自2017年11月20日起至 2017年12月31日止期間	Year ended 31 December 2018 截至2018年 12月31日止年度	Year ending 31 December 2019 截至2019年 12月31日止年度
	HK\$ million 港幣百萬元	HK\$ million 港幣百萬元	HK\$ million 港幣百萬元
(2) Investment and lending transactions			
投資及貸款交易			
(a) Maximum daily amount/outstanding balance for investment transactions provided to CTIF Group 向中國通海國際金融集團提供的投資交易之 最高每日金額／尚未支付結餘	100	200	200
(b) Maximum daily amount/outstanding balance for lending and underwriting transactions provided by CTIF Group 由中國通海國際金融集團提供的貸款及包銷 交易之最高每日金額／尚未支付結餘			
— Financial assistance 財務資助	300	300	300
— Underwriting 包銷	—	200	200

During the year ended 31 December 2018, the Company accrued (i) a loan service fee of HK\$100,000; (ii) a corporate finance advisory service fee of HK\$100,000; (iii) a sub-underwriting service fee of HK\$100,000; and (iv) an interest expense of HK\$20,584,000. As at 31 December 2018, the principal and interest payable of the loans from CTIF Group were HK\$288,734,000.

於截至2018年12月31日止年度，本公司累計的(i)貸款服務費為港幣100,000元；(ii)企業融資顧問費為港幣100,000元；(iii)分包銷服務費為港幣100,000元；及(iv)利息支出為港幣20,584,000元。於2018年12月31日，中國通海國際金融集團借款的本金及應付利息為港幣288,734,000元。

REPORT OF THE DIRECTORS

董事會報告

ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS

The INEDs have reviewed the aforesaid continuing connected transactions and confirmed that (other than those expressly stated otherwise and separate compliance procedures have been conducted), the transactions have been entered into:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

BDO Limited (“BDO”), the Company’s auditor, were engaged to report on the aforesaid continuing connected transactions 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. BDO will issue their unqualified letter containing their findings and conclusions in respect of the aforesaid continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. A copy of the letter will be provided by the Company to the Stock Exchange.

持續關連交易的年度審核

獨立非執行董事已審閱上述持續關連交易，並確認(除另有訂明及已進行單獨合規程序者外)該等交易乃：

1. 於本集團日常及一般業務過程中訂立；
2. 按一般商業條款或更佳條款訂立；及
3. 根據規管該等交易之協議條款而訂立，交易條款公平合理，並且符合股東的整體利益。

本公司核數師香港立信德豪會計師事務所有限公司(「立信德豪」)獲委聘以按照香港會計師公會頒布的香港鑒證業務準則第3000號「非審核或審閱過往財務資料之鑒證工作」，並參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，就上述持續關連交易作出報告。立信德豪將根據上市規則第14A.56條出具無保留意見函件，當中載有彼對上述持續關連交易的審查結果和結論。本公司將會把該函件副本送呈聯交所。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING DISCLOSURE OBLIGATION UNDER RULE 13.21 OF THE LISTING RULES

Facility Agreement Dated 24 November 2016

On 24 November 2016, China Oceanwide Real Estate Development V Limited (the “COREDV”), a wholly-owned subsidiary of the Company, and the purchaser of three parcels of land in Hawaii (the “Project”) as announced on 19 August 2016 and 19 September 2016, as borrower, entered into a facility agreement with a licensed bank in Hong Kong relating to a US\$300 million (equivalent to approximately HK\$2,349.9 million) facility. The facility has a term of one year and COREDV can opt to extend for another one year within 14 days prior to the maturity of a standby letter of credit provided by Oceanwide Holdings. The purpose of the facility is to refinance the investment in the Project and to finance its further investment.

As one of the conditions of the facility, Oceanwide Holdings, the controlling Shareholder, shall procure the issuance of a standby letter of credit (in an amount equivalent to the outstanding loan amount or more) in favour of the bank as security for the Facility, the breach of which the outstanding loan amount of the Facility is repayable in full on demand by the bank.

As at the date of this annual report, the loan was fully repaid and the facility was not renewed.

Facility Agreement Dated 11 February 2018

On 11 February 2018, the Company entered into a facility agreement with a licensed bank in Hong Kong relating to a US\$200 million (equivalent to approximately HK\$1,566.6 million) facility. The facility has a term of one year or 14 days prior to the maturity of the standby letter of credit provided by Oceanwide Holdings. The purpose of the facility is to repay the shareholders’ loan owed to China Oceanwide Group, an intermediate holding company of the Company.

根據上市規則第13.21條的持續披露責任

2016年11月24日的融資協議

2016年11月24日，本公司的全資附屬公司中泛房地產開發第五有限公司（「中泛房地產開發第五」，為位於夏威夷的三幅地塊（「該項目」）之買方（誠如2016年8月19日和2016年9月19日所公佈））作為借款人與一間香港持牌銀行就3億美元（相等於約港幣23.499億元）的融資訂立融資協議。該筆融資的期限為一年，中泛房地產開發第五可於泛海控股開出的備用信用證到期前14日內選擇延長一年。該筆融資旨在置換該項目的投資款項，並對其進一步投資提供資金。

該筆融資的其中一項條件為控股股東泛海控股須安排發行以銀行為受益人的備用信用證（金額相等於或多於尚欠貸款金額）作為該筆融資的抵押，如有違反，則須在銀行提出要求時悉數償還該筆融資項下的尚欠貸款金額。

於本年報日期，該筆貸款已悉數償還，而該筆融資並無續期。

2018年2月11日的融資協議

2018年2月11日，本公司與一間香港持牌銀行就2億美元（相等於約港幣15.666億元）的融資訂立融資協議。該筆融資的期限為一年或泛海控股開出的備用信用證到期前14日。該筆融資的用途為向本公司的中介控股公司中泛集團償還一筆股東貸款結欠。

REPORT OF THE DIRECTORS

董事會報告

As one of the conditions of the facility, Oceanwide Holdings shall procure the issuance of a standby letter of credit (equivalent to the outstanding loan amount or more) in favour of the bank as security for the facility, the breach of which the outstanding loan amount of the facility is repayable in full on demand by the bank.

As at the date of this annual report, the loan was fully repaid and the facility was not renewed.

Facility Agreement Dated 23 July 2018

On 23 July 2018, the Company entered into a facility agreement with a licensed bank in Macau relating to a HK\$784,669,900 facility. The facility has a term of one year. The purpose of the facility is to fund the coal fuel steam power project in the Medan industrial zone of Indonesia.

As one of the conditions of the facility, Oceanwide Holdings shall procure its savings and respective interests (equivalent to the outstanding loan amount or more) in the bank as security for the facility, the breach of which the outstanding loan amount of the facility is repayable in full on demand by the bank.

As at the date of this annual report, the above specific performance obligation imposed on Oceanwide Holdings continued to exist.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duties in their offices.

Such permitted indemnity provision has been in force throughout the year and is still in force. In addition, the Company has arranged appropriate directors' and officers' liability insurance for the directors and officers of the Group.

該融資的其中一項條件為泛海控股須安排發行以銀行為受益人的備用信用證(金額相當於或多於尚欠貸款金額)作為該融資的抵押，如有違反，則須在銀行提出要求時悉數償還該融資項下的尚欠貸款金額。

於本年報日期，該筆貸款已悉數償還，而該筆融資並無續期。

2018年7月23日的融資協議

2018年7月23日，本公司與一間澳門持牌銀行就一項港幣784,669,900元的融資訂立融資協議。該融資的期限為一年。該融資的用途是為印尼棉蘭工業區的燃煤蒸氣發電廠項目提供資金。

該融資的其中一項條件為泛海控股須安排以其於銀行的儲蓄存款及相關利息(金額相當於或多於尚欠貸款金額)作為該融資的抵押，如有違反，則須在銀行提出要求時悉數償還該融資項下的尚欠貸款金額。

於本年報日期，上述施加於泛海控股的特定履約責任繼續存在。

獲准許彌償條文

根據公司細則，董事就彼等於執行職責時因所作出、發生之作為或不作為而將會或可能招致或蒙受之所有訴訟、費用、收費、損失、損害及開支從本公司的資產及利潤獲得彌償，並可獲確保免就此受任何損害。

有關獲准許彌償條文已於整個年度生效且仍然生效。此外，本公司已為本集團董事及高級職員安排適當的董事及高級職員責任保險。

REPORT OF THE DIRECTORS

董事會報告

CONSTITUTIONAL DOCUMENTS

During the year, there had been no significant change in the Company's constitutional documents.

BORROWINGS

Details of borrowings of the Group as at 31 December 2018 are set out in Notes 30 and 37h to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries has purchased or sold any of the listed securities of the Company. In addition, the Company has not redeemed any of its listed securities during the year.

PRE-EMPTIVE RIGHTS

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

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 297 of this annual report.

RETIREMENT BENEFIT SCHEMES

Information on the retirement benefits schemes of the Group is set out in Note 15 to the consolidated financial statements.

憲章文件

年內，本公司的憲章文件並無重大變動。

借貸

本集團於2018年12月31日的借貸詳情載於綜合財務報表附註30及37h。

購買、出售或贖回本公司的上市證券

年內，本公司及其任何附屬公司概無購買或出售本公司的上市證券。此外，本公司於年內亦無贖回其任何上市證券。

優先認購權

公司細則或百慕達法例並無關於優先購買權的條文，規定本公司須按比例向現有股東提呈發售新股份。

五年財務概要

本集團過去五個財政年度之業績及資產與負債概要載於本年報第297頁。

退休福利計劃

有關本集團退休福利計劃之資料載於綜合財務報表附註15。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's revenue (excluding interest and dividend incomes) for the year ended 31 December 2018 attributable to the major customers of the Group were as follows:

主要客戶和供應商

截至2018年12月31日止年度，本集團主要客戶佔本集團收入(不包括利息和股息收益)的百分比如下：

	Percentage of total revenue of the Group 佔本集團 總收入的百分比
The largest customer 最大客戶	20.1%
Five largest customers in aggregate 五大客戶合計	41.3%

None of the Directors or any of their associates or any shareholders (which to the knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the major customers noted above.

概無董事或彼等的任何聯繫人或任何股東(據董事所知擁有本公司已發行股本超過5%)於上述主要客戶中擁有任何權益。

During the year ended 31 December 2018, the Group has not made any purchases other than incurring rental outgoings and overhead expenses.

截至2018年12月31日止年度，除產生租賃業務支出及經營費用外，本集團並無作出任何採購。

PUBLIC FLOAT

Based on information available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float in compliance with the requirement of the Listing Rules during the year and up to the date of this annual report.

公眾持股量

根據本公司所得資料及據董事所悉，本公司於年內及截至本年報日期已遵照上市規則的規定維持充足的公眾持股量。

REPORT OF THE DIRECTORS

董事會報告

DISCLOSURE ON CORPORATE GOVERNANCE PRACTICES AND ENVIRONMENTAL AND SOCIAL INITIATIVES

The Company's corporate governance practices during the year are set out in the Corporate Governance Report on pages 66 to 92 of this annual report. The Group's environmental and social initiatives during the year are set out in the Social Responsibility Report which is available at websites of the Company and Hong Kong Exchanges and Clearing Limited.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Board has adopted the Securities Code regulating Directors' dealings in securities of the Company, on terms no less exacting than the required standard of the Model Code. In response to specific enquiries made, all the Directors have confirmed that they have complied with the Securities Code and the Model Code throughout the year ended 31 December 2018.

EVENT AFTER THE REPORTING PERIOD

Please refer to Note 36 to the consolidated financial statements for event after the reporting period.

AUDITOR

PricewaterhouseCoopers ("PwC") has resigned as auditor of the Company with effect from 22 February 2019. The Board had, with the recommendation of the audit committee under the Board, appointed BDO as auditor of the Company to fill the casual vacancy following the resignation of PwC with effect from 22 February 2019 and to hold office until the conclusion of the AGM.

The consolidated financial statements of the Group for the year ended 31 December 2018 have been audited by BDO. A resolution for the re-appointment of BDO as auditor of the Company will be proposed at the AGM.

Save as disclosed above, there has been no change in auditor of the Company in any of the preceding three years.

By Order of the Board
Han Xiaosheng
Chairman

Hong Kong, 27 March 2019

企業管治常規及環境和社會方面措施之披露

本公司年內的企業管治常規載於本年報第66至92頁的企業管治報告內。載有本集團年內於環境和社會方面的措施的社會責任報告可於本公司網站及香港交易及結算所有限公司網站下載。

董事進行證券交易的標準守則

董事會採納了證券守則以規管董事進行本公司的證券交易，其條款不比標準守則的規定標準寬鬆。因應本公司作出的具體查詢，全體董事確認彼等於截至2018年12月31日止年度內一直遵守證券守則及標準守則。

報告期後事項

報告期後事項載列於綜合財務報表附註36。

核數師

羅兵咸永道會計師事務所(「羅兵咸永道」)已辭任本公司核數師，自2019年2月22日起生效。根據董事會轄下審核委員會的推薦建議，董事會委任立信德豪為本公司核數師，以填補羅兵咸永道辭任後產生的臨時空缺，自2019年2月22日起生效，任期直至股東周年大會結束為止。

立信德豪已審核本集團截至2018年12月31日止年度的綜合財務報表。關於續聘立信德豪為本公司核數師的一項決議案將於股東周年大會上提呈。

除上文所披露者外，本公司核數師於過去三年概無變動。

承董事會命
主席
韓曉生

香港，2019年3月27日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining good standards of corporate governance best suited to the needs and interests of the Group as it believes that effective corporate governance practices are fundamental to safeguarding interests of the Shareholders and other stakeholders and enhancing shareholders' value. To this end, the Board and our management make continuous effort to reinforce our standards of corporate governance with emphasis on independence, effective internal control, transparency and accountability to the Shareholders.

The Company has complied during the year ended 31 December 2018 with all applicable code provisions ("Code Provision(s)") and principles under the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules, except for the following deviations which are explained below:

CODE PROVISION A.2.1

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Han Xiaosheng currently performs the two roles of the Company's chief executive officer and chairman of the Board. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership with the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decision promptly and efficiently. The Board will regularly review the effectiveness of this structure to ensure that such structure is appropriate in view of the Company's prevailing circumstances.

企業管治常規

本公司相信有效的企業管治常規是保障股東及其他持份者權益與提升股東價值的基本要素，因此矢志維持最符合本集團需要與利益的良好企業管治水平。為此，董事會及管理層不斷努力提升我們的企業管治水平，尤其着重獨立性、有效之內部監控、透明度及對股東問責。

本公司於截至2018年12月31日止年度內一直遵守上市規則附錄十四所載企業管治守則（「企業管治守則」）的所有適用守則條文（「守則條文」）及原則，惟下述偏離除外：

守則條文A.2.1

守則條文A.2.1規定，主席與行政總裁的角色應有區分，並不應由一人同時兼任。

韓曉生先生現時身兼本公司總裁及董事會主席兩職。董事會相信，由同一名人士兼任主席及總裁兩職可確保本集團貫徹的領導，更有效益及效率地規劃本集團的整體策略。董事會認為，現時的安排不會損害權力與權限兩者的平衡，並認為此架構使本公司能適時及有效地作出及執行決定。董事會將定期檢討此架構的成效，確保其適合本公司的現況。

CORPORATE GOVERNANCE REPORT

企業管治報告

CODE PROVISION A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should, inter alia, attend general meetings.

Due to other business engagement, Messrs. Liu Jipeng and Cai Hongping, the INEDs, and Mr. Zhao Yingwei, the non-executive Director, did not attend the 2018 annual general meeting (the “2018 AGM”) of the Company held on 17 May 2018. The other non-executive Directors and INEDs were present at the meeting to enable the Board to develop a balanced understanding of the views of the Shareholders.

CODE PROVISION E.1.2

Code Provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend.

Due to other business engagement, Mr. Liu Jipeng, a chairman of audit committee (the “Audit Committee”) under the Board and Mr. Cai Hongping, a chairman of remuneration committee (the “Remuneration Committee”) under the Board, did not attend the 2018 AGM.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Board has adopted its own Model Code for Securities Transactions by Directors (the “Securities Code”) regulating Directors’ dealings in the Company’s securities on terms no less exacting than the required standard of the Model Code. In response to specific enquiries made, all the Directors have confirmed that they have complied with the Securities Code and the Model Code throughout the year ended 31 December 2018.

守則條文A.6.7

守則條文A.6.7規定，獨立非執行董事及其他非執行董事應(其中包括)出席股東大會。

由於有其他事務在身，獨立非執行董事劉紀鵬先生及蔡洪平先生以及非執行董事趙英偉先生並無出席本公司於2018年5月17日舉行的2018年股東周年大會(「2018年度股東周年大會」)。其他非執行董事及獨立非執行董事均有出席該大會，令董事會對股東的意見有公正的了解。

守則條文E.1.2

守則條文E.1.2規定，董事會主席應出席股東周年大會，並邀請審核委員會、薪酬委員會、提名委員會及任何其他委員會(視何者適用而定)的主席出席。

由於有其他事務在身，董事會轄下審核委員會(「審核委員會」)主席劉紀鵬先生及董事會轄下薪酬委員會(「薪酬委員會」)主席蔡洪平先生並無出席2018年度股東周年大會。

董事進行證券交易的標準守則

董事會採納了董事進行證券交易的標準守則(「證券守則」)以規管董事進行本公司的證券交易，其條款不比標準守則的規定標準寬鬆。因應本公司作出的具體查詢，全體董事確認彼等於截至2018年12月31日止年度內一直遵守證券守則及標準守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

Board Composition

The Board currently comprises five executive Directors, two non-executive Directors and four INEDs.

At least one of the INEDs possesses appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Directors are well-versed in respective areas such as accounting and finance, business management and industry knowledge and the Board as a whole has achieved an appropriate balance of skills and experience. The Directors' biographical details are set out from pages 31 to 35 of this annual report.

To the best of the Company's knowledge, there is no financial or family relationship among the Board members. All of them are free to exercise their independent judgment on all matters concerning the Company.

BOARD DIVERSITY POLICY

The Company adopted the board diversity policy (the "Board Diversity Policy") in 2013. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance and as an essential element in maintaining strategic objectives and sustainable development of the Group. All appointment of the Board members will be based on merits against objective criteria and with due regards for benefits and balance of diversity on the Board. The Board diversity will be considered in terms of, among other things, gender, age, professional experience and qualifications and educational and cultural background, and any other factors that the nomination committee (the "Nomination Committee") under the Board may consider relevant and applicable from time to time towards complementing and extending the skills, know-how and experience of the Board.

董事會

董事會成員組合

董事會現時由五名執行董事、兩名非執行董事及四名獨立非執行董事組成。

其中至少一名獨立非執行董事具備適當的專業資格或上市規則第3.10條規定之會計或相關財務管理專長。董事在會計與財務、業務管理及行業知識等各範疇擁有深入精闢之認識，而董事會整體更具備各方面之適當技能與經驗。董事的履歷詳情載於本年報第31至35頁。

據本公司所深知，董事會成員之間概無財務或親屬關係。全體董事均可就本公司一切事宜自由作出獨立判斷。

董事會成員多元化政策

本公司於2013年採納董事會成員多元化政策（「董事會成員多元化政策」）。本公司明白並深信董事會成員多元化對提升公司的表現素質裨益良多，並且是支援本集團達到戰略目標及維持可持續發展的必要元素。董事會所有任命均以用人唯才為原則，並充分考慮董事會之利益及成員多元化方面保持平衡。權衡董事會多元化時計及的因素包括（其中包括）性別、年齡、專業經驗及資歷、教育及文化背景，以及董事會轄下提名委員會（「提名委員會」）可能不時認為有助於補充及延展董事會技能、知識及經驗的任何其他相關及適用因素。

CORPORATE GOVERNANCE REPORT

企業管治報告

DELEGATION BY THE BOARD

The Directors are collectively responsible for setting the Group's strategies, providing leadership and guidance to put them into effect, reviewing and monitoring the performance of the Group and are accountable to the Shareholders. To maximise the effectiveness of the Group's operations, the Board has delegated management and administration of the Group's daily operations to the executive Directors and the management (the "Management") while reserving several important matters for its approval. To this end, the Board has adopted written guidelines (the "Guidelines") laying down the division of functions between the Board and the Management.

Pursuant to the Guidelines, the major functions of the Board and the Management are summarised as follows:

The Board is principally responsible for:

1. determining/approving the overall strategy and annual operating budget of the Group;
2. reviewing all significant policy matters of the Group;
3. monitoring the performance of the Management to ensure that the business operations of the Group are properly planned, authorised and undertaken; and
4. overseeing the Group's internal control and risk management systems on an ongoing basis, and reviewing the effectiveness of such systems at least annually.

The duties of the Management mainly include the following aspects:

1. is vested with all general powers of management and control as are vested in the Directors, save and except for those that may specifically be reserved by the Board and/or the Board committees for decision and implementation; or those that may only be exercised by the Board pursuant to the Listing Rules, the Bye-laws and/or the terms of reference of the Board Committees;

董事會的授權

董事須共同負責制訂本集團的策略，並為實行有關策略提供領導與指引，亦肩負檢討及監察本集團表現的責任，同時向股東負責。為盡量提升本集團的營運效益，董事會已授權執行董事及管理層（「管理層」）負責本集團日常營運的管理及行政工作，但某些重要事宜則須經其批准。就此而言，董事會已採納一套書面指引（「指引」），列明董事會與管理層之間的職能劃分。

根據指引，董事會及管理層的主要職能概述如下：

董事會主要負責：

1. 釐定／批准本集團的整體策略及年度營運預算；
2. 檢討本集團的所有重大政策事宜；
3. 監察管理層的表現，確保本集團的業務營運妥善規劃、授權及進行；及
4. 持續監察本集團的內部監控及風險管理系統，並至少每年檢討該等系統的成效。

管理層的職責主要包括以下方面：

1. 被賦予董事所獲賦予有關管理及監管的所有一般權力，惟董事會及／或董事委員會可能就決策及實施而特別保留者；或根據上市規則、公司細則及／或董事委員會職權範圍僅可由董事會行使者除外；

CORPORATE GOVERNANCE REPORT

企業管治報告

2. is authorised to perform all acts as may be performed by the Directors, save and except for those that may only be performed by the Board pursuant to the Companies Act of Bermuda, the Bye-laws, the Listing Rules and/or the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs;
 3. is empowered to implement policies/measures for business activities, internal control, risk management and corporate governance of the Group; and
 4. is empowered to implement any other matters as assigned by the Board from time to time.
2. 獲授權進行董事可進行的所有工作，惟根據百慕達公司法、公司細則、上市規則及／或香港公司收購、合併及股份回購守則僅可由董事會進行者除外；
 3. 獲授權實施有關本集團業務活動、內部監控、風險管理及企業管治的政策／措施；及
 4. 獲授權執行董事會不時指派的任何其他事宜。

The Board reviews those arrangements and the Guidelines on a periodic basis to ensure that they remain appropriate to the needs of the Group.

董事會定期檢討該等安排及指引，確保其符合本集團的需要。

The Board has assessed the independence of INEDs and considers all of them to be independent having regard to (i) their annual confirmations on independence as required under the Listing Rules, (ii) the absence of involvement in the daily management of the Company and (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgment. Throughout the year, the number of INEDs on the Board meets the one-third requirement under the Listing Rules.

董事會已評估全體獨立非執行董事之獨立性，並經考慮彼等(i)按上市規則規定出具的年度獨立性確認函，(ii)並無參與本公司的日常管理，及(iii)並無影響彼等作出獨立判斷的任何關係或情況，董事會認為全體獨立非執行董事均屬獨立。董事會之獨立非執行董事人數於全年度均符合上市規則佔董事會成員最少三分之一的要求。

APPOINTMENT, RE-ELECTION AND REMOVAL

委任、重選及罷免

All the non-executive Directors are appointed for a term of three years, subject to renewal and re-election as and when required under the Listing Rules and the Bye-laws. However, any Director who is appointed by the Board to fill a casual vacancy shall hold office until the next following general meeting of the Company, or in the case of an additional appointment, until the next following annual general meeting of the Company, and shall be eligible for re-election at the relevant general meeting. All the Directors are subject to retirement from office and shall be eligible for re-election at the annual general meetings at least once every three years in accordance with the Bye-laws.

所有非執行董事的任期為三年，須根據上市規則及公司細則的規定重續及接受重選。然而，任何由董事會委任以填補臨時空缺之董事將任職至本公司下一次股東大會，如屬新增董事，將任職至本公司下屆股東周年大會，其將合資格於有關股東大會上接受重選。根據公司細則，所有董事均須至少每三年於股東周年大會上告退一次，並合資格於會上接受重選。

CORPORATE GOVERNANCE REPORT

企業管治報告

Newly appointed Directors will receive induction packages containing the duties and responsibilities of directors as required under the Listing Rules and other applicable rules and regulations.

BOARD MEETINGS

The Board meets regularly, and at least four times a year with meeting dates scheduled prior to the beginning of the year. Between scheduled meetings, senior management of the Group provides to Directors, on a regular basis, monthly updates and other information with respect to the performance, and business activities and development of the Group. Throughout the year, the Directors participated in the deliberation and approval of routine and operational matters of the Company by way of written resolutions with supporting explanatory materials, supplemented by additional verbal and/or written information from the Company Secretary or other executives as and when required. Details of material transactions of subsidiaries are provided to the Directors as appropriate. Whenever warranted, additional Board meetings are held. In addition, the Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors and they are at liberty to propose appropriate matters for inclusion in Board agendas.

With respect to regular meetings of the Board, Directors receive written notice of the meeting generally about a month in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the Bye-laws and the Listing Rules, a Director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration abstains from voting on the relevant resolution and such Director is not counted for quorum determination purposes.

新委任之董事將收到一套入職指引文件，當中載有上市規則以及其他適用規則及規例所規定董事之職務及責任。

董事會會議

董事會定期會面，並每年最少舉行四次會議，會議日期於年初前編定。在預定的會議之間，本集團高級管理層定期向董事提供有關於本集團的每月最新資料以及有關表現及業務活動和發展的其他資料。年內，各董事透過附有理據說明資料的書面決議案，及於需要時由公司秘書或其他行政人員提供額外的口頭及／或書面補充資料，參與考慮與批核本公司的日常及營運事宜。有關附屬公司重大交易的詳細資料，亦會適時提供予各董事。在必要時，董事會會舉行額外的會議。此外，董事可隨時於彼等認為需要時全面取得本集團資料和獨立的專業意見，並可隨時提出適当事項以納入董事會會議議程。

有關董事會的定期會議，各董事一般於約一個月前獲得書面的會議通知，並於會議日期前不少於三天獲發送會議議程和相關董事會文件。至於其他會議，公司將視乎情況，在合理和實際可行的情況下盡早向董事發出通知。除公司細則及上市規則允許的情況外，於提呈董事會考慮的任何合約、交易、安排或任何其他類別建議中擁有重大利益的董事，須就有關決議案放棄表決權，而該董事亦不得計算在會議法定人數內。

CORPORATE GOVERNANCE REPORT

企業管治報告

The following table shows the attendance of the Directors at the scheduled Board meetings during the year ended 31 December 2018:

下表列示董事於截至2018年12月31日止年度出席定期董事會會議的情況：

Name of Director 董事姓名		No. of the scheduled Board meetings attended/held 出席／舉行定期 董事會會議的次數
Executive Directors		
執行董事		
HAN Xiaosheng	韓曉生	2/4
LIU Bing	劉冰	2/4
LIU Hongwei	劉洪偉	3/4
ZHANG Xifang	張喜芳	2/4
LIU Guosheng	劉國升	1/4
Non-executive Directors		
非執行董事		
ZHAO Yingwei	趙英偉	2/4
ZHANG Fubiao (Appointed on 29 March 2018)	張福彪 (於2018年3月29日獲委任)	2/4
Independent non-executive Directors		
獨立非執行董事		
LIU Jipeng	劉紀鵬	3/4
CAI Hongping	蔡洪平	2/4
YAN Fashan	嚴法善	3/4
LO Wa Kei Roy	盧華基	4/4

In addition to Board meetings, the Chairman holds regular meetings with the executive Directors and at least two meetings with the non-executive Directors (including INEDs) annually without the presence of the executive Directors. The non-executive Directors (including INEDs) freely provide their independent opinion to the Board.

除董事會會議外，主席與執行董事舉行定期會議，及在執行董事不在場的情況下，與非執行董事(包括獨立非執行董事)每年最少舉行兩次會議。非執行董事(包括獨立非執行董事)可自如地向董事會提供獨立意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

GENERAL MEETING

During the year, the Company held one general meeting. The following table shows the attendance of the Directors and the attendance record of each Director was as follows:

股東大會

年內，本公司舉行了一次股東大會。下表列示每名董事的出席紀錄：

Name of Director 董事姓名		No. of general meetings attended/held 出席 / 舉行的股東大會次數
Executive Directors	執行董事	
HAN Xiaosheng	韓曉生	1/1
LIU Bing	劉冰	0/1
LIU Hongwei	劉洪偉	1/1
ZHANG Xifang	張喜芳	0/1
LIU Guosheng	劉國升	0/1
Non-executive Directors	非執行董事	
ZHAO Yingwei	趙英偉	0/1
ZHANG Fubiao (Appointed on 29 March 2018)	張福彪 (於2018年3月29日獲委任)	1/1
Independent non-executive Directors	獨立非執行董事	
LIU Jipeng	劉紀鵬	0/1
CAI Hongping	蔡洪平	0/1
YAN Fashan	嚴法善	1/1
LO Wa Kei Roy	盧華基	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY

The Chairman has authorised the company secretary of the Company to prepare agenda for each Board meeting and to ensure that all Directors are properly briefed on issues to be discussed at Board meetings and receive adequate and accurate information in a timely manner.

Ms. LAM Wai Yee Sophie, the company secretary of the Company, is a fellow member of The Institute of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. She is a full time employee of the Company and is responsible for advising the Board on corporate governance matters and ensuring that the Board complies with the applicable rules and regulations. During the year ended 31 December 2018, Ms. LAM has complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training.

DIRECTORS' TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT

The Company arranges and provides continuous professional development ("CPD") training and relevant reading materials to the Directors from time to time to help ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed company director. In addition, attendance at external forums or briefing sessions (including delivery of speeches) on the relevant topics also counts toward CPD training.

公司秘書

主席已授權本公司之公司秘書為每次董事會會議編製議程，並確保全體董事均獲得將會在董事會會議上討論之事項的適當簡報，並及時收到充分和準確的資料。

本公司公司秘書林慧怡女士為香港特許秘書公會與英國特許秘書及行政人員公會的資深會員。彼為本公司的全職僱員，負責向董事會提供關於企業管治事宜的意見，並確保董事會遵守適用規則及規例。於截至2018年12月31日止年度，林女士已遵守上市規則第3.29條的規定，參與不少於15小時的相關專業培訓。

董事培訓與持續專業發展

本公司不時為董事安排及提供持續專業發展培訓及相關閱讀資料，以確保彼等獲悉與本集團經營業務相關的商業、法律與監管環境的最新變化，並更新彼等作為上市公司董事於角色、職能及職責方面的知識及技能。此外，出席相關主題的外界論壇或簡介會(包括發表演講)亦會計入持續專業發展培訓。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Directors are required to provide the Company with details of the CPD training undertaken by them from time to time.

The Directors have to disclose to the Company their interests as director and other office in other public companies and organisations in a timely manner and update the Company on any subsequent changes.

During the year ended 31 December 2018, all the Directors have participated in the CPD by attending internal CPD training/seminars/programmes and/or reading materials relating to updates on corporate governance and regulations.

REMUNERATION MANAGEMENT POLICY

The remuneration management policy of the Group is to ensure that the Group's pay levels are competitive in attracting and retaining the Directors, senior management and employees as well as motivating them in the continual pursuit of the Group's goal.

The remuneration package of the Directors and senior management is performance-based and takes into account factors such as the Group's business performance and prevailing market practices. The key components of the Group's remuneration package include basic salary, medical insurance, discretionary cash bonus and retirement benefit scheme. No individual Director or senior management will be involved in deciding his or her own remuneration.

The Remuneration Committee will consult with chairman of the Board in respect of their recommendations in determining the remuneration of the executive Directors and senior management of the Company. The details of the Remuneration Committee is set out in the section headed "Board Committees" below.

董事須不時向本公司提供彼等所進行持續專業發展培訓的詳情。

董事須適時向本公司披露彼等於其他公眾公司與機構擔任董事和其他職位的利益，以及更新任何後續變動。

在截至2018年12月31日止年度內，全體董事已透過出席有關企業管治及法規最新資料之內部持續專業發展培訓／講座／課程及／或閱讀相關材料參與持續專業發展。

薪酬管理制度

本集團的薪酬管理制度旨在確保本集團薪酬水平具有競爭力，可吸引及挽留董事、高級管理人員及僱員，並能激勵彼等繼續努力達成本集團的目標。

董事及高級管理人員的薪酬待遇與表現掛鉤，並計及本集團的業務表現及當時市場慣例等因素。本集團薪酬待遇的主要組成部分包括基本薪金、醫療保險、酌情現金花紅及退休福利計劃。董事或高級管理人員不得參與釐定其本身的薪酬。

薪酬委員會將諮詢董事會主席有關彼等就釐定本公司執行董事及高級管理人員薪酬的推薦建議。薪酬委員會的詳情載於下文「董事委員會」一節。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged appropriate directors' and officers' liability insurance to indemnify the Directors and senior staff of the Group for their potential liabilities incurred by them in discharging their respective duties. The Company reviews the insurance coverage for the Directors and the Group's senior staff on an annual basis.

BOARD COMMITTEES

The Board has established three Board committees including the Audit Committee, Remuneration Committee and Nomination Committee (collectively the "Committees") to oversee specific aspects of the Group's affairs. The Committees have been provided with sufficient resources to discharge their respective duties. Each of the Committees has adopted specific terms of reference covering its duties, powers and functions which will be reviewed by the Board from time to time. The terms of reference of the Committees have been posted on website of the Company at www.oceanwide.hk. The company secretary of the Company also acts as secretary of the Committees. The Committees adopt as far as practicable, the procedures and arrangement of the Board meeting in relation to the conduct of meetings, notice of meetings and recording of minutes. Further particulars of each of the Committees are set out below:

董事與高級職員責任保險

本公司已安排適當的董事與高級職員責任保險，以彌償董事及本集團高級職員因履行彼等各自職務而產生的潛在責任。本公司每年檢討董事及本集團高級職員的受保範圍。

董事委員會

董事會已成立三個董事委員會，包括審核委員會、薪酬委員會及提名委員會（統稱「委員會」），以監察本集團事務的特定範疇。委員會已獲提供足夠資源以履行彼等各自之職務。各委員會已採納具體的職權範圍，包括其職務、權力及職能，並不時由董事會檢討。委員會的職權範圍已登載於本公司網站 www.oceanwide.hk。本公司之公司秘書亦擔任委員會秘書。在實際可行情況下，委員會就舉行會議、會議通告及記述會議紀錄方面盡量採納與董事會會議相同之程序與安排。各委員會的進一步詳情載列如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

Audit Committee

The Audit Committee is chaired by Mr. LIU Jipeng, the INED, with Mr. ZHAO Yingwei, the non-executive Director, and Mr. LO Wa Kei, Roy, the INED, as members. All of them possess the relevant business and financial management experience and skills to understand financial statements and contribute to the financial governance, internal controls and risk management of the Company.

The principal duties of the Audit Committee are to oversee the relationship between the Company and its external auditor, review the preliminary results, interim and final results, and annual and interim financial statements of the Group, monitor the corporate governance of the Group including compliance with statutory and Listing Rules requirements, review the scope, extent and effectiveness of the activities of internal audit of the Group, engage independent legal and other advisers and conduct investigations as it determines to be necessary. All members of the Audit Committee have unrestricted access to the Group's external auditors and management.

The Audit Committee meets with the chief financial officer, internal auditor and other management of the Company from time to time for the purposes of reviewing the interim and final results, the interim report and annual report, and other financial, internal control, corporate governance and risk management matters of the Group. It considers and discusses the reports and presentations of the management, the internal and external auditors of the Group, with a view to ensuring that the consolidated financial statements of the Group are prepared in accordance with accounting principles generally accepted in Hong Kong. It also meets at least twice a year with the external auditor of the Company, to consider the reports of the external auditor on the scope, strategy, progress and outcome of its independent review of the interim financial statements and its annual audit of the consolidated financial statements. In addition, the Audit Committee holds regular private meetings with the external auditor without the presence of the management.

審核委員會

審核委員會由獨立非執行董事劉紀鵬先生擔任主席，成員為非執行董事趙英偉先生和獨立非執行董事盧華基先生。彼等均具備相關的商業及財務管理經驗及技能以了解財務報表及對本公司的財務管治、內部監控及風險管理作出貢獻。

審核委員會的主要職務為監察本公司與外聘核數師的關係、審閱本集團的初步業績、中期及年度業績以及年度及中期財務報表、監察本集團的企業管治，包括法定與上市規則規定的遵守情況、審訂本集團內部審核的工作範疇、規限與成效，在其認為有需要時委聘獨立的法律及其他顧問及進行調查。審核委員會全體成員均可不受限制地接觸本集團外聘核數師及管理層。

審核委員會不時與本公司財務總監、內部核數師及其他管理人員會面，以審閱本集團的中期及全年業績、中期報告及年報，以及其他財務、內部監控、企業管治及風險管理事宜。委員會考慮及審議管理層、本集團內部和外聘核數師之報告與陳述，以確保本集團的綜合財務報表乃按照香港普遍採納的會計原則編製。委員會亦與本公司的外聘核數師每年最少會面兩次，以考慮外聘核數師就其獨立審閱中期財務報表及年度審核綜合財務報表的範疇、策略、進展和結果所作的報告。此外，審核委員會在並無管理層出席的情況下，與外聘核數師定期會面。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Audit Committee assists the Board in meeting its responsibilities for maintaining an effective system of internal control and risk management. It reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed. It receives and considers the presentations of the management in relation to the reviews on the effectiveness of the internal control systems of the Group and the adequacy of resources, qualifications and experience of staff in the accounting, internal audit and financial reporting function of the Group, as well as their training programmes and budget. In addition, the Audit Committee reviews with the internal auditor the work plans for its audits on the Group together with its resource requirements and considers the internal audit reports to the Audit Committee on the effectiveness of internal controls in the business operations of the Group. Further, it also receives the reports from the company secretary of the Company on the compliance status on regulatory requirements of the Group. These reviews and reports are taken into consideration by the Audit Committee when it makes its recommendation to the Board for approval of the consolidated financial statements for the year.

During the year ended 31 December 2018, the Audit Committee held three meetings to (1) review the management and accounting principles and practices adopted by the Group; (2) discuss financial reporting matters including the review of 2017 annual results and 2018 interim results of the Group; (3) review the adequacy of resources, accounting staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions; (4) review the corporate governance structure and practices within the Group; and (5) review of the Group's internal control procedures, risk management, connected transactions and other related issues.

審核委員會協助董事會達到維持有效的內部監控和風險管理系統之責任。委員會檢討本集團評估監控環境與評核風險的程序，以及管理業務及監控風險的方式。委員會獲取並考慮管理層有關檢討本集團內部監控系統是否有效的陳述和員工在本集團會計、內部審核與財務匯報職能方面的資源、資歷及經驗以及其培訓課程及預算是否充足。此外，審核委員會與內部審計師檢討其對本集團的審核工作計劃及所需的資源，並審議有關本集團業務的內部監控成效向審核委員會的內部審計報告。另外，委員會亦獲本公司之公司秘書提交有關本集團遵守監管規定情況的報告。審核委員會根據此等檢討結果及報告，就批核年度綜合財務報表向董事會提出推薦建議。

截至2018年12月31日止年度，審核委員會舉行了三次會議，以(1)審閱本集團採納的管理及會計原則及慣例；(2)討論財務匯報事宜，包括審閱本集團2017年全年業績及2018年中期業績；(3)審閱本公司會計、內部審核及財務匯報職能的資源、會計人員資歷及經驗、培訓課程及預算是否充足；(4)審閱本集團內部的企業管治架構及常規；及(5)審閱本集團的內部監控程序、風險管理、關連交易及其他相關事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of external auditors. The Audit Committee also met the external auditors at least twice without the presence of the executive Directors.

董事會與審核委員會之間就外聘核數師的甄選、委任、辭任或罷免概無異議。審核委員會亦已於並無執行董事在場的情況下與外聘核數師至少會面兩次。

The following table shows the attendance of members of the Audit Committee at the Audit Committee meetings during the year ended 31 December 2018:

下表列示審核委員會成員於截至2018年12月31日止年度出席審核委員會會議的情況：

Name of Audit Committee member		No. of Audit Committee meetings attended/held
審核委員會成員姓名		出席／舉行的審核委員會會議次數
LIU Jipeng	劉紀鵬	2/2
ZHAO Yingwei	趙英偉	1/2
LO Wai Kei Roy	盧華基	2/2

Remuneration Committee

The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments. The Remuneration Committee is chaired by Mr. CAI Hongping, an INED, with Mr. HAN Xiaosheng, chairman of the Board, and Mr. YAN Fashan, an INED, as members. The Remuneration Committee meets at least once a year to determinate the remuneration package of Directors and senior management of the Group. Remuneration matters are also considered and approved by the Remuneration Committee by way of written resolutions and additional meetings where warranted.

薪酬委員會

薪酬委員會由三名具備人力資源與薪酬待遇方面專長的成員組成。薪酬委員會由獨立非執行董事蔡洪平先生擔任主席，成員為董事會主席韓曉生先生及獨立非執行董事嚴法善先生。薪酬委員會須至少每年舉行一次會議，以釐定董事及本集團高級管理人員的薪酬待遇。如有必要，薪酬事宜亦會經薪酬委員會以書面決議案及額外會議方式考慮及批准。

CORPORATE GOVERNANCE REPORT

企業管治報告

The principal duties of the Remuneration Committee are to assist the Board in achieving its objective of attracting, retaining and motivating employees of the highest calibre and experience needed to shape and execute strategy of the Group. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies for all Directors and senior executives of the Group. Whilst the Board retains its power to determine the remuneration of non-executive Directors, the responsibility for reviewing and determining the remuneration package of individual executive Directors and senior management of the Group is delegated to the Remuneration Committee.

During the year ended 31 December 2018, the Remuneration Committee held one meeting to (1) review the remuneration policies of the Group; and (2) review the proposed 2018 and 2019 directors' fees for the INEDs.

The following table shows the attendance of members of the Remuneration Committee at the Remuneration Committee meeting during the year ended 31 December 2018:

薪酬委員會的主要職務是協助董事會達成其目標，即吸引、保留與激勵最具才能和經驗的人才，為本集團制訂與執行策略。薪酬委員會協助本集團施行公平而具透明度的程序，以制訂全體董事與本集團高級行政人員的薪酬政策。儘管董事會保留釐定非執行董事薪酬的權力，惟審閱及釐定個別執行董事及本集團高級管理人員薪酬待遇的職責已賦予薪酬委員會。

截至2018年12月31日止年度，薪酬委員會舉行了一次會議，以(1)審閱本集團的薪酬政策；及(2)審閱有關2018及2019年獨立非執行董事的建議董事袍金。

下表列示薪酬委員會成員於截至2018年12月31日止年度出席薪酬委員會會議的情況：

Name of Remuneration Committee member		No. of Remuneration Committee meeting(s) attended/held
薪酬委員會成員姓名		出席／舉行的薪酬委員會會議次數
CAI Hongping	蔡洪平	1/1
HAN Xiaosheng	韓曉生	1/1
YAN Fashan	嚴法善	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, the annual remuneration of the Company's senior management is within the following bands:

年內，本公司高級管理人員的年度薪酬範圍如下：

Remuneration band 薪酬範圍 HK\$ 港幣	Number of senior management 高級管理層人數
2,500,001–3,000,000	1
< 1,000,001	2

Nomination Committee

The Nomination Committee is chaired by Mr. HAN Xiaosheng, chairman of the Board, with Mr. LIU Jipeng and Mr. YAN Fashan, the INEDs, as members.

The principal duties of the Nomination Committee are to (1) 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 Group's corporate strategy; (2) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (3) assess the independence of INEDs; and (4) make recommendations to the Board on the appointment or re-appointment of the Directors.

During the year, the Nomination Committee held one meeting to review the structure and composition of the Board and assessed the independence of INEDs in accordance with the relevant requirements of the Listing Rules.

提名委員會

提名委員會由董事會主席韓曉生先生擔任主席，成員為獨立非執行董事劉紀鵬先生及嚴法善先生。

提名委員會的主要職務為 (1) 至少每年檢討董事會的架構、人數及成員組合(包括技能、知識及經驗)，並就任何為配合本集團的企業策略而擬對董事會作出的變動推薦建議；(2) 物色具備合適資格可成為董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提出推薦建議；(3) 評核獨立非執行董事的獨立性；及 (4) 就委任或續聘董事向董事會提出推薦建議。

年內，提名委員會舉行了一次會議，以根據上市規則的相關規定檢討董事會的架構及成員組合，並評核獨立非執行董事的獨立性。

CORPORATE GOVERNANCE REPORT

企業管治報告

The following table shows the attendance of members of the Nomination Committee at the Nomination Committee meeting during the year ended 31 December 2018:

下表列示提名委員會成員於截至2018年12月31日止年度出席提名委員會會議的情況：

Name of Nomination Committee member 提名委員會成員姓名	No. of Nomination Committee meeting(s) attended/held 出席／舉行的提名委員會會議次數
HAN Xiaosheng 韓曉生	1/1
LIU Jipeng 劉紀鵬	1/1
YAN Fashan 嚴法善	1/1

ACCOUNTABILITY AND AUDIT

Financial Reporting

The annual and interim results of the Company are published in a timely manner, within three months and two months respectively of the year end and the half-year period end.

The responsibility of the Directors in relation to the financial statements is set out below. It should be read in conjunction with, but distinguished from, the Independent Auditor's Report on pages 93 to 106 which acknowledges the reporting responsibility of the auditor of the Group.

Annual Report and Financial Statements

The Directors acknowledge their responsibility for the preparation of the annual report and financial statements of the Company, ensuring that the financial statements give a true and fair presentation in accordance with Hong Kong Companies Ordinance and the applicable accounting standards.

問責性與審核

財務匯報

本公司全年及中期業績分別於年結日後三個月及年中期結束後兩個月期限內適時刊發。

下文列出董事就財務報表所承擔的責任，與第93頁至106頁獨立核數師報告內本集團核數師確認其匯報責任有所不同，但兩者應一併閱讀。

年報及財務報表

董事確認其有責任編製本公司年報及財務報表，以確保財務報表能根據香港公司條例及適用會計準則真實而中肯地呈列資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

Accounting Policies

The Directors consider that in preparing the financial statements, the Group has applied appropriate accounting policies that are consistently adopted and made judgments and estimates that are reasonable and prudent in accordance with the applicable accounting standards.

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position of the Group upon which financial statements of the Group could be prepared in accordance with the accounting policies of the Group.

Safeguarding of Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

Going Concern

The Directors, having made appropriate enquiries, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the financial statements.

會計政策

董事認為，本集團在編製財務報表時已應用一貫採納的適當會計政策，並根據適用的會計準則作出合理及審慎的判斷及估計。

會計紀錄

董事負責確保本集團保存可披露本集團財務狀況的會計紀錄，而此等紀錄讓本集團得以按照其會計政策編製財務報表。

保護資產

董事負責採取一切合理及必要的措施保護本集團資產，並防範及偵測本集團內的詐騙及其他違規行為。

持續營運

經適當的查詢後，董事認為本集團擁有足夠資源在可見未來繼續營運，因此本集團適宜採納持續營運的基準編製財務報表。

CORPORATE GOVERNANCE REPORT

企業管治報告

External Auditor

The Audit Committee reviews and monitors the external auditor's independence and objectivity and effectiveness of the audit process. It receives each year a letter from the external auditor confirming its independence and objectivity and holds meetings with representatives of the external auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditor.

The policy of the Group regarding the engagement of external auditor for the various services listed below is as follows:

- Audit services — include audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by external auditor.
- Audit related services — include services that would normally be provided by an external auditor but not generally included in audit fees, for example, audits of the pension plans of the Group, accounting advice related to mergers and acquisitions, internal control reviews of systems and/or processes, and issuance of special audit reports for tax or other purposes. The external auditor is to be invited to undertake those services that it must, or is best placed, to undertake in its capacity as auditor.

外聘核數師

審核委員會審閱並監察外聘核數師是否獨立及客觀，以及核數過程的成效。審核委員會每年接獲由外聘核數師發出確認其獨立性及客觀性的函件，並與外聘核數師的代表舉行會議，考慮其審核工作的範疇，並批准其收費以及所提供非審核服務(如有)的範疇與其適合性。審核委員會亦就外聘核數師的委任及續聘事宜向董事會提出推薦建議。

本集團按下列政策委聘用外聘核數師提供下文所述的各類服務：

- 審核服務 — 包括與審核綜合財務報表有關的審核服務，所有此等服務須由外聘核數師提供。
- 審核相關服務 — 包括一般由外聘核數師提供，但通常不包括在審核費用內的服務，例如審核本集團的退休金計劃、與併購活動有關的會計意見、對系統及／或程序進行內部監控檢討，以及就稅務或其他目的發表特別審核報告等。本集團邀請外聘核數師提供其作為核數師必須或最能勝任的服務。

CORPORATE GOVERNANCE REPORT

企業管治報告

- Taxation related services — include all tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group uses the services of the external auditor where it is best suited. All other significant taxation related work is undertaken by other parties as appropriate.
- Other services — include, for example, financial due diligence, review of actuarial reports and calculations, risk management diagnostics and assessments, and non-financial systems consultations. The external auditor is also permitted to assist Management and the internal auditor with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.
- General consulting services — the external auditor is not eligible to provide services involving general consulting work.
- 與稅務有關的服務 — 包括所有稅務合規及稅務規劃服務，但不包括與審核有關的服務。本集團委聘外聘核數師提供其最能勝任的服務，而所有其他重要的稅務相關工作則由其他適當人士執行。
- 其他服務 — 包括例如財務盡職調查、審閱精算報告及計算方法、風險管理分析及評估，以及不涉及財務系統的顧問服務。外聘核數師亦可協助管理層及內部審計師對於懷疑的違規事項作內部調查及實情調查。此等服務須由審核委員會特別批准。
- 一般顧問服務 — 外聘核數師不符合提供一般顧問服務的資格。

During the year ended 31 December 2018, the fees paid or payable by the Company to BDO Limited, the Company's external auditor, in respect of their audit and audit related services were HK\$3,600,000.

於截至2018年12月31日止年度內，本公司向本公司外聘核數師香港立信德豪會計師事務所有限公司支付或應付的審核及審核相關服務費用為港幣3,600,000元。

CORPORATE GOVERNANCE REPORT

企業管治報告

EMPLOYEES' CODE OF CONDUCT

The Group places utmost importance on employees' ethical, personal and professional standards. Every employee is required to undertake to adhere to the code of conduct of the Group, and is expected to achieve the highest standards set out in the code of conduct including avoiding conflict of interest, discrimination or harassment and bribery and corruption etc. Employees are required to report any non-compliance with the code of conduct to the management.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Group actively promotes investor relations and communication with the investment community during the year. Through its chairman, the Group responds to requests for information and queries from the investment community. A policy on the shareholders' communication, which is available on the website of the Company, was adopted and is subject to regular review by the Board to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The Board is committed to providing clear and full information on the Group to the Shareholders through the publication of notices, announcements, circulars, interim and annual reports. An up-to-date consolidated version of the Bye-laws is published on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEX"). Moreover, additional information on the Group is also available to the Shareholders and stakeholders through the "Investor Relations" page on the website of the Company.

僱員行為守則

本集團極為重視僱員的道德、個人及專業水平。每名僱員均須承諾遵守本集團之行為守則，而本集團期望所有僱員均達到行為守則所訂的最高準則，包括避免利益衝突、歧視或騷擾、以及賄賂及貪污等。僱員須向管理層報告任何違反行為守則的情況。

與股東的溝通及投資者關係

本集團於年內積極促進投資者關係以及與投資界的溝通。本集團透過其主席回應投資界人士索取資訊的要求及查詢。股東通訊政策(可於本公司網站閱覽)已獲採納，並須由董事會定期審閱以確保其成效及符合現行的監管及其他規定。

董事會透過刊發通告、公佈、通函、中期報告與年報，致力為股東提供清晰及全面的本集團資料。公司細則的最新綜合版本分別登載於本公司及香港交易及結算所有限公司(「香港交易所」)的網站內。此外，股東及持份者亦可瀏覽本公司網站「投資者關係」頁面取得更多本集團的資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convening a special general meeting

The Shareholders are encouraged to attend all general meetings of the Company. Pursuant to Section 74 of the Bermuda Companies Act, the Shareholder(s) holding not less than one-tenth of the issued share capital of the Company carrying voting rights at general meetings of the Company have statutory rights to call for special general meetings and put forward agenda items for consideration by the Shareholders, by sending the Company Secretary at the registered office address a written request for such general meetings, duly signed by the Shareholders concerned together with the proposed agenda items.

Procedures for Shareholders to put forward proposals at general meetings

The Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders or of at least one hundred shareholders in number, may put forward proposals for consideration at a general meeting of the Company by sending to the Company Secretary at the registered office address a written request for such proposals according to Sections 79 and 80 of the Bermuda Companies Act. All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Hong Kong Branch Share Registrar of the Company. The results of the poll are published on the websites of the Company and HKEX. In addition, regular updated financial, business and other information on the Group is made available on the website of the Company for the Shareholders and stakeholders.

INVESTOR RELATIONS

The Group values feedback from the Shareholders on its efforts to promote transparency and foster investor relations. Comments and suggestions to the Board or the Company are welcome and can be addressed to the Chairman of the Board by mail to 64/F, Bank of China Tower, 1 Garden Road, Hong Kong.

股東權利

股東召開股東特別大會之程序

本集團鼓勵股東出席本公司所有股東大會。根據百慕達公司法第74條，持有不少於十分之一附有於本公司股東大會上之投票權之本公司已發行股本的股東均有法定權利要求召開股東特別大會並提出議程以供股東考慮；股東只須致函註冊辦事處，向公司秘書提交由要求召開此等股東大會的相關股東正式簽署的書面要求及說明所建議討論的議程即可。

股東於股東大會上提呈建議之程序

根據百慕達公司法第79及80條，佔全體股東總投票權不少於二十分之一的股東或人數至少為一百名的股東可以透過致函註冊辦事處，向公司秘書提交動議的書面要求，提呈該動議供股東於本公司股東大會上考慮。股東大會上所有重要的決議案均以按股數表決方式進行投票，投票由公司秘書安排進行，並由本公司的香港股份過戶登記分處監票。投票結果分別於本公司及香港交易所的網站公佈。此外，本公司網站登載定期更新的本集團財務、業務與其他資料，供股東及持份者閱覽。

投資者關係

本集團致力提高透明度與促進投資者關係，並且十分重視股東對這方面的回應。如欲向董事會或本公司提出意見與建議，歡迎致函董事會主席，地址為香港花園道1號中銀大廈64樓。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIVIDEND POLICY

The Board has adopted a dividend policy. This policy aims to safeguard the interests of the Shareholder(s) whilst preserving the Group's liquidity for its business development. The Board has complete discretion on whether to pay a dividend, subject to the Shareholders' approval, where applicable. The Company's ability to pay dividends will depend upon, among other things, the Group's operations, liquidity position and capital requirements, and such other factors as the Board may deem relevant. The payment of dividend is also subject to the Company's applicable rules and regulations as well as the bye-laws of the Company. There is no assurance that in any given year a dividend will be paid by the Company.

The Board will review this policy from time to time and may adopt changes as appropriate.

RISK MANAGEMENT AND INTERNAL CONTROL

The management of the Company manages risks effectively through identifying every potential issue that may affect the business of the Company, thus ensure providing reasonable assurance in achieving the objectives of the Group within a sustainable range. The Group adopts the Enterprise Risk Management — Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) to implement the comprehensive risk management. The management of the Company reviews and updates the framework and procedures on risk management and internal control annually under the structure of connecting the four categories of entity's objectives (strategy, operation, reporting and compliance) with the eight interrelated components (internal environment, objective setting, event identification, risk assessment, risk response, control activities, information and communication and monitoring), improves them with various recommendations by identifying the corresponding risks and internal control guidelines respectively in respect of the key process of the Group. The management of the Company organises a self-assessment annually, the key process owner of the Group prioritise the risks under his/her respective business and acknowledges the effectiveness of the corresponding internal control procedures, and makes prompt remediation for internal control weaknesses identified.

股息政策

董事會已採納股息政策。該政策旨在保障股東的利益，同時保持本集團的流動性以供其業務發展。董事會對是否派發股息有絕對的酌情權，並適時尋求股東批准。本公司派發股息的能力將視乎(其中包括)本集團的營運、流動資金狀況及資本要求，以及董事會可能視作相關的其他因素。派發股息亦受適用於本公司的法規以及本公司的細則所規限。本公司並不保證於任何特定年度內派發股息。

董事會將不時檢討該政策，並適時作出修改。

風險管理與內部監控

本公司管理層通過識別各個有可能影響公司業務的潛在事項，有效地管理風險，以確保在可承擔的範圍內，為實現本集團目標提供合理保證。本集團採用全國虛假財務報告委員會下屬的發起人委員會的企業風險管理整體框架為藍本實施全面風險管理，該架構配合四類企業目標(策略、運營、匯報、合規)以八個相互關聯的構成要素(內部環境、目標設定、事項識別、風險評估、風險應對、控制活動、資訊與溝通、監督)為基礎，在這架構下本公司管理層每年檢討及更新風險管理與內部監控框架及程序，結合集團主要業務識別相應的風險點及對應的內部監控指南，並加入不同的推薦建議令之更為規範。本公司管理層每年組織一次自我評估，由本集團主要業務部門負責人員對各自業務的風險排序以及相應內部監控程序的成效進行確認，及時整改發現的內部監控弱點。

CORPORATE GOVERNANCE REPORT

企業管治報告

The management of the Company has established a key risk register for significant risks, by identifying the root cause, risk impact and risk response, and developing respective risk index to monitor significant risks through periodic collection of operational data on a monthly basis. Risk alert will be promptly issued with recommended risk response in controlling risks when the risk index exceed the predefined threshold value.

The management of the Company has established appropriate internal control procedures against key risks, which mainly include the followings:

- 1) Business plans and budgets are prepared annually by the management of the Company and subject to review and approval by both the executive management team and the Board. Reforecasts for the current year are prepared on a quarterly basis, compared for variances to the budget. When setting budgets and reforecasts, the management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.
- 2) The executive Directors review monthly management reports on the financial results and key operating statistics of the business. In addition, the Chief Executive Officer of the Company holds periodic meetings with the executive management team and senior management of business operations to review business performance, significant business risk sensitivities and strategies. The Chief Financial Officer also holds monthly meetings with Financial Controllers of business operations to review the monthly performance against budget and forecast, and to address accounting and finance related matters.

本公司管理層就重大風險建立了主要風險登記表，識別風險成因、風險影響和應對方案，並制定相關風險指標，按月定期採集經營數據監控重大風險，在風險指標達到預設預警值時，及時發出風險預警報告並建議相關業務部門採取應對措施控制風險。

本公司管理層已針對主要風險設立適當的內部監控程序，主要包括以下方面：

- 1) 業務計劃與預算由本公司管理層按年編製，並須由行政管理隊伍與董事會審批。本集團每季修訂該年度的業務預算，並與原來的預算作出變動比較。在編製預算與作出修訂預測時，管理層會確定、評估與匯報業務出現重大業務風險的可能性與其潛在的財務影響。
- 2) 執行董事審閱業務之財務業績與主要營運統計數字的每月管理報告。此外，本公司總裁與行政管理隊伍及業務運作的高級管理人員定期舉行會議，以檢討業務表現與重大業務風險之敏感因素和策略。財務總監亦會每月與業務營運之財務負責人舉行會議，以對照預算及預測檢討每月表現，以及處理會計與財務相關事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

- 3) The Company maintains a centralised cash management system for its subsidiaries' operations and the finance department of the Company oversees the investment and lending activities of the Group. Treasury reports on cash and liquid investments of the Group and movements thereof are distributed daily.
- 3) 本公司為其附屬公司營運維持中央現金管理系統，而本公司財務部負責監管本集團的投資與借貸活動，並每天發出有關本集團現金和流動投資與有關變動的庫務報告。
- 4) The Chief Financial Officer of the Company has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specific control and approval prior to commitment by the Chief Financial Officer of the Company or the executive Directors are required for unbudgeted expenditures and material capital expenditures within the approved budget.
- 4) 本公司財務總監已為開支的批准與監控訂立指引與程式。經營支出均須根據整體預算作出監管，並以各業務為單位按各行政人員及主任的職責輕重相稱的開支批核水平進行內部監控。資本性支出須按照年度預算檢討及批核程式進行全面監控，未列入預算案的開支及在經批核預算之內的重重大資本性支出，則須於撥出前由本公司財務總監或執行董事作出更具體的監管與批准。
- 5) The Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters has already been published on the website of the Company for encouraging the employees of the Company and other stakeholders who are dealing with the Group to report to the Company any suspected improprieties, misconducts or malpractices within the Group. The Group will assure that the whistle-blower is free from any unfair dismissal or punishment for any authentic whistle-blowing made according to the Procedures. The internal auditor of the Company will promptly follow up the whistle blowing incident through specific and secured whistle blowing email and inform the executive Directors and the Audit Committee on the investigation results and the recommendations proposed will be carried out by respective department.
- 5) 《處理舉報有關財務匯報、內部監控或其他事宜之可能屬不當行為之程序》已於本公司網站上發佈，鼓勵本公司僱員及與本集團有業務往來之人士向本公司舉報本集團內任何懷疑屬不當行為、失當行為或不良行為，本集團將會保障舉報者不會因按照本程序作出任何真實舉報而遭受不公平解僱或懲處。本公司內部審計師會透過特定及安全的舉報電郵及時跟進舉報個案並將調查結果知會執行董事及審核委員會，並由有關部門執行所提出的推薦建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

6) The Company has already established the procedures and internal control measures for the respective handling and dissemination of insider information. After any price sensitive insider information has or shall have been known to the executives of the Group during the process of performing their duties under reasonable conditions, such price sensitive insider information shall be disclosed to the public as soon as practicable, unless the “Safe Harbor Provisions” under the SFO are applicable. Insider information will be announced through the websites of the Company and the HKEX, or announced by other means or methods as prescribed by the Listing Rules from time to time, such announcement is subject to the approval of the Board before announcement. The insider information may only be announced through other channels after being announced in the form of an announcement through the websites of the Company and the HKEX.

The system and procedures established are aimed at managing risks and rather than eliminating all risks. Such system could only provide reasonable and not absolute assurance. Such system cannot eliminate completely the consequences resulted from unpredictable risks and uncontrollable events (such as natural disaster, fraud and misjudgment).

The internal auditor of the Company shall report directly to the Audit Committee, and provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the business operations of the Group. Depending on the nature of business and risk exposure of individual business units, the scope of work performed by the internal auditor of the Company includes financial and operations audit, regular and surprise audits, fraud investigations and construction audit. Using risk assessment methodology and taking into account the dynamics of the activities of the Group, the internal auditor of the Company derives its yearly audit plan which is approved by the Audit Committee, and reassessed during the year as needed to ensure that adequate resources are deployed and the objectives of the plan are

6) 本公司已制定有關處理及發佈內幕消息的程序和內部監控措施，在任何股價敏感內幕資料已經或於合理情況下應已為本集團行政人員在履行其職務過程中獲悉後，在切實可行之情況下儘快向公眾披露該股價敏感內幕消息，除非《證券及期貨條例》下的「安全港條文」適用於該個案。內幕消息將分別透過本公司和香港交易所的網站公佈，或按上市規則不時規定的其他途徑和方式公佈，公佈在發佈前須經由董事會批准。內幕消息須以公佈形式分別透過本公司和香港交易所的網站發佈後方可通過其他渠道發佈。

已設立的系統及程序旨在管理風險而非消除所有風險。該系統僅能提供合理而非絕對的保證，亦不能完全排除不可預測的風險及不可控制的事件（例如自然災害、欺詐及判斷失誤）等因素導致的後果。

本公司內部審計師須直接向審核委員會匯報，並就本集團業務運作的風險管理活動與監控的存在與成效提供獨立保證。視乎個別業務單位的業務性質與承受的風險，本公司內部審計師的工作範圍包括財務與營運審計、常規與突擊審計、舞弊調查，以及工程管理審計等。本公司內部審計師運用風險評估方法與考慮本集團業務運作機制，制訂其經由審核委員會審議之周年審計計劃，並在有需要時於年內重新評估，確保有足夠資源可供運用及計劃目標得以實現。本公司內部審計師負責評估本集團內部監控系統，就系統提供公正意見，並向本公司管理層匯報評估結果，以及負責跟進所有報告，確保已就所發現問題採取適當行動。審核

CORPORATE GOVERNANCE REPORT

企業管治報告

met. The internal auditor of the Company is responsible for assessing the internal control system of the Group, formulating an impartial opinion on the system, and reporting its findings to the management of the Company, as well as following up on all reports to ensure that all issues have been properly remediated. The Audit Committee holds two meetings annually in respect of the review results and opinions from the internal auditor of the Company against the risk management and internal control system, and reports the review results to the Board.

In addition, a regular dialogue is maintained with the external auditor of the Group so that both are aware of the significant factors which may affect their respective scope of work, and review the reports regarding the internal control and relevant financial reports submitted by external auditor and take appropriate actions.

The Board confirmed that it has the responsibility to maintain an effective risk management and internal control system of the Group to protect the interests of the Shareholders and preserve the assets of the Group, and review the effectiveness of the risk management and internal control system of the Group once every year, including financial control, operational control and compliance control. The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control system of the Group for the year ended 31 December 2018, which covered risk management functions and all material financial, operational and compliance controls, and is satisfied that such systems are effective and adequate. In addition, it has also reviewed and is satisfied with the adequacy of resources, qualifications and experience of the staff of the accounting, internal audit and financial reporting function of the Group, and their training programmes and budget.

委員會就本公司內部審計師對風險管理及內部監控系統檢討的結果和意見，每年舉行兩次會議，並向董事會匯報審議結果。

此外，本公司內部審計師亦會與本集團的外聘核數師定期溝通，讓雙方得知可能影響其相關工作範圍的重大因素，並審閱外聘核數師所提交有關內部監控與相關財務報告的報告及採取適當行動。

董事會確認其有責任維持本集團之有效風險管理及內部監控系統，以保障股東利益及保全本集團資產，並每年檢討一次本集團的風險管理及內部監控系統是否有效，包括財務監控、運營監控和合規監控。董事會已透過審核委員會檢討本集團截至2018年12月31日止年度的風險管理及內部監控系統的成效，檢討範圍涵蓋風險管理職能以及所有重大的財務、營運及合規監控，並信納此等系統均屬有效與充足。此外，董事會亦已檢討並滿意本集團在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓計劃及有關預算的充足程度。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

TO THE SHAREHOLDERS OF CHINA OCEANWIDE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Oceanwide Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 107 to 296, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated income statement, 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 issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致中泛控股有限公司股東

(於百慕達註冊成立的有限公司)

意見

我們已審計中泛控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第107頁至第296頁的綜合財務報表，當中包括於2018年12月31日的綜合財務狀況表，以及截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表、綜合現金流量表及綜合財務報表的附註，包括重大會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2018年12月31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》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

Preparation of the consolidated financial statements on a going concern basis

Refer to note 3b to the consolidated financial statements

As at 31 December 2018, the Group had properties under development of HK\$14,798,884,000 which were classified as current assets while expected to be completed and recovered after one year. Excluding these properties under development, which are illiquid in nature, the Group's current liabilities exceeded its current assets by HK\$5,170,539,000 as at 31 December 2018. Bank and other loans which will fall due within twelve months from the date of the consolidated statement of financial position amounting to HK\$4,513,893,000.

To support the going concern basis in preparing the consolidated financial statements, management has prepared a cash flow forecast of the Group covering the next twelve months from 31 December 2018 and concluded that there will be sufficient funds from the Group's existing cash resource, available facilities from banks, its intermediate holding companies and fellow subsidiaries and cash flows to be generated from its operations to finance its future operations and enable it to meet its financial obligations as and when they fall due in the next twelve months from 31 December 2018. The cash flow forecast involved key assumptions such as revenue, gross profit margin, planned capital expenditures, and availability of facilities to the Group. We focused on this assessment as it involves consideration of future events and application of significant judgements and estimates and accordingly, this was an area of audit focus.

關鍵審計事項

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

使用持續經營基準擬備綜合財務報表

請參閱綜合財務報表附註3b

於2018年12月31日，貴集團的發展中物業為港幣14,798,884,000元，分類為流動資產，預計於一年後落成及收回。於2018年12月31日，倘撇除該等屬非流動性質的發展中物業，則貴集團的流動負債將較其流動資產超出港幣5,170,539,000元。將於結算日後12個月內到期的銀行及其他貸款為港幣4,513,893,000元。

為支持在擬備綜合財務報表時使用持續經營為基礎，管理層已為貴集團編製涵蓋由2018年12月31日起計未來12個月的現金流量預測，並認為貴集團的現有現金資源、可用銀行、中間控股公司及同系附屬公司融資以及經營業務所產生的現金流量將提供足夠資金，於由2018年12月31日起計未來12個月為未來業務融資及履行其到期財務責任。該現金流量預測涉及關鍵假設，例如收入、毛利率、已計劃資本開支及貴集團可用的融資。我們聚焦於該項評估，原因是該項評估涉及考慮未來事件並運用重大判斷及估計，故屬重點審計範疇。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Preparation of the consolidated financial statements on a going concern basis (Continued)

Refer to note 3b to the consolidated financial statements (Continued)

Our response:

Our procedures in relation to preparation of the consolidated financial statements on a going concern basis included:

- assessing the appropriateness of key assumptions in the cash flow forecast, including revenue growth, gross profit margin and planned capital expenditures by referencing to actual historical performance of the Group and making reference to the Group's future development plan;
- checking the mathematical accuracy of the projections;
- confirming the cash resources and available facilities from bank, intermediate holding companies and fellow subsidiary as at year end by circularisation of bank and related parties confirmations and assessing the probability of facilities renewal during the forecast period by examining historical records of renewal pattern and letter of support from intermediate holding company obtained;
- assessing financial ability of intermediate holding companies and fellow subsidiary to consider the sustainability of facilities granted; and
- evaluating the sensitivity of the projected available cash by considering downside scenarios through applying reasonably plausible changes to the key assumptions, including revenue and gross profit margin.

關鍵審計事項(續)

使用持續經營基準擬備綜合財務報表(續)

請參閱綜合財務報表附註3b(續)

我們的回應：

對於使用持續經營基準擬備綜合財務報表，我們採取的程序包括：

- 評價現金流量預測所用關鍵假設的適當程度，包括收入增長、毛利率及已計劃資本開支，當中參考 貴集團的實際歷史表現及 貴集團的未來發展計劃；
- 檢查預測的算術準確程度；
- 藉致函索取銀行及關聯方確認，確認於年結日的現金資源及可用銀行、中間控股公司及同系附屬公司融資，並藉檢查續期模式的歷史紀錄及從中間控股公司取得的支援函件，評價預測期內融資續期的可能性；
- 藉評價中間控股公司及同系附屬公司的財政能力，考慮已授出融資的可持續性；及
- 藉應用收入及毛利率等關鍵假設的合理可能變動考慮下行情景，評估可用現金預測的敏感度。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Valuation of financial assets at fair value through other comprehensive income

Refer to note 21 to the consolidated financial statements

The Group's certain investments which are non-publicly traded listed equity securities in Hong Kong classified as financial assets at fair value through other comprehensive income as at 31 December 2018 amounted to HK\$200,956,000. During the year ended 31 December 2018, a decrease in fair value of the above-mentioned financial assets of HK\$231,044,000 was recognised in other comprehensive income.

We identified the valuation of the above-mentioned financial assets is significant to our audit because the balance of investment in the non-publicly traded listed equity securities representing 53% of the total equity and securities investments classified as financial assets at fair value through profit and loss or other comprehensive income of HK\$378,990,000 in aggregate, and the determination of fair value is based on several key inputs that require significant management judgments, assumptions, estimations and other inputs. The key inputs are discount rate for lack of marketability, price movement of comparable companies and specific adjustment attributable to the trading halt due to corporate governance issues.

關鍵審計事項(續)

按公允價值計入其他全面收益的財務資產估值

請參閱綜合財務報表附註21

於2018年12月31日，貴集團若干非公開買賣的香港上市股票證券的投資分類為按公允價值計入其他全面收益的財務資產，為港幣200,956,000元。於截至2018年12月31日止年度，上述財務資產公允價值減少港幣231,044,000元於其他全面收益確認。

我們識別上述財務資產估值對我們的審計工作而言屬重大，原因是非公開買賣的上市股票證券投資的結餘佔分類為按公允價值計入損益或其他全面收益的財務資產的股本及證券投資總額合共港幣378,990,000元的53%，且釐定公允價值乃基於多項需要管理層作出重大判斷、假設、估計的關鍵輸入數據以及其他輸入數據。關鍵輸入數據為欠缺市場的貼現率、可與比較公司的價格變動，以及因企業管治問題導致短暫停牌所產生的特定調整。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Valuation of financial assets at fair value through other comprehensive income (Continued)

Refer to note 21 to the consolidated financial statements (Continued)

Our response:

Our procedures in relation to management's assessment of the valuation of financial assets at fair value through other comprehensive income included:

- evaluating the competence, capabilities and objectivity of the management's valuation expert;
- evaluating the appropriateness of the valuation methodologies; and
- evaluating the reasonableness of input data and adjusting factors based on the available market data.

關鍵審計事項(續)

按公允價值計入其他全面收益的財務資產估值(續)

請參閱綜合財務報表附註21(續)

我們的回應：

對於管理層評估按公允價值計入其他全面收益的財務資產估值，我們採取的程序包括：

- 評價管理層的估值專家的資格、能力及客觀程度；
- 評價估值方法的適當程度；及
- 根據可得市場數據評價輸入數據及調整因素的合理程度。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Valuation of investment properties

Refer to note 18 to the consolidated financial statements

The Group's investment properties in the People's Republic of China (the "PRC") as at 31 December 2018 amounted to HK\$1,241,449,000 are measured at fair value. During the year ended 31 December 2018, no fair value change was recognised in profit or loss.

The Group's investment properties in Los Angeles, the United States of America (the "U.S.") which is under development as at 31 December 2018 amounted to HK\$3,171,622,000 are measured at cost due to inability to measure fair value less cost to complete reliably. During the year ended 31 December 2018, no impairment was recognised in profit or loss.

We identified the valuation of the Group's investment properties are significant to our audit because the balance of investment properties represented 18% of the total assets of the Group, and the determination of fair value or estimated recoverable amount is based on several key inputs that require significant management judgments, assumptions, estimations and other inputs. For investment properties in the PRC, the key inputs of fair value are rental rates and capitalisation rates. For investment properties in Los Angeles, the U.S., which are under development, the key inputs of estimated recoverable amount are expected rental income, growth rate and discount rate.

關鍵審計事項(續)

投資物業的估值

請參閱綜合財務報表附註18

於2018年12月31日，貴集團於中華人民共和國(「中國」)的投資物業達港幣1,241,449,000元，乃按公允價值計量。於截至2018年12月31日止年度，並無於損益確認任何公允價值變動。

於2018年12月31日，貴集團於美利堅合眾國(「美國」)洛杉磯的發展中投資物業達港幣3,171,622,000元，乃按成本計量，原因是無法可靠地計量公允價值減完工成本。於截至2018年12月31日止年度，並無於損益確認任何減值。

我們識別 貴集團的投資物業估值對我們的審計工作而言屬重大，原因是投資物業的結餘佔 貴集團總資產18%，且釐定公允價值或估計可收回金額乃基於多項需要管理層作出重大判斷、假設、估計的關鍵輸入數據以及其他輸入數據。就位於中國的投資物業而言，公允價值的關鍵輸入數據為租金率及資本化率。就位於美國洛杉磯的發展中投資物業而言，估計可收回金額的關鍵輸入數據為預期租金收入、增長率及貼現率。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Valuation of investment properties (Continued)

Refer to note 18 to the consolidated financial statements (Continued)

Our response:

Our procedures in relation to management's assessment of the valuation of investment properties included:

For investment properties in the PRC which professional independent valuer involved

- evaluating the competence, capabilities and objectivity of the independent valuation expert appointed by the management;
- evaluating the appropriateness of the valuation methodologies;
- evaluating the reasonableness of inputs based on the available market data; and
- evaluating the accuracy of the historical estimated data by comparing with the actual rental income and occupancy rate, and verifying whether the input data is supported by relevant agreements.

For investment properties in Los Angeles, the U.S., under development which the valuation was performed by the management

- evaluating the appropriateness of the valuation methodologies;
- evaluating the reasonableness on the key inputs used including market data and adjusting factors used by the management; and
- evaluating reasonableness of important assumption including future revenue and margins.

關鍵審計事項(續)

投資物業的估值(續)

請參閱綜合財務報表附註18(續)

我們的回應：

對於管理層評估投資物業的估值，我們採取的程序包括：

有關位於中國的投資物業(涉及專業獨立估值師)

- 評價管理層委任的獨立估值專家的資格、能力及客觀程度；
- 評價估值方法的適當程度；
- 根據可得市場據數評價輸入數據的合理程度；及
- 藉比較實際租金收入及佔用率，評價歷史估計數據的準確程度，並核實輸入數據是否有相關協議支持。

有關位於美國洛杉磯的發展中投資物業(由管理層進行估值)

- 評價估值方法的適當程度；
- 評價管理層所用關鍵輸入數據(包括市場數據)及調整因素的合理程度；及
- 評價重要假設(包括未來收入及利潤率)的合理程度。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Impairment assessment of construction in progress under properties, plant and equipment

Refer to note 17 to the consolidated financial statements

The construction in progress under properties, plant and equipment located in the Republic of Indonesia ("Indonesia") as at 31 December 2018 amounted to HK\$2,781,293,000. During the year ended 31 December 2018, no impairment was recognised in profit or loss.

We identified the impairment assessment of construction in progress under properties, plant and equipment is significant to our audit because the balance of construction in progress represented 11% of the total assets of the Group, and the impairment assessment require management judgments for the estimation of future recoverable amount.

Our response:

Our procedures in relation to management's assessment of the impairment of construction in progress under properties, plant and equipment which included:

- evaluating the appropriateness of the valuation methodologies;
- evaluating the reasonableness on the key inputs used including market data and adjusting factors used by the management; and
- evaluating reasonableness of important assumption including future revenue and margins.

關鍵審計事項(續)

物業、機器及設備下的在建工程減值評估

請參閱綜合財務報表附註17

於2018年12月31日，位於印度尼西亞共和國(「印尼」)的物業、機器及設備下的在建工程達港幣2,781,293,000元。於截至2018年12月31日止年度，並無於損益確認減值。

我們識別物業、機器及設備下的在建工程減值評估對我們的審計工作而言屬重大，原因是在建工程結餘佔 貴集團總資產11%，且減值評估需要管理層就估計未來可收回金額作出判斷。

我們的回應：

對於管理層評估物業、機器及設備下的在建工程減值，我們採取的程序包括：

- 評價估值方法的適當程度；
- 評價管理層所用關鍵輸入數據(包括市場數據)及調整因素的合理程度；及
- 評價重要假設(包括未來收入及利潤率)的合理程度。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Net realisable value assessment of properties under development

Refer to note 24 to the consolidated financial statements

Certain properties under development located in Los Angeles, the U.S. which are under construction as at 31 December 2018 amounted to HK\$6,204,586,000. During the year ended 31 December 2018, no impairment was recognised in profit or loss.

We identified the net realisable value assessment of properties under development in Los Angeles, the U.S. which are under construction is significant to our audit because the balance of the concerned properties under development represented 26% of the total assets of the Group, and the net realisable value assessment require management judgments for the expected selling price and cost to completion.

Our response:

Our procedures in relation to management's assessment of the net realisable value of properties under development in Los Angeles, the U.S. which included:

- evaluating the appropriateness of the valuation methodologies;
- evaluating the reasonableness on the key inputs used including market data and adjusting factors used by the management; and
- evaluating reasonableness of important assumption including future revenue and margins.

關鍵審計事項(續)

發展中物業的可變現淨值評估

請參閱綜合財務報表附註24

於2018年12月31日，位於美國洛杉磯的若干在建發展中物業達港幣6,204,586,000元。於截至2018年12月31日止年度，並無於損益確認減值。

我們識別位於美國洛杉磯的在建發展中物業的可變現淨值評估對我們的審計工作而言屬重大，原因是所涉發展中物業結餘佔 貴集團總資產26%，且可變現淨值評估需要管理層就預計售價及完成成本作出重大判斷。

我們的回應：

對於管理層評估位於美國洛杉磯發展中物業的可變現淨值，我們採取的程序包括：

- 評價估值方法的適當程度；
- 評價管理層所用關鍵輸入數據(包括市場數據)及調整因素的合理程度；及
- 評價重要假設(包括未來收入及利潤率)的合理程度。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards 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.

年報的其他信息

董事須對其他信息負責。其他信息包括 貴公司年報內的信息，但不包括綜合財務報表及我們的相關核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, 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.

董事就綜合財務報表須承擔的責任 (續)

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

董事亦須負責監督 貴集團的財務報告過程。審核委員會協助董事履行此方面的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達1981年百慕達《公司法》第90條向閣下(作為整體)發表本報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

核數師就審計綜合財務報表承擔的責任(續)

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估算和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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.

From the matters communicated with the directors, 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.

BDO Limited
Certified Public Accountants
Chow Tak Sing, Peter
Practising Certificate Number P04659

Hong Kong, 27 March 2019

核數師就審計綜合財務報表承擔的責任(續)

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

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

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

香港立信德豪會計師事務所有限公司
執業會計師
周德陞
執業證書編號P04659

香港，2019年3月27日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 December 2018 截至2018年12月31日止年度

		Notes 附註	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Revenue	收入	8	138,637	142,174
Cost of sales	銷售成本		(10,319)	(9,406)
Gross profit	毛利		128,318	132,768
Other income	其他收益		—	469
Other net (losses)/gains	其他淨(虧損)/利得	9a	(85,962)	29,151
Selling and distribution costs	銷售及分銷成本		(5,849)	(2,425)
Administrative expenses	行政費用		(90,186)	(73,407)
(Loss)/profit before tax	除稅前(虧損)/利潤	9	(53,679)	86,556
Income tax expense	所得稅支出	10	(26,243)	(17,411)
(Loss)/profit for the year	年內(虧損)/利潤		(79,922)	69,145
(Loss)/profit attributable to:	以下應佔的(虧損)/利潤:			
Shareholders of the Company	本公司股東		(48,840)	70,422
Non-controlling interests	非控股權益		(31,082)	(1,277)
			(79,922)	69,145
Basic and diluted (loss)/ earnings per share attributable to shareholders of the Company	本公司股東應佔的每股 基本及攤薄(虧損)/ 盈利	12	HK(0.30) cent 港幣(0.30)仙	HK0.44 cent 港幣0.44仙

The notes on pages 117 to 296 are an integral part of these consolidated financial statements.

第117頁至第296頁的附註為本綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
(Loss)/profit for the year	年內(虧損)／利潤	(79,922)	69,145
Other comprehensive (expenses)/ income:	其他全面(開支)／收益：		
<i>Items that may be reclassified subsequently to profit or loss:</i>	其後可重新分類至損益的 項目：		
Translating financial statements of foreign operations:	換算海外業務財務報表：		
— (Losses)/gains taken to reserves	— 計入儲備的(虧損)／ 利得	(44,130)	165,505
Debt investments at fair value through other comprehensive income:	按公允價值計入其他全面 收益的債務投資：		
— Net valuation losses taken to reserves	— 計入儲備的估值淨 虧損	(6,666)	—
— Net gains previously in reserves recognised in statement of income upon disposal	— 於出售後在收益表 確認過往計入儲備 的淨利得	(6,281)	—
Available-for-sale financial assets:	可供出售財務資產：		
— Net valuation losses taken to reserves	— 計入儲備的估值淨 虧損	—	(60,663)
— Net gains previously in reserves recognised in statement of income	— 於收益表確認過往計 入儲備的淨利得	—	(47,597)
<i>Items that will not be reclassified to profit or loss:</i>	不會重新分類至損益的 項目：		
Equity investments at fair value through other comprehensive income:	按公允價值計入其他全面 收益的股本投資：		
— Net valuation losses taken to reserves	— 計入儲備的估值淨 虧損	(243,890)	—
Other comprehensive (expenses)/ income for the year, net of tax**	年內除稅後其他全面 (開支)／收益**	(300,967)	57,245

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Total comprehensive (expenses)/income for the year	年內全面(開支) / 收益 總額	(380,889)	126,390
Total comprehensive (expenses)/income attributable to:	以下應佔的全面(開支) / 收益總額：		
Shareholders of the Company	本公司股東	(351,300)	119,699
Non-controlling interests	非控股權益	(29,589)	6,691
		(380,889)	126,390

** There was no tax effect on each component of the other comprehensive (expenses)/income for the years ended 31 December 2018 and 2017.

** 截至2018年及2017年12月31日止年度，其他全面(開支) / 收益的各組成部分概無稅務影響。

The notes on pages 117 to 296 are an integral part of these consolidated financial statements.

第117頁至第296頁的附註為本綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018 於2018年12月31日

	Notes 附註	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
ASSETS			
Non-current assets			
Properties, plant and equipment	17	2,852,735	2,749,420
Investment properties	18	4,413,071	3,400,473
Leasehold land and land use rights	19	2,291	1,359
Available-for-sale financial assets	20	—	908,746
Financial assets at fair value through other comprehensive income	21	314,290	—
Financial assets at fair value through profit or loss	22	64,700	80,670
Deposits, prepayments and other receivables	23	624,105	506,311
Deferred income tax assets	28	10,585	9,211
		8,281,777	7,656,190
Current assets			
Properties under development	24	14,798,884	12,131,649
Trade receivables	25	1,595	292
Deposits, prepayments and other receivables	23	73,504	75,939
Restricted cash	26	411,892	880,642
Cash and cash equivalents	26	677,983	713,397
		15,963,858	13,801,919
Total assets		24,245,635	21,458,109
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	29	1,614,265	1,614,265
Reserves		8,759,303	9,093,074
		10,373,568	10,707,339
Non-controlling interests		438,872	468,461
Total equity		10,812,440	11,175,800

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018 於2018年12月31日

		Notes 附註	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	30	1,633,570	1,067,007
Amount due to an intermediate holding company	應付一間中間控股公司款項	37h	5,194,773	—
Deferred income tax liabilities	遞延所得稅負債	28	269,339	268,787
			7,097,682	1,335,794
Current liabilities	流動負債			
Deposits received, other payables and accruals	已收按金、其他應付款項及應計項目	27	1,795,017	1,539,332
Borrowings	借貸	30	4,513,893	4,261,357
Amount due to an intermediate holding company	應付一間中間控股公司款項	37h	—	3,120,506
Current income tax liabilities	流動所得稅負債		26,603	25,320
			6,335,513	8,946,515
Total liabilities	負債總額		13,433,195	10,282,309
Total equity and liabilities	權益及負債總額		24,245,635	21,458,109

The notes on pages 117 to 296 are an integral part of these consolidated financial statements.

第117頁至第296頁的附註為本綜合財務報表的一部分。

The consolidated financial statements on pages 107 to 296 were approved by the Board of Directors.

第107頁至第296頁的綜合財務報表乃經董事會批准。

HAN Xiaosheng
韓曉生
Chairman
主席

LIU Guosheng
劉國升
Director
董事

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018 截至2018年12月31日止年度

	Notes 附註	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Operating activities	經營業務		
Cash used in operating activities before finance costs, tax paid and changes in working capital	未計融資成本、已付稅項及營運資金變動的經營業務所用現金	31a (19,929)	(8,446)
Changes in working capital	營運資金的變動	31b (2,142,891)	(1,738,588)
Cash used in operations	經營所用現金	(2,162,820)	(1,747,034)
Interest received	已收利息	18,311	36,667
Dividend received	已收股息	11,904	3,228
Tax paid	已付稅項	(12,458)	(17,108)
Net cash used in operating activities	經營業務所用現金淨額	(2,145,063)	(1,724,247)
Investing activities	投資業務		
Disposal of subsidiary, net of cash disposed	出售附屬公司，已扣除所出售現金	35 100,453	—
Purchase of properties, plant and equipment	購買物業、機器及設備	(29,205)	(738,662)
Additions to investment properties	添置投資物業	(988,469)	(532,137)
Purchase of available-for-sale financial assets	購買可供出售財務資產	—	(78,070)
Purchase of financial assets at fair value through profit or loss	購買按公允價值計入損益的財務資產	(313,638)	(78,053)
Proceeds from disposal of available-for-sale financial assets	來自出售可供出售財務資產的所得款項	—	463,688
Proceeds from disposal of financial assets at fair value through other comprehensive income	來自出售按公允價值計入其他全面收益的財務資產的所得款項	267,152	—
Proceeds from disposal of financial assets at fair value through profit or loss	來自出售按公允價值計入損益的財務資產的所得款項	306,108	—
Increase in other non-current assets	其他非流動資產增加	(105,609)	(195)
Decrease/(increase) in restricted cash	受限制現金減少/(增加)	466,779	(264,772)
Net cash used in investing activities	投資業務所用的現金淨額	(296,429)	(1,228,201)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018 截至2018年12月31日止年度

	Notes 附註	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Financing activities	融資業務		
Acquisition of non-controlling interests of subsidiaries	收購附屬公司的非控股權益 37i(ix)	—	(233,321)
Proceeds from bank and other loans	來自銀行及其他貸款的所得款項 31c	3,500,060	2,038,206
Repayment of bank and other loans	償還銀行及其他貸款 31c	(3,353,169)	(177,314)
Proceeds from borrowings from an intermediate holding company	來自一間中間控股公司借貸的所得款項 31c	5,572,439	2,331,268
Repayment of borrowings to an intermediate holding company	向一間中間控股公司償還借貸 31c	(3,663,744)	(919,974)
Proceeds from loans from fellow subsidiaries	來自同系附屬公司貸款的所得款項 31c	8,000	340,000
Repayment of loan from a fellow subsidiary	償還一間同系附屬公司貸款 31c	—	(60,000)
Net proceeds from issuance of convertible notes	發行可換股票據的所得款項淨額 31c	587,500	—
Interest paid	已付利息	(231,241)	(98,124)
Increase in restricted cash	受限制現金增加	(6,465)	(194,672)
Dividend paid to non-controlling interests	派付予非控股權益的股息	—	(1,560)
Net cash generated from financing activities	融資業務所產生現金淨額	2,413,380	3,024,509
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)／增加淨額	(28,112)	72,061
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	713,397	615,568
Exchange (losses)/gains on cash and cash equivalents	現金及現金等價物匯兌(虧損)／利得	(7,302)	25,768
Cash and cash equivalents at 31 December	於12月31日的現金及現金等價物	677,983	713,397

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Analysis of unsecured and unrestricted cash, liquid funds and listed investments	無抵押及不受限制現金、流動資金及上市投資分析		
Bank deposits with maturity less than three months	於三個月內到期的銀行存款	2,106	413,478
Cash at banks and on hand	銀行存款及現金	675,877	299,919
Cash and cash equivalents	現金及現金等價物	677,983	713,397
Unsecured available-for-sale financial assets, listed investments	無抵押可供出售財務資產、上市投資	—	508,025
Total unsecured and unrestricted cash, liquid funds and listed investments	無抵押及不受限制現金、流動資金及上市投資總額	677,983	1,221,422

The notes on pages 117 to 296 are an integral part of these consolidated financial statements.

第117頁至第296頁的附註為本綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018 截至2018年12月31日止年度

		Attributable to shareholders of the Company 本公司股東應佔								Non-controlling interests 非控股權益	Total equity 權益總額	
		Share capital 股本	Share premium 股份溢價	Exchange reserve 匯兌儲備	Investment revaluation reserve 投資重估儲備	Fair value through other comprehensive income reserve 按公允價值計入其他全面收益儲備	Convertible note equity reserve 可換股票據儲備	(Note) Other reserves (附註) 其他儲備	Retained profits 保留利潤			Sub-total 小計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
At 1 January 2018, previously reported	於2018年1月1日(如前呈報)	1,614,265	8,181,541	265,715	(24,194)	—	—	(54,662)	724,674	10,707,339	468,461	11,175,800
Reclassification on adoption of HKFRS 9 (Note 5)	於採用香港財務報告準則第9號時重新分類(附註5)	—	—	—	24,194	(22,490)	—	—	(7,303)	(5,599)	—	(5,599)
At 1 January 2018, as restated	於2018年1月1日(經重列)	1,614,265	8,181,541	265,715	—	(22,490)	—	(54,662)	717,371	10,701,740	468,461	11,170,201
Other comprehensive (expenses)/income	其他全面(開支)/收益											
Translating financial statements of foreign operations:	換算海外業務財務報表:											
— (Losses)/gains taken to reserves	— 計入儲備的(虧損)/利得	—	—	(45,238)	—	—	—	(385)	—	(45,623)	1,493	(44,130)
Debt investments at fair value through other comprehensive income:	按公允價值計入其他全面收益的債務投資:											
— Net valuation losses taken to reserves	— 計入儲備的估值淨虧損	—	—	—	—	(6,666)	—	—	—	(6,666)	—	(6,666)
— Net gains previously in reserves recognised in statement of income	— 於收益表確認過往計入儲備的淨利得	—	—	—	—	(6,281)	—	—	—	(6,281)	—	(6,281)
Equity investments at fair value through other comprehensive income:	按公允價值計入其他全面收益的股本投資:											
— Net valuation losses taken to reserves	— 計入儲備的估值淨虧損	—	—	—	—	(243,890)	—	—	—	(243,890)	—	(243,890)
Net (expenses)/income recognised directly in equity:	直接於權益確認的淨(開支)/收益	—	—	(45,238)	—	(256,837)	—	(385)	—	(302,460)	1,493	(300,967)
Loss for the year	年內虧損	—	—	—	—	—	—	—	(48,840)	(48,840)	(31,082)	(79,922)
Total comprehensive (expenses)/income	全面(開支)/收益總額	—	—	(45,238)	—	(256,837)	—	(385)	(48,840)	(351,300)	(29,589)	(380,889)
Written back of unclaimed dividends	撥回未領取股息	—	—	—	—	—	—	—	7	7	—	7
Issue of convertible notes	發行可換股票據	—	—	—	—	—	23,121	—	—	23,121	—	23,121
Transfer of impairment losses on equity investments at fair value through other comprehensive income to retained profits	轉撥按公允價值計入其他全面收益的股本投資的減值虧損至保留利潤	—	—	—	—	189,054	—	—	(189,054)	—	—	—
Recognition of losses on disposal of equity investments at fair value through other comprehensive income to retained profits	確認出售按公允價值計入其他全面收益的股本投資虧損至保留利潤	—	—	—	—	24,344	—	—	(24,344)	—	—	—
Total other transactions with shareholders recognised directly in equity	直接於權益確認的其他與股東的交易總額	—	—	—	—	213,398	23,121	—	(213,391)	23,128	—	23,128
At 31 December 2018	於2018年12月31日	1,614,265	8,181,541	220,477	—	(65,929)	23,121	(55,047)	455,140	10,373,568	438,872	10,812,440

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018 截至2018年12月31日止年度

		Attributable to shareholders of the Company 本公司股東應佔						Non-controlling interests 非控股權益	Total equity 權益總額	
		Share capital	Share premium	Exchange reserve	Investment revaluation reserve	(Note) Other reserves	Retained profits			Sub-total
		股本 HK\$'000 港幣千元	股份溢價 HK\$'000 港幣千元	匯兌儲備 HK\$'000 港幣千元	投資重估儲備 HK\$'000 港幣千元	其他儲備 (附註) HK\$'000 港幣千元	保留利潤 HK\$'000 港幣千元			小計 HK\$'000 港幣千元
At 1 January 2017	於2017年1月1日	1,614,265	8,181,541	108,727	84,066	10,479	654,228	10,653,306	629,401	11,282,707
Other comprehensive income/(expenses)	其他全面收益/(開支)									
Translating financial statements of foreign operations:	換算海外業務財務報表：									
— Gains taken to reserves	— 計入儲備的利得	—	—	156,988	—	549	—	157,537	7,968	165,505
Available-for-sale financial assets:	可供出售財務資產：									
— Net valuation losses taken to reserves	— 計入儲備的估值淨虧損	—	—	—	(60,663)	—	—	(60,663)	—	(60,663)
— Net gains previously in reserves recognised in statement of income	— 於收益表確認過往計入儲備的淨利得	—	—	—	(47,597)	—	—	(47,597)	—	(47,597)
Net income/(expenses) recognised directly in equity	直接於權益確認的淨收益/(開支)	—	—	156,988	(108,260)	549	—	49,277	7,968	57,245
Profit/(loss) for the year	年內利潤/(虧損)	—	—	—	—	—	70,422	70,422	(1,277)	69,145
Total comprehensive income/(expenses)	全面收益/(開支)總額	—	—	156,988	(108,260)	549	70,422	119,699	6,691	126,390
Written back of unclaimed dividends	撥回未領取股息	—	—	—	—	—	24	24	—	24
Acquisition of non-controlling interests (Note 37(ix))	收購非控股權益(附註37(ix))	—	—	—	—	(65,690)	—	(65,690)	(167,631)	(233,321)
Total other transactions with shareholders recognised directly in equity	直接於權益確認的其他與股東的交易總額	—	—	—	—	(65,690)	24	(65,666)	(167,631)	(233,297)
At 31 December 2017	於2017年12月31日	1,614,265	8,181,541	265,715	(24,194)	(54,662)	724,674	10,707,339	468,461	11,175,800

Note:

附註：

Other reserves comprise other properties revaluation reserve, merger reserve, capital redemption reserve and other reserve.

其他儲備包括其他物業重估儲備、合併儲備、資本贖回儲備及其他儲備。

		Other properties revaluation reserve	Merger reserve	Capital redemption reserve	Other reserve	Total
		其他物業重估儲備 HK\$'000 港幣千元	合併儲備 HK\$'000 港幣千元	資本贖回儲備 HK\$'000 港幣千元	其他儲備 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
At 1 January 2017	於2017年1月1日	7,834	(913)	3,558	—	10,479
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日	8,383	(913)	3,558	(65,690)	(54,662)
At 31 December 2018	於2018年12月31日	7,998	(913)	3,558	(65,690)	(55,047)

The notes on pages 117 to 296 are an integral part of these consolidated financial statements.

第117頁至第296頁的附註為本綜合財務報表的一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

China Oceanwide Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in property investments in the People’s Republic of China (the “PRC”), real estate development in the United States of America (the “United States” or “U.S.”), development in the energy sector in the Republic of Indonesia (“Indonesia”) and finance investment.

The Company is a limited liability company incorporated in Bermuda and the shares of which are listed on The Stock Exchange of Hong Kong Limited. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company’s parent is Oceanwide Holdings international Company Limited and the directors consider its ultimate parent company is Tohigh Holdings Co., Ltd.* (incorporated in the PRC), which is ultimately controlled by Mr. Lu Ziqiang.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

1 一般資料

中泛控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從物業投資、於美利堅合眾國(「美國」)從事房地產開發、於印度尼西亞共和國(「印尼」)從事能源電力行業發展及從事金融投資。

本公司為一間於百慕達註冊成立的有限公司，其股份在香港聯合交易所有限公司上市。本公司的註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司的母公司為泛海控股國際有限公司，而董事認為其最終母公司為由盧志強先生最終控制的通海控股有限公司(於中國註冊成立)。

除非另有註明，否則本綜合財務報表以港幣呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

a. Adoption of new/revised HKFRSs — effective on 1 January 2018

The Group has adopted all of the new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are effective for annual periods beginning on 1 January 2018.

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Revenue from contracts with Customers (Clarifications to HKFRS 15)
Amendments to HKFRS 2	Classification and Measurement of Share Based Payment Transactions
Amendments to HKAS 40	Transfer to Investment Property
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKFRS 1, First time adoption of Hong Kong Financial Reporting Standards
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKAS 28, Investments in associates and joint ventures

Except for those respectively set out below and in Note 5 to the consolidated financial statements, the adoption of these new HKFRSs does not have any significant impact on the Group’s accounting policies.

2 應用香港財務報告準則

a. 採用新訂／經修訂香港財務報告準則 — 於2018年1月1日生效

本集團已採用由香港會計師公會頒佈並就2018年1月1日開始之年度期間生效之所有新訂及經修訂香港財務報告準則。

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約的收入
香港財務報告準則第15號修訂	來自客戶合約的收入(釐清香港財務報告準則第15號)
香港財務報告準則第2號修訂	以股份為基礎的付款交易的分類及計量
香港會計準則第40號修訂	轉讓投資物業
香港(國際財務報告詮釋委員會)詮釋 — 第22號	外幣交易及預收預付代價
香港財務報告準則2014年至2016年週期的年度改進	香港財務報告準則第1號「首次採用香港財務報告準則」修訂
香港財務報告準則2014年至2016年週期的年度改進	香港會計準則第28號「於聯營公司及合營企業的投資」修訂

除下文及綜合財務報表附註5分別所載者外，採用該等新訂香港財務報告準則對本集團之會計政策並無任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

a. Adoption of new/revised HKFRSs — effective on 1 January 2018 (Continued)

HKFRS 9 — Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note 4j to the consolidated financial statements. In accordance with the transitional provisions in HKFRS 9(7.2.15) and (7.2.26), comparative figures have not been restated. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition are recognised in the opening retained profits of the current year.

The impact of adoption of HKFRS 9 has presented in the Note 5A to the consolidated financial statements.

2 應用香港財務報告準則(續)

a. 採用新訂／經修訂香港財務報告準則 — 於2018年1月1日生效(續)

香港財務報告準則第9號 — 金融工具

香港財務報告準則第9號取代香港會計準則第39號與財務資產及財務負債確認、分類及計量、金融工具終止確認、財務資產減值及對沖會計有關的條文。

由2018年1月1日起採用香港財務報告準則第9號「金融工具」導致更改會計政策及調整已於財務報表確認的金額。新會計政策載於綜合財務報表附註4j。按照香港財務報告準則第9號的過渡條文(7.2.15)及(7.2.26)，比較數字並無重列。對財務資產及負債於過渡日期的賬面金額的任何調整於當前年度的年初保留利潤確認。

採用香港財務報告準則第9號的影響於綜合財務報表附註5A呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

a. Adoption of new/revised HKFRSs — effective on 1 January 2018 (Continued)

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

The impact of adoption of HKFRS 15 has presented in the Note 5B to the consolidated financial statements.

HKFRS 15 — Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

2 應用香港財務報告準則(續)

a. 採用新訂／經修訂香港財務報告準則 — 於2018年1月1日生效(續)

香港財務報告準則第15號 — 來自客戶合約的收入

該新訂準則確立一套單一的收入確認框架。該框架的核心原則為實體確認收入時，應以反映實體預期就交換貨品及服務應得的代價的金額，描述轉讓承諾貨品或服務予客戶。香港財務報告準則第15號取代現行收入確認指引，包括香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋。

採用香港財務報告準則第15號的影響於綜合財務報表附註5B呈列。

香港財務報告準則第15號 — 來自客戶合約的收入(釐清香港財務報告準則第15號)

香港財務報告準則第15號修訂包括釐清識別履約責任；應用主事人與代理人；知識產權許可；及過渡規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

b. New/revised HKFRSs that have been issued but are not yet effective

HKFRS 16	Leases ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to: HKFRS 3, Business Combinations; HKAS 12, Income Taxes; and HKAS 23 Borrowing Costs ¹
Amendments to HKFRS 3	Definition of a business ²
Amendments to HKFRS 9	Prepayment features with negative compensation ¹
Amendments to HKAS 1 and HKAS 8	Definition of Material ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹

1	Effective for annual periods beginning on or after 1 January 2019
2	Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
3	Effective for annual periods beginning on or after 1 January 2020

2 應用香港財務報告準則(續)

b. 已頒佈但尚未生效的新訂／經修訂香港財務報告準則

香港財務報告準則第16號	租賃 ¹
香港(國際財務報告詮釋委員會)詮釋—第23號	所得稅處理的不確定性 ¹
香港財務報告準則2015年至2017年週期的年度改進	香港財務報告準則第3號「業務合併」；香港會計準則第12號「所得稅」；及香港會計準則第23號「借貸成本」修訂 ¹
香港財務報告準則第3號修訂	業務的定義 ²
香港財務報告準則第9號修訂	具有負補償的提早還款特性 ¹
香港會計準則第1號及香港會計準則第8號修訂	重大的定義 ³
香港會計準則第19號修訂	計劃修訂、縮減或結算 ¹

1	對於2019年1月1日或以後開始的年度期間生效
2	對收購日期為2020年1月1日或以後開始的首個年度期間初或以後的業務合併生效
3	對於2020年1月1日或以後開始的年度期間生效

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

- b. New/revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 16 — Leases

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

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are (i) short-term leases; (ii) low-value leases; and (iii) variable lease payments that do not depend on an index or a rate, initially measured using the index or rate at the commencement date of the lease.

2 應用香港財務報告準則(續)

- b. 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則第16號 — 租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模型。香港財務報告準則第16號於生效後，將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號以所識別資產是否由客戶控制為基準區分租賃及服務合約。經營租賃及融資租賃的差異自承租人會計處理中移除。根據新準則，本集團會確認資產(使用租賃項目的權利)及支付租金的財務負債。例外情況為(i)短期租賃；(ii)低價值租賃；及(iii)並非取決於指數或比率的可變租金(初始利用租賃開始日期的指數或比率計量)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

b. New/revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 16 — Leases (Continued)

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

The accounting treatments for lessors will not significantly change according to HKFRS 16.

The standard will affect primarily the accounting for the Group’s operating leases where the Group is a lessee.

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

2 應用香港財務報告準則(續)

b. 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則第16號 — 租賃(續)

使用權資產初始按成本計量，其後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。租賃負債初始按當日未付租金的現值計量。其後，租賃負債會就(其中包括)利息及租金以及租賃修改的影響作出調整。現金流量分類方面，本集團目前將經營租賃租金呈列為經營現金流。根據香港財務報告準則第16號，有關租賃負債的租金將分攤為本金及利息部分，呈列為融資現金流。

按照香港財務報告準則第16號，出租人的會計處理並無重大變動。

該準則將主要影響將本集團作為承租人的經營租賃入賬的方法。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

- b. **New/revised HKFRSs that have been issued but are not yet effective (Continued)**

HKFRS 16 — Leases (Continued)

Furthermore, extensive disclosures are required by HKFRS 16.

As set out in Note 33b, the total operating lease commitment of the Group in respect of rented premises as at 31 December 2018 amounted to HK\$85.9 million in which HK\$82.9 million were with original lease term over 1 year. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding lease liability in respect of all these leases at its present value upon the application of HKFRS 16. The combination of straight-line depreciation of the right-to-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to the profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term, but there is no impact on the total expenses recognised over the lease term.

2 應用香港財務報告準則(續)

- b. **已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)**

香港財務報告準則第16號 — 租賃(續)

再者，香港財務報告準則第16號規定作出廣泛披露。

按附註33b所載，於2018年12月31日，本集團有關租賃處所的经营租賃承擔總額為港幣8,590萬元，其中港幣8,290萬元的原租期為1年以上。初步評估顯示此等安排符合香港財務報告準則第16號下租賃的定義，因此，應用香港財務報告準則第16號後，本集團將按現值就所有此等租賃確認使用權資產及相應租賃負債。使用權資產的直線折舊與應用於租賃負債的實際利率法兩者合併將導致租賃初始年度在損益扣除的支出總額增加，並減少租期後期的開支，惟對於租期內確認的開支總額並無影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

- b. New/revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 16 — Leases (Continued)

The new leases standard is mandatory for the Group’s financial statements for annual periods beginning on or after 1 January 2019 and the Group will adopt this new standard from 1 January 2019. As a lessee, the Group will apply the standard using the modified retrospective approach. Under the modified retrospective approach, (i) comparative information for prior periods is not restated; (ii) the date of the initial application of HKFRS 16 is the first day of the annual reporting period in which the Group first applies the requirement of HKFRS 16, i.e. 1 January 2019; and (iii) the Group recognises the cumulative effect of initially applying the guidance as an adjustment to the opening balance of retained profits (or other component of equity, as appropriate) in the year of adoption, i.e. as at 1 January 2019.

2 應用香港財務報告準則(續)

- b. 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則第16號 — 租賃(續)

新租賃準則乃就本集團於2019年1月1日或以後開始的年度期間的財務報表強制生效，而本集團將由2019年1月1日起採用此項新準則。作為承租人，本集團將利用經修改追溯法應用該準則。根據經修改追溯法，(i)前期比較資料不予重列；(ii)初始應用香港財務報告準則第16號的日期為本集團首次應用香港財務報告準則第16號規定的年度報告期首天(即2019年1月1日)；及(iii)本集團將初始應用指引的累積影響確認為對採用年度的年初(即於2019年1月1日)保留利潤(或其他權益組成部分，如適用)結餘的調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

- b. **New/revised HKFRSs that have been issued but are not yet effective (Continued)**

HK(IFRIC) Int 23 — Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

2 應用香港財務報告準則(續)

- b. **已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)**

香港(國際財務報告詮釋委員會)詮釋第23號 — 所得稅處理的不確定性

該項詮釋透過就如何反映所得稅入賬方式的不確定性影響提供指引，為香港會計準則第12號「所得稅」的規定提供支持。

根據該項詮釋，實體應基於更能預測不確定性的最終結果的方法，釐定個別考慮或集中考慮各種不確定稅項處理方法。實體亦應假設稅務機關將會查驗其有權查驗的金額，且在作出有關查驗時完全知悉一切有關資料。實體如釐定稅務機關可能會接納不確定稅項處理方法，則應按符合其稅務申報的方式計量即期及遞延稅項。倘實體釐定此情況不大可能發生，則釐定稅項時涉及的不確定性乃利用「最可能金額」或「預期值」法兩者中更能預測不確定性最終結果的方法反映。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

b. New/revised HKFRSs that have been issued but are not yet effective (Continued)

Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

2 應用香港財務報告準則(續)

b. 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則2015年至2017年週期的年度改進 — 香港財務報告準則第3號「業務合併」修訂

根據年度改進過程發行的修訂對目前含糊的準則作出輕微而非緊急的變動。該等修訂包括香港財務報告準則第3號修訂，而該準則闡明當某業務的聯合經營者取得聯合經營的控制權時，該業務合併乃分階段達成，因此，先前持有的股本權益應重新計量為其收購日期的公允價值。

香港財務報告準則2015年至2017年週期的年度改進 — 香港會計準則第12號「所得稅」修訂

根據年度改進過程發行的修訂對目前含糊的準則作出輕微而非緊急的變動。該等修訂包括香港會計準則第12號修訂，釐清股息的所有所得稅後果與產生可分派利潤的交易採取一致的方式，即於損益、其他全面收益或直接於權益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

b. New/revised HKFRSs that have been issued but are not yet effective (Continued)

Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

Amendments to HKFRS 9 — Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met — instead of at fair value through profit or loss.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. Except as HKFRS 16 described above, the directors of the Company anticipate that the application of other new and amendments to HKFRSs and an interpretation will have no material impact on the Group’s financial performance and positions and/or the disclosures to the financial statements of the Group.

2 應用香港財務報告準則(續)

b. 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則2015年至2017年週期的年度改進 — 香港會計準則第23號「借貸成本」修訂

根據年度改進過程發行的修訂對目前含糊的準則作出輕微而非緊急的變動。該等修訂包括香港會計準則第23號修訂，而該準則釐清為取得合資格資產而專門作出的借貸，如於相關合資格資產可作擬定用途或銷售時仍未償還，則會成為實體一般所借資金的一部分並因此計入一般資產組合內。

香港財務報告準則第9號修訂 — 具有負補償的提早還款特性

該等修訂釐清，倘符合特定條件，具有負補償的可提早還款財務資產可按攤銷成本或以按公允價值計入其他全面收益的方式計量，而非按公允價值計入損益。

本集團已開始評估採用上述準則及本集團現行準則修訂的影響。除上述香港財務報告準則第16號外，本公司董事預計應用其他新訂香港財務報告準則及香港財務報告準則修訂及詮釋對本集團的財務表現及狀況及／或本集團財務報表的披露事項並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 BASIS OF PREPARATION

This following note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

a. Statement of compliance and basis of measurement

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of investment properties, available-for-sale financial assets (under HKAS 39), financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income (under HKFRS 9) which are carried at fair value at subsequent reporting date.

3 編製基準

以下附註載有一系列編製本綜合財務報表時應用的主要會計政策。除非另有註明，否則該等政策於所有呈列年度經已貫徹應用。本集團的財務報表涵蓋本公司及其附屬公司。

a. 遵例聲明及計量基準

本公司的綜合財務報表乃按照香港會計師公會頒佈的所用適用香港財務報告準則、香港會計準則及詮釋（下文統稱「香港財務報告準則」）以及香港公司條例（第622章）的披露規定編製。此外，綜合財務報表亦載有香港聯合交易所有限公司證券上市規則規定的適用披露事項。綜合財務報表乃按歷史成本基準編製，惟於隨後的報告日期以公允價值列賬的投資物業重估、可供出售財務資產（根據香港會計準則第39號）、按公允價值計入損益的財務資產及按公允價值計入其他全面收益的財務資產（根據香港財務報告準則第9號）除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 BASIS OF PREPARATION (CONTINUED) 3 編製基準(續)

a. Statement of compliance and basis of measurement (Continued)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the directors of the Company to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 7.

b. Going concern assumption

As at 31 December 2018, the Group had properties under development of HK\$14,798,884,000 which were classified as current assets while expected to be completed and recovered after one year. Excluding these properties under development, which are illiquid in nature, the Group's current liabilities exceeded its current assets by HK\$5,170,539,000 as at 31 December 2018. This is mainly because certain bank and other loans of HK\$4,513,893,000 will fall due within twelve months of the date of the consolidated statement of financial position. In addition, the Group's businesses in real estate development in the United States of America (the "United States" or "U.S.") and energy sector in the Republic of Indonesia ("Indonesia") are capital intensive in nature and funding the continuous development of these businesses would require access to substantial capital in the foreseeable future.

a. 遵例聲明及計量基準(續)

編製符合香港財務報告準則的財務報表須採用若干關鍵會計估計。於應用本集團會計政策過程中亦須本公司董事作出判斷。涉及較多判斷或較複雜或對綜合財務報表有重大影響的假設及估計的範疇於附註7中披露。

b. 持續經營假設

於2018年12月31日，本集團的發展中物業為港幣14,798,884,000元，分類為流動資產，預計於一年後落成及收回。於2018年12月31日，倘撇除該等性質屬非流動的發展中物業，則本集團的流動負債將較其流動資產超出港幣5,170,539,000元，主要是由於若干銀行及其他貸款港幣4,513,893,000元將於結算日後12個月內到期。此外，本集團的美利堅合眾國(「美國」)房地產開發業務及印度尼西亞共和國(「印尼」)能源電力業務屬資本密集性質，在可見將來為該等業務的持續發展融資將需要取得大量資本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 BASIS OF PREPARATION (CONTINUED) 3 編製基準(續)

b. Going concern assumption (Continued)

In view of these circumstances, the directors of the Company (“Directors”) have taken careful consideration to the future liquidity, the construction progress of the projects in the U.S. and Indonesia and its available sources of financing in assessing whether the Group has sufficient working capital for the next twelve months from the date of the consolidated statement of financial position. In order to improve the Group’s financial position and alleviate the liquidity pressure, the Directors have been implementing various measures as follows:

- (i) The Group is currently negotiating with the banks and financial institutions to renew or extend the existing facilities;
- (ii) The Group is able to utilise the undrawn facilities as at 31 December 2018 amounting to HK\$4,635,517,000 (including undrawn facilities from an intermediate holding company);
- (iii) The Group will also continue to seek other alternative financing and bank borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (iv) The Group entered into a non-binding term sheet with a well-known financial institution for a project financing facility amounting to US\$850,000,000 (equivalent to HK\$6,657,965,000); and
- (v) The Group is able to seek additional financial support from its intermediate holding company, such as obtaining additional facilities, for any additional financial needs.

b. 持續經營假設(續)

有鑑於此，於評估本集團於由結算日起未來12個月是否具備足夠營運資金時，本公司的董事(「董事」)已審慎考慮未來流動性、美國和印尼項目的建設進度及可用融資來源。為改善本集團之財務狀況，減輕流動性壓力，董事已實施下列多項措施：

- (i) 本集團現正與多家銀行及金融機構磋商，為現有融資續期或延期；
- (ii) 本集團可動用於2018年12月31日的未提取融資港幣4,635,517,000元(包括來自一間中間控股公司的未提取融資)；
- (iii) 本集團亦將繼續尋求其他替代融資及銀行借貸，為清償現有財務責任以及未來營運和資本開支提供資金；
- (iv) 本集團與一間知名金融機構就金額為850,000,000美元(相等於港幣6,657,965,000元)的項目融資訂立一份不具約束力的條款清單；及
- (v) 本集團能夠就任何額外財務需要向其中間控股公司尋求額外財務支援，如取得額外融資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 BASIS OF PREPARATION (CONTINUED) 3 編製基準(續)

b. Going concern assumption (Continued)

In light of the above, taking into account all the financial resources currently available to the Group, including the banking facilities currently available (subject to renewal and extension) as well as further borrowings currently under negotiation with potential lenders and the continuous financial support from the Company's intermediate holding companies (when necessary), the Directors are of the opinion that, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2018. Accordingly, the financial statements have been prepared on a going concern basis.

b. 持續經營假設(續)

鑑於上文所述，計及本集團現時可用的所有財務資源(包括現時可用銀行融資(須予續期及延期)及現時正與潛在貸款人磋商的進一步借貸及本公司中間控股公司的持續財務支持(如有需要)，董事認為，本集團將具備足夠營運資金於由2018年12月31日起計未來12個月為業務融資及履行其到期財務責任。因此，財務報表乃按持續經營基準編製。

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

4 重大會計政策概要

a. 綜合賬目

附屬公司指所有本集團對其具有控制權的實體(包括結構性實體)。當本集團藉參與實體而可獲得或有權獲得可變回報，並有能力透過其操控該實體業務的權力影響此等回報時，本集團即控制該實體。附屬公司由控制權轉移至本集團當日起全面綜合入賬，並由控制權終止當日起不再綜合入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Consolidation (Continued)

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, the equity interests issued by the Group, the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Acquisition-related costs are expensed as incurred.

4 重大會計政策概要(續)

a. 綜合賬目(續)

業務合併

本集團應用收購會計法將所有業務合併入賬，不論有否收購股本工具或其他資產。就收購一間附屬公司轉讓的代價包括所轉讓資產、向被收購方原擁有人所產生負債、本集團所發行股權的公允價值、或然代價安排所產生任何資產或負債的公允價值及附屬公司任何現存股權的公允價值。在業務合併過程中購入的可識別資產以及承擔的負債及或然負債初始按於收購日期的公允價值計量(若干例外情況除外)。

本集團按公允價值或非控股權益應佔被收購方可識別淨資產的比例，按個別收購基準確認在被收購方的任何非控股權益。

收購相關成本在產生時支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Consolidation (Continued)

Business combinations (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in income statement.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

4 重大會計政策概要(續)

a. 綜合賬目(續)

業務合併(續)

倘業務合併分階段進行，則收購方先前持有的被收購方股權於收購日的賬面值會重新計量為於收購日期的公允價值；因進行重新計量而產生的任何利得或虧損會於收益表確認。

將由收購方轉讓的任何或然代價按收購日期的公允價值確認。其後對代價的調整於調整源自計量期(最長為由收購日期起計12個月)內所取得有關於收購日期的公允價值的新資料時，方於商譽確認。對分類為資產或負債的或然代價的所有其他其後調整乃於損益確認。

所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方的股權於收購日期的公允價值超逾所收購可識別淨資產公允價值的差額，乃入賬列作商譽。倘所轉讓代價、已確認非控股權益及先前持有的權益計量的總額低於所收購附屬公司淨資產的公允價值(於議價收購的情況下)，則該差額會直接於收益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Consolidation (Continued)

Business combinations (Continued)

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date when the control is transferred to the Group to the date when control ceases.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

4 重大會計政策概要(續)

a. 綜合賬目(續)

業務合併(續)

集團內公司間的交易、結餘及未變現交易利得會作對銷。未變現虧損亦會對銷，除非交易有證據顯示已轉讓資產出現減值。附屬公司的會計政策已作出必要的修改，確保與本集團所採用的政策一致。

年內收購或出售的附屬公司的業績由控制權轉讓予本集團之日起至控制權終止之日止計入綜合收益表內。

當本集團喪失附屬公司控制權時，出售損益乃按以下兩者的差額計算：(i)已收代價公允價值與任何保留權益公允價值的總和及(ii)附屬公司資產(包括商譽)與負債及任何非控股權益的過往賬面金額。過往於其他全面收益確認與附屬公司有關的金額按出售相關資產或負債時所規定的相同方式入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Consolidation (Continued)

Business combinations (Continued)

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

b. Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment (Note 40). Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors and the chief financial officer that make strategic decisions.

4 重大會計政策概要(續)

a. 綜合賬目(續)

業務合併(續)

收購後，於附屬公司的非控股權益(指現有擁有權權益)的賬面金額為該等權益於初始確認時的金額加上該等非控股權益應佔權益其後變動的部分。全面收益總額即使會導致該等非控股權益出現虧絀結餘，仍歸屬於非控股權益。

b. 單獨財務報表

於附屬公司的投資按成本扣除減值入賬(附註40)。成本包括投資的直接應佔成本。附屬公司業績由本公司按已收及應收股息入賬。

當收到於附屬公司的投資的股息時，倘股息超過附屬公司在股息宣派期間的全面收益總額，或單獨財務報表內投資的賬面金額超過綜合財務報表內投資對象淨資產(包括商譽)的賬面金額，則須對有關投資進行減值測試。

c. 分部呈報

經營分部報告的方式與提供予主要經營決策者的內部報告貫徹一致。本集團已確定作出策略決定的執行董事及財務總監為主要經營決策者，負責分配經營分部的資源及評估經營分部的表現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of debt and equity securities denominated in foreign currency and classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and/or other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement while other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss are reported in the income statement as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in other comprehensive income.

4 重大會計政策概要(續)

d. 外幣換算

(i) 功能及呈報貨幣

本集團旗下各實體的財務報表內包含的項目以該實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港幣呈報，而港幣為本公司的功能貨幣及本集團的呈報貨幣。

(ii) 交易及結餘

倘項目重新計量，則外幣交易按交易或估值當日的通行匯率換算為功能貨幣。該等交易結算所產生以及以外幣計值的貨幣資產及負債按年結日匯率換算所產生的匯兌利得及虧損會於收益表確認。

以外幣計值且分類為可供出售的債務及股票證券的公允價值變動，按照證券的攤銷成本變動及／或該證券賬面金額的其他變動所產生的換算差額分析。與攤銷成本變動有關的換算差額於收益表確認，而賬面金額的其他變動則於其他全面收益確認。

非貨幣項目(例如按公允價值計入損益持有的權益工具)的換算差額在收益表內呈報為公允價值利得或虧損的一部分。非貨幣項目(例如分類為可供出售財務資產的權益)的換算差額包括在其他全面收益內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Foreign currency translation (Continued)

(iii) Group's entities

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign exchange reserve.

4 重大會計政策概要(續)

d. 外幣換算(續)

(iii) 本集團實體

功能貨幣有別於呈報貨幣的所有本集團實體的業績及財務狀況按以下方法換算為呈報貨幣：

- 每份所呈報財務狀況表內的資產及負債按該財務狀況表日期的收市匯率換算；
- 每份收益表內的收入及費用按平均匯率換算；及
- 所有由此產生的匯兌差額於其他全面收益確認。

於2005年1月1日或以後收購海外業務所產生的商譽及對已收購可識別資產作出的公允價值調整視為該海外業務的資產及負債處理，並按報告期末的通行匯率換算。所產生的匯兌差額於外匯儲備確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Foreign currency translation (Continued)

(iii) Group's entities (Continued)

Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

e. Properties, plant and equipment

Properties, plant and equipment comprise mainly freehold land, construction in progress, buildings, leasehold improvements, furniture, fixtures and equipment, and motor vehicles. Properties, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes its purchase price and expenditure that is directly attributable to the acquisition of the items.

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

4 重大會計政策概要(續)

d. 外幣換算(續)

(iii) 本集團實體(續)

換算有關海外業務的長期貨幣項目(構成本集團淨投資的一部分)時,於集團實體獨立財務報表的損益確認的匯兌差額重新分類至其他全面收益,並作為外匯儲備於權益累計。

出售海外業務時,截至出售日期於有關該業務的外匯儲備確認的累積匯兌差額會重新分類至損益,作為出售損益的一部分。

e. 物業、機器及設備

物業、機器及設備主要包括永久業權土地、在建工程、樓宇、租賃物業裝修、傢具、固定裝置及設備以及汽車。物業、機器及設備按歷史成本減折舊和減值虧損列賬。歷史成本包括其購買價及收購有關項目直接應佔的開支。

其後成本僅於與項目有關的未來經濟利益有可能流入本集團,而該項目的成本能可靠地計量時,方會計入資產的賬面金額或確認為獨立資產(如適用)。更換部分的賬面金額會終止確認。所有維修及保養在產生的財政期間內於收益表扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Properties, plant and equipment (Continued)

Depreciation of properties, plant and equipment is calculated using the straight-line method to allocate their cost or valuation net of expected residual value less accumulated impairment losses over their estimated useful lives, as follows:

Buildings	20 years
Leasehold improvements	5 years or over the term of the relevant leases, whichever is shorter
Furniture, fixtures and equipment	3 to 7 years
Motor vehicles	5 to 8 years

Freehold land is stated at historical cost less any recognised impairment loss and not depreciated.

Gain or loss on disposal of a property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

The assets' useful lives are reviewed, and adjusted if appropriate, at each date of statement of financial position.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4 重大會計政策概要(續)

e. 物業、機器及設備(續)

物業、機器及設備的折舊乃採用直線法計算，以於以下估計可使用年期內將成本或估值(已扣除預期剩餘價值)減去累計減值虧損分攤：

樓宇	20年
租賃物業裝修	5年或按個別租賃年期，以較短者為準
傢具、固定裝置及設備	3至7年
汽車	5至8年

永久業權土地以歷史成本入賬，且不計算折舊減去任何已確認減值虧損。

出售物業、機器及設備的利得或虧損乃出售所得款項淨額與相關資產的賬面金額兩者間的差額，並在收益表確認。

資產的可使用年期於各結算日檢討，並作出適當調整。

若資產的賬面金額高於估計可收回金額，則賬面金額會即時撇減至可收回金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Construction in progress

Construction in progress represents properties, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings, the cost of plant and machinery, employee benefit expenses, professional fees and interest charges arising from borrowings used to finance these assets during the period of construction or installation and testing, if any. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for intended use. Construction in progress is reclassified to the appropriate category of properties, plant and equipment when completed and ready for use.

g. Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is estimated taking into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

The costs of properties under development comprise costs of land use rights, construction costs, employee benefit expenses, borrowing costs and loan arrangement fee capitalised for qualifying assets and professional fees incurred during the development period.

4 重大會計政策概要(續)

f. 在建工程

在建工程指在建及待安裝的物業、機器及設備，乃按成本減累計減值虧損(如有)列賬。成本包括於建設或安裝及測試期間內樓宇的建築成本、機器及機械的成本、僱員福利開支、專業費用及借貸(用於為該等資產提供資金)所產生的利息支出(如有)。本集團概無就在建工程計提折舊撥備，直至相關資產完成及可作擬定用途之時為止。在建工程於已完成及準備使用時重新分類至物業、機器及設備的適當類別。

g. 發展中物業

發展中物業按成本及可變現淨值的較低者列賬。本集團乃透過考慮最終預計可變現價格，減去適用可變銷售費用及預期竣工成本，估計可變現淨值。

發展中物業的成本包括發展期間產生的土地使用權成本、建築成本、僱員福利開支、就合資格資產撥充資本的借貸成本及貸款安排費用以及專業費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Investment properties

Investment properties, principally comprising leasehold land and buildings, that are not occupied by the Group, are held for long-term rental yields, capital appreciation or both. Properties that are being constructed or developed for future long-term rental yields, capital appreciation or both are also classified as investment properties. Investment properties are initially measured at cost, including any directly attributable expenditure. After initial recognition, investment properties are carried at fair value, unless they are still in the course of construction or development at the end of the reporting period and fair value cannot be reliably measured at that time, and therefore are stated at cost. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the consolidated income statement.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

4 重大會計政策概要(續)

h. 投資物業

投資物業主要包括並非由本集團佔用的租賃土地及樓宇，乃為獲取長期租金收益、實現資本增值或此兩個目的而持有。用於獲取未來長期租金收益、實現資本增值或此兩個目的之在建或發展中物業亦分類為投資物業。投資物業初始按成本(包括任何直接應佔支出)計量。於初始確認後，投資物業按公允價值列賬，除非該等物業於報告期末仍在建設或發展，且公允價值於當時無法可靠地計量，因此按成本列賬。公允價值變動或投資物業報廢或出售所產生的任何利得或虧損於綜合收益表確認。

就在建投資物業產生的建築成本乃撥充資本作為在建投資物業賬面金額的一部分。

投資物業於出售後或永久撤銷使用且預期不會從其出售產生未來經濟利益時終止確認。終止確認物業所產生的任何利得或虧損(按出售所得款項淨額與資產賬面金額的差額計算)於終止確認物業期間計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Payments for leasehold land held for own use under operating leases

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

j. (A) Financial instruments (accounting policies applied from 1 January 2018)

(i) Financial Assets

Classification

The Group classifies its financial assets in the following measurement categories:

- financial assets at fair value (either through other comprehensive income or through profit or loss), and
- financial assets at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

4 重大會計政策概要(續)

i. 根據經營租賃持作自用的租賃土地款項

根據經營租賃持作自用的租賃土地款項指收購承租人佔用物業長期權益的首期付款。該等款項按成本列賬，並於租期內採用直線法作為開支攤銷。

j.(A) 金融工具(由2018年1月1日起應用的會計政策)

(i) 財務資產

分類

本集團按以下計量類別將其財務資產分類：

- 按公允價值(不論計入其他全面收益或計入損益)的財務資產；及
- 按攤銷成本計量的財務資產。

分類取決於實體管理財務資產的業務模型及財務資產的合約現金流特徵。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(i) Financial Assets (Continued)

Classification (Continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income, depending on how the assets are classified. For investments in equity instruments that are not held for trading and not contingent consideration recognised by an acquirer to which HKFRS 3 applies, this will depend on whether the Group has made an irrevocable election at the time of initial application of HKFRS 9 or initial recognition of the assets to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(i) 財務資產(續)

分類(續)

就按公允價值計量的資產而言，利得及虧損視乎資產的分類方式於損益或其他全面收益入賬。就並非持作交易及並非香港財務報告準則第3號適用的由收購方確認的或然代價的股本工具投資而言，分類取決於本集團有否於初始應用香港財務報告準則第9號或初始確認資產時不可撤回地選擇以按公允價值計入其他全面收益為股本投資的入賬方式。

本集團於及僅於其管理該等資產的業務模型變動時方會將債務投資重新分類。

確認

常規買賣財務資產於交易日期(本集團承諾購買或出售該資產的日期)確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(i) **Financial Assets (Continued)**

Measurement

At initial recognition, the Group 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest on the principal amount outstanding.

The subsequent measurement of financial assets depends on their classification as follows:

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(i) **財務資產(續)**

計量

於初始確認時，本集團按公允價值另加(如屬並非按公允價值計入損益的財務資產)收購財務資產直接應佔的交易成本計量財務資產。按公允價值計入損益的財務資產的交易成本於損益支銷。

於釐定附帶嵌入式衍生工具的財務資產的現金流是否純粹為本金及未償還本金利息付款時會作整體考量。

財務資產的其後計量方式視乎該等資產的下述分類而定：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(i) Financial Assets (Continued)

Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost
Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(i) 財務資產(續)

計量(續)

債務工具

債務工具的其後計量取決於本集團管理資產的業務模型及資產的現金流特性。本集團以三大計量類別將其債務工具分類：

- 攤銷成本
為收取合約現金流而持有，而該等現金流純粹為本金及利息付款的財務資產，按攤銷成本計量。該等金融工具產生的利息收益使用實際利率法計入財務收益。終止確認產生的任何利得或虧損直接於損益確認，並連同外幣匯兌利得及虧損於其他利得／(虧損)呈列。減值虧損於收益表呈列為獨立項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(i) **Financial Assets (Continued)**

Measurement (Continued)

Debt instruments (Continued)

— Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the income statement.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(i) **財務資產(續)**

計量(續)

債務工具(續)

— 按公允價值計入其他全面收益

為收取合約現金流及出售財務資產而持有的財務資產，當資產的現金流純粹為本金及未償還本金利息付款時，以按公允價值計入其他全面收益的方式計量。賬面金額的變動計入其他全面收益，惟確認減值利得或虧損、利息收益及外幣匯兌利得及虧損於損益確認。於終止確認財務資產時，以往於其他全面收益確認的累計利得或虧損由權益重新分類至損益，並於其他利得／(虧損)確認。該等財務資產產生的利息收益使用實際利率法計入財務收益。外幣匯兌利得及虧損於其他利得／(虧損)呈列，而減值費用於收益表呈列為獨立項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(i) Financial Assets (Continued)

Measurement (Continued)

Debt instruments (Continued)

- Fair value through profit or loss
Financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

- Fair value through profit or loss
Equity investments at fair value through profit or loss are subsequently measured at fair value. Changes in fair value, dividend income and interest income are recognised in profit or loss.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(i) 財務資產(續)

計量(續)

債務工具(續)

- 按公允價值計入損益
不符合攤銷成本或按公允價值計入其他全面收益條件的財務資產，以按公允價值計入損益的方式計量。其後按公允價值計入損益計量的債務投資的利得或虧損於損益確認，並於產生期間在其他利得／(虧損)以淨額呈列。

權益工具

- 按公允價值計入損益
按公允價值計入損益的股本投資其後按公允價值計量。公允價值變動、股息收益及利息收益乃於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(i) **Financial Assets (Continued)**

Measurement (Continued)

Equity instruments (Continued)

— Fair value through other comprehensive income

For equity investment which is not held for trading purposes and not contingent consideration recognised by an acquirer to which HKFRS 3 applies and on initial application of HKFRS 9 or initial recognition of the investment the Group makes an election to designate the investment at fair value through other comprehensive income, they are subsequently measured at fair value and changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. Equity instruments at fair value through other comprehensive income are not subject to impairment assessment.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(i) **財務資產(續)**

計量(續)

權益工具(續)

— 按公允價值計入其他全面收益

就並非持作買賣用途及並非香港財務報告準則第3號適用的由收購方確認的或然代價以及於初始應用香港財務報告準則第9號或初始確認投資時本集團選擇指定按公允價值計入其他全面收益的股本投資而言，有關投資其後按公允價值計量，而公允價值變動於其他全面收益確認。有關選擇按個別工具作出，惟僅可於有關投資符合發行人認為的股本定義時，方可作出。倘作出選擇，則於其他全面收益累計的金額保留於公允價值儲備(非重新劃撥)，直至該項投資出售為止。於出售之時，於公允價值儲備(非重新劃撥)的累計金額會轉撥至保留利潤，而不會重新劃撥至損益。股息收益除非明確屬收回部分投資成本的金額，否則於損益確認。其他淨利得及虧損於其他全面收益確認，且不會重新分類至損益。按公允價值計入其他全面收益的股本工具無須進行減值評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses (“ECL(s)”) associated with its debt instruments carried at amortised cost (including trade receivables, other receivables, cash and bank balances). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECLs are a probability-weighted estimate of credit losses which are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive) over the expected life of the financial instrument. The maximum period to consider when measuring ECLs is the maximum contractual period over which the entity is exposed to credit risk.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(ii) 財務資產減值

本集團按前瞻基準評估與其按攤銷成本的債務工具(包括應收賬款、其他應收款項、現金及銀行結餘)相關的預期信用損失。所採用的減值方法取決於信貸風險有否大幅增加。

預期信用損失為對金融工具預期年內按所有現金不足額(即按照合約應付本集團的現金流與本集團預期收取的現金流之間的差額)現值計量的信用損失的概率加權估計。計量預期信用損失時考慮的最長期間為實體面對信貸風險的最長合約期間。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment of financial assets (Continued)

ECLs are measured at the end of each reporting period to reflect changes in the debt instrument's credit risk since initial recognition. Any change in the amount of ECLs is recognised as an impairment gain or loss in profit or loss. Loss allowances for debt instruments measured at amortised cost are deducted from the gross carrying amount of the assets. For debt instruments at fair value through other comprehensive income, loss allowance is recognised in other comprehensive income and accumulated in fair value reserve (recycling), instead of reducing the carrying amount of the financial assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(ii) 財務資產減值(續)

預期信用損失於各報告期末計量，以反映債務工具的信貸風險自初始確認以來的變動。預期信用損失金額的任何變動於損益確認為減值利得或虧損。按攤銷成本計量的債務工具的虧損備抵從該等資產的賬面總額扣除。就按公允價值計入其他全面收益的債務工具而言，虧損備抵於其他全面收益確認，並於公允價值儲備(重新劃撥)累計，而非扣減財務資產的賬面金額。

財務資產的賬面總額在無實際可能收回的情況下部分或全部撇銷。此情況一般為本集團釐定債務人並無資產或收入來源可產生充足現金流，以償還可能須撇銷的金額時發生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment of financial assets (Continued)

For trade receivables (Note 25), the Group applies a simplified approach to measure the loss allowance at an amount equal to lifetime ECLs. ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. For other debt financial assets, the Group measures the loss allowance either based on 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(ii) 財務資產減值(續)

就應收賬款(附註25)而言,本集團應用簡化方法按相等於全期預期信用損失的金額計量虧損備抵。應收賬款的預期信用損失利用基於本集團歷史信用損失經驗的撥備矩陣估計,並就債務人特定的因素及對於報告日期的當前及預測一般經濟狀況作出的評估調整。就其他債務財務資產而言,本集團按12個月預期信用損失或全期預期信用損失計量虧損備抵,視乎自初始確認以來信貸風險有否大幅增加而定。

然而,當自起始以來信貸風險大幅增加時,備抵將以全期預期信用損失為基礎。當釐定財務資產的信貸風險自初始確認以來有否大幅增加,及當估計預期信用損失時,本集團會考慮相關及無須花費過多成本或努力即可獲得的合理而具理據支持的資料。此包括基於本集團歷史經驗及知情信貸評估的定量及定性資料及分析,並包括前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(ii) Impairment of financial assets (Continued)

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(ii) 財務資產減值(續)

當借款人不大可能在本集團無採取追索行動(例如變現抵押(如持有))的情況下向本集團全數支付信貸義務時,本集團視財務資產為違約。

於估計預期信用損失時考慮的最長期間為本集團面對信貸風險的最長合約期間。

信貸減值財務資產的利息收益乃基於財務資產的攤銷成本(即賬面總額減虧損備抵)計算。非信貸減值財務資產的利息收益基於賬面總額計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including other payables, amount due to an intermediate holding company, bank and other borrowings and the debt component of convertible note issued by the Group are initially measured at fair value, net of directly attributable costs incurred and subsequently measured at amortised cost using the effective interest method. The related interest expense is accounted for in accordance with the accounting policy as set out in Note 4o.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(iii) 財務負債

本集團視乎財務負債產生的目的將該等負債分類。按攤銷成本列賬的財務負債初始按公允價值計量，並扣除已產生的直接應佔成本。

按攤銷成本計量的財務負債

按攤銷成本計量的財務負債(包括其他應付款項、應付一間中間控股公司款項、銀行及其他借貸以及本集團所發行可換股票據的債務組成部分)初始按公允價值計量並扣除已產生的直接應佔成本，其後則利用實際利息法按攤銷成本計量。相關利息支出按照附註4o所載的會計政策入賬。

當負債終止確認時及於攤銷過程中，利得或虧損會於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(iii) Financial liabilities (Continued)

For other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

For borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(iii) 財務負債(續)

關於其他應付款項

其他應付款項初始按公允價值確認，其後利用實際利息法按攤銷成本計量。

關於借貸

借貸初始按公允價值確認並扣除已產生的交易成本。借貸其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值的任何差額利用實際利息法於借貸期間內在綜合收益表確認。

在貸款融資將很有可能部分或全部提取的情況下，於設立貸款融資時支付的費用會確認為貸款的交易成本。在此情況下，該費用將遞延至提取貸款為止。在並無證據顯示融資將很有可能部分或全部提取的情況下，該費用會撥充資本作為流動資金服務的預付款項，並於有關融資期間內攤銷。

除非本集團有無條件權利可將清償負債的時間遞延至報告期末後最少12個月，否則借貸會分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(iv) Convertible notes

Convertible notes issued by the Company that contain the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. For conversion option classified as an equity instrument, the difference between the proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible notes equity reserve). For conversion option classified as derivative, it is recognised at fair value. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as liability.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(iv) 可換股票據

本公司所發行包含負債及轉換權組成部分的可換股票據於初始確認時單獨分類為各自的項目。以定額現金或另一項財務資產交換本公司本身的固定數目股本工具的方式結算的轉換權會分類為股本工具。將透過以定額現金或另一項財務資產交換本公司本身的固定數目股本工具以外的方式結算的轉換權為轉換權衍生工具。

於初始確認時，負債組成部分的公允價值利用類似的不可轉換債項的通行市場利率釐定。對於分類為股本工具的轉換權，發行可換股貸款票據的所得款項與分配至負債組成部分(指持有人將貸款票據轉換為權益的轉換權)的公允價值的差額乃計入權益(可換股票據權益儲備)。分類為衍生工具的轉換權乃按公允價值確認。所得款項超出初始確認為衍生工具組成部分的金額的任何差額乃確認為負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(iv) Convertible notes (Continued)

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible loan equity reserve will be transferred to share capital. Where the option remains unexercised at the expiry dates, the balance stated in convertible loan notes equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and conversion option components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity and relating to conversion option derivative is recognised to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(iv) 可換股票據(續)

於其後期間，可換股貸款票據的負債組成部分利用實際利息法按攤銷成本列賬。權益組成部分(以轉換負債組成部分為本公司普通股的期權代表)將保留於可換股票據權益儲備，直至嵌入式期權獲行使為止(在此情況下，可換股貸款權益儲備所列的結餘將轉撥至股本)。倘選擇權於到期日仍未獲行使，則可換股貸款票據權益儲備所列的結餘將撥至保留盈利。期權獲轉換或到期時不會確認利得或虧損。轉換權衍生工具乃按公允價值計量，公允價值變動會於損益確認。

有關發行可換股貸款票據的交易成本乃按所得款項的分配比例分配至負債及轉換權組成部分。有關權益組成部分的交易成本直接自權益扣除，而有關轉換權衍生工具的交易成本則即時於損益確認。與負債組成部分有關的交易成本計入負債部分的賬面金額，並利用實際利息法於可換股貸款票據的期間內攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (A) Financial instruments (accounting policies applied from 1 January 2018) (Continued)

(v) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vi) *Equity instruments*

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

(vii) *Derecognition*

The Group derecognises a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire, or the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4 重大會計政策概要(續)

j.(A) 金融工具(由2018年1月1日起應用的會計政策)(續)

(v) *實際利息法*

實際利息法為於有關期間內計算財務資產或財務負債的攤銷成本及分配利息收益或利息支出的方法。實際利率為於財務資產或負債預期年期(或(如適用)較短期間)內, 準確貼現預期末來現金收款或付款的比率。

(vi) *股本工具*

本公司發行的股本工具按已收所得款項(扣除直接發行成本)記賬。

(vii) *終止確認*

當及僅當自財務資產收取現金流的合約權利屆滿, 或已轉移財務資產且有關轉移按照香港財務報告準則第9號符合取消確認的準則時, 本集團方會終止確認財務資產。

當相關合約內訂明的責任已解除、註銷或屆滿時, 本集團會終止確認財務負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (B) Financial instruments (accounting policies applied until 31 December 2017)

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

(i) **Financial assets**

The Group classifies its financial assets in the following categories:

- available-for-sale financial assets;
- financial assets at fair value through profit or loss; and
- loans and receivables.

The classification determined on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition. See Notes 20, 22 and 23 for details about each type of the above financial assets.

4 重大會計政策概要(續)

j. (B) 金融工具(直至2017年12月31日為止應用的會計政策)

本集團已追溯應用香港財務報告準則第9號，惟選擇不重列比較資料。因此，所提供的比較資料繼續按照本集團過往的會計政策入賬。

(i) **財務資產**

本集團按以下類別將其財務資產分類：

- 可供出售財務資產；
- 按公允價值計入損益的財務資產；及
- 貸款及應收款項。

分類取決於收購投資的目的釐定。管理層於初始確認投資時釐定投資分類。以上各類財務資產的詳情見附註20、22及23。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(i) **Financial assets (Continued)**

For available-for-sale financial assets and financial assets at fair value through profit or loss

Classification

Available-for-sale financial assets are non-derivative financial assets that are either designated or not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are investments either held for trading or designated as at fair value through profit or loss upon initial recognition. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

Recognition and derecognition

Purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. When available-for-sale financial assets are sold, the cumulative fair value gains or losses previously recognised in investment revaluation reserve is removed from investment revaluation reserve and recognised in the income statement.

4 重大會計政策概要(續)

j. (B) 金融工具(直至2017年12月31日為止應用的會計政策)(續)

(i) **財務資產(續)**

可供出售財務資產及按公允價值計入損益的財務資產

分類

可供出售財務資產為指定為或並非分類為貸款及應收款項、持至到期投資或按公允價值計入損益的財務資產的非衍生財務資產。

按公允價值計入損益的財務資產為持作買賣或於初始確認時指定按公允價值計入損益的投資。該等財務資產若預計於報告期末後12個月內出售，則呈列為流動資產，否則呈列為非流動資產。

確認及終止確認

財務資產買賣於交易日期(本集團承諾購買或出售該資產之日)確認。當出售可供出售財務資產時，過往於投資重估儲備確認的累積公允價值利得或虧損會從投資重估儲備移除，並於收益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(i) **Financial assets (Continued)**

For available-for-sale financial assets and financial assets at fair value through profit or loss (Continued)

Measurement

Investments in debt and equity securities and funds are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that use only data from observable markets. Any difference between the fair value at initial recognition and the transaction price is recognised as a gain or loss in the income statement.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

4 重大會計政策概要(續)

j. (B) 金融工具(直至2017年12月31日為止應用的會計政策)(續)

(i) **財務資產(續)**

可供出售財務資產及按公允價值計入損益的財務資產(續)

計量

債務及股票證券投資及基金初始按公允價值(即其交易價格)列賬,惟確定於初始確認時的公允價值有別於交易價格,且公允價值以相同資產或負債的活躍市場報價為憑證,或基於僅使用可觀察市場數據的估值技術計算得出則作別論。於初始確認時的公允價值與交易價格的任何差額於收益表確認為利得或虧損。

可供出售財務資產及按公允價值計入損益的財務資產其後按公允價值列賬。公允價值變動所產生的利得或虧損確認如下:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(i) **Financial assets (Continued)**

For available-for-sale financial assets and financial assets at fair value through profit or loss (Continued)

Measurement (Continued)

For available-for-sale financial assets, changes in fair value are dealt with as movements in the investment revaluation reserve except for impairment losses which are charged to the income statement. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the income statement. Dividends from available-for-sale financial assets are recognised when the right to receive payment is established.

For financial assets at fair value through profit or loss, the gains or losses arising from changes in fair value are recognised in income statement within other gains/ losses.

For loans, trade and other receivables

Loans, trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

4 重大會計政策概要(續)

j. (B) 金融工具(直至2017年12月31日為止應用的會計政策)(續)

(i) **財務資產(續)**

可供出售財務資產及按公允價值計入損益的財務資產(續)

計量(續)

可供出售財務資產的公允價值變動作為投資重估儲備的變動處理，惟於收益表扣除的減值虧損則作別論。倘該等投資計息，則利用實際利息法計算的利息會於收益表確認。來自可供出售財務資產的股息於收款權利確立時確認。

至於按公允價值計入損益的財務資產，公允價值變動所產生的利得或虧損會於收益表的其他利得／虧損確認。

貸款、應收賬款及其他應收款項

貸款、應收賬款及其他應收款項初始按公允價值確認，其後利用實際利息法按攤銷成本，減去減值撥備計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(ii) *Impairment of financial assets*

For debt securities of available-for-sale financial assets, if any such evidence exists, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement — is removed from equity and recognised in income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in income statement, the impairment loss is reversed through the consolidated income statement.

For equity investments of available-for-sale financial assets, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement — is removed from equity and recognised in income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

4 重大會計政策概要(續)

j. (B) 金融工具(直至2017年12月31日為止應用的會計政策)(續)

(ii) *財務資產減值*

就可供出售財務資產的債務證券而言，倘存在任何有關證據，則累積虧損(按收購成本與現時公允價值的差額，減過往於收益表確認的該財務資產任何減值虧損計量)自權益剔除，並於收益表確認。倘於其後期間，分類為可供出售的債務工具的公允價值增加，而有關增加可客觀地與於收益表確認減值虧損後所發生的事件聯繫，則透過綜合收益表撥回減值虧損。

就可供出售財務資產的股本投資而言，證券的公允價值大幅或長期低於成本亦為資產減值的證據。倘存在任何有關證據，則累積虧損(按收購成本與現時公允價值的差額，減過往於收益表確認的該財務資產任何減值虧損計量)自權益剔除，並於收益表確認。於綜合收益表就權益工具確認的減值虧損不會透過綜合收益表撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(ii) Impairment of financial assets (Continued)

For loans, trade and other receivables, a provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered as indicators that the loan, trade and other receivables are impaired. The amount of the provision is recognised in the consolidated income statement. The reversal of the previously recognised impairment cost is recognised in the consolidated income statement.

4 重大會計政策概要(續)

j. (B) 金融工具(直至2017年12月31日為止應用的會計政策)(續)

(ii) 財務資產減值(續)

就貸款、應收賬款及其他應收款項而言，當有客觀證據證明本集團將無法按應收款項的原有的條款收回所有款項時，本集團會計提減值撥備。撥備金額為資產賬面金額與按原實際利率貼現的估計未來現金流的現值兩者的差額計量。債務人發生重大財政困難、債務人可能進入破產程序或進行財務重組及違約或拖欠付款，均被視為貸款、應收賬款及其他應收款項減值的跡象。撥備金額於綜合收益表確認。撥回過往確認的減值成本於綜合收益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including other payables, borrowings and amount due to an intermediate holding company are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

For other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4 重大會計政策概要(續)

j. (B) 金融工具(直至2017年12月31日為止應用的會計政策)(續)

(iii) 財務負債

本集團視乎財務負債產生的目的將該等負債分類。按公允價值計入損益的財務負債初始按公允價值計量，而按攤銷成本列賬的財務負債初始按公允價值計量，並扣除已產生的直接應佔成本。

按攤銷成本列賬的財務負債

按攤銷成本列賬的財務負債(包括其他應付款項、借貸及應付一間中間控股公司款項)其後利用實際利息法按攤銷成本計量。相關利息支出於損益確認。

當負債終止確認並經過攤銷過程時，利得或虧損會於損益確認。

關於其他應付款項

其他應付款項初始按公允價值確認，其後利用實際利息法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(iii) Financial liabilities (Continued)

Financial liabilities at amortised cost (Continued)

For borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

4 重大會計政策概要(續)

j. (B) 金融工具(直至2017年12月31日為止應用的會計政策)(續)

(iii) 財務負債(續)

按攤銷成本列賬的財務負債(續)

關於借貸

借貸初始按公允價值確認並扣除已產生的交易成本。借貸其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值的任何差額利用實際利息法於借貸期間內在綜合收益表確認。

在貸款融資將很有可能部分或全部提取的情況下，於設立貸款融資時支付的費用會確認為貸款的交易成本。在此情況下，該費用將遞延至提取貸款為止。在並無證據顯示融資將很有可能部分或全部提取的情況下，該費用會撥充資本作為流動資金服務的預付款項，並於有關融資期間內攤銷。

除非本集團有無條件權利可將清償負債的時間遞延至報告期末後最少12個月，否則借貸會分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. (B) Financial instruments (accounting policies applied until 31 December 2017) (Continued)

(iv) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) *Equity instruments*

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

(vi) *Derecognition*

The Group derecognises a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire, or the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4 重大會計政策概要(續)

j. (B) 金融工具(直至2017年12月31日為止應用的會計政策)(續)

(iv) *實際利息法*

實際利息法為於有關期間內計算財務資產或財務負債的攤銷成本及分配利息收益或利息支出的方法。實際利率為於財務資產或負債預期年期(或(如適用)較短期間)內,準確貼現預期未來現金收款或付款的比率。

(v) *股本工具*

本公司發行的股本工具按已收所得款項(扣除直接發行成本)記賬。

(vi) *終止確認*

當及僅當自財務資產收取現金流的合約權利屆滿,或已轉移財務資產且有關轉移按照香港會計準則第39號符合終止確認的標準時,本集團方會終止確認財務資產。

當相關合約內訂明的責任已解除、註銷或屆滿時,本集團會終止確認財務負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Company has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

l. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, but are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation or amortisation are reviewed to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in the consolidated income statement.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

4 重大會計政策概要(續)

k. 對銷金融工具

倘本公司擁有在法律上可強制執行的權利對銷已確認金額，且有意以淨額基準結算或同時變現資產及清償負債時，則財務資產及負債會對銷，並於資產負債表呈報淨額。本公司亦訂有不符對銷標準的安排，但仍容許在破產、合約終止等若干情況下對銷相關金額。

l. 非財務資產減值

無確定使用年期的資產無需攤銷，但至少每年進行減值測試，且於有事件出現或情況改變顯示賬面金額可能無法收回時審閱減值。本集團會審閱須作折舊或攤銷的資產，以釐定是否有任何跡象顯示該等資產的賬面值可能無法收回並已蒙受減值虧損。如有任何此等跡象，則本集團會估計資產的可收回金額，以釐定減值虧損(如有)的程度。可收回金額以資產的公允價值扣除銷售成本及使用價值兩者的較高者為準。此等減值虧損會於綜合收益表確認。

為評估減值，資產乃按可單獨識別現金流量(現金產生單位)的最低層級分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

n. Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

4 重大會計政策概要(續)

m. 現金及現金等價物

現金及現金等價物包括手頭現金及原期限為三個月或以下的銀行活期存款。

n. 撥備及或然事項

當本集團因過往事項而負上法律上或推定的責任、償付責任時可能導致資源流出且金額能夠可靠地估計時，本集團會確認撥備。

如有多項類似責任，則本集團會透過整體考慮責任的類別釐定須於償付中流出資源的可能性。即使與在同一責任類別所包含任何一個項目相關的資源流出的可能性極低，本集團亦會確認撥備。

撥備使用可反映市場目前對金錢時間價值及責任特定風險的評估的稅前比率，按預期抵償責任所需開支的現值計量。撥備隨時間流逝而增加的金額確認為利息支出。

或然負債指因過往事件而可能引起的責任，而其存在與否僅能藉本集團控制範圍以外的一宗或多宗不確定未來事件會否發生確認。或然負債亦可以是因過往事件而引致，但由於其可能無須流出經濟資源或責任金額未能可靠地計量而不作確認的現有責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Provisions and contingencies (Continued)

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

o. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

4 重大會計政策概要(續)

n. 撥備及或然事項(續)

或然負債不予確認，但會於綜合財務報表附註披露。當流出資源的可能性改變導致可能流出資源時，本集團會將或然負債確認為撥備。

o. 借貸成本

直接用於收購、建造或生產合資格資產(即須長時間準備方可作擬定用途或出售的資產)的一般及特定借貸成本會撥作該等資產成本的一部分，直至該等資產大致上可作其擬定用途或出售之時為止。

特定借貸在用於合資格資產前作短暫投資所賺取的投資收益於合資格撥充資本的借貸成本中扣除。

所有其他借貸成本於產生期間在綜合收益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4 重大會計政策概要(續)

p. 即期及遞延所得稅

年內稅項支出包括即期及遞延稅項。除與於其他全面收益確認或直接於權益確認的項目相關(此時稅項亦分別於其他全面收益確認或直接於權益確認)外，稅項會於綜合收益表確認。

(i) 即期所得稅

即期稅項以日常業務的損益為基礎，已就所得稅而言無須課稅或不可扣稅的項目調整，並按於本公司附屬公司業務及產生應課稅收益所在國家報告期末已頒佈或大致已頒佈的稅率計算。管理層因應須詮釋適用稅務法規的情況定期評估報稅表的狀況，並在適當時以預期須向稅務機關支付的稅款為基準設定撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Current and deferred income tax (Continued)

(ii) *Deferred income tax*

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

4 重大會計政策概要(續)

p. 即期及遞延所得稅(續)

(ii) 遞延所得稅

內在差異

對於資產及負債的稅基與綜合財務報表內的賬面金額之間所產生的暫時差額，本集團會使用負債法確認遞延所得稅。然而，遞延稅項負債若因初始確認商譽而產生則不予確認，遞延所得稅若因於業務合併以外的交易(不影響會計處理亦不影響應課稅盈虧者)中初始確認資產或負債而產生，則不會入賬。遞延所得稅利用於結算日已頒佈或大致已頒佈並預期於相關遞延所得稅資產變現或遞延所得稅負債清償時應用的稅率(及稅法)釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Current and deferred income tax (Continued)

(ii) *Deferred income tax (Continued)*

Inside basis differences (Continued)

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

4 重大會計政策概要(續)

p. 即期及遞延所得稅(續)

(ii) 遞延所得稅(續)

內在差異(續)

釐定計量遞延稅項金額所用適當稅率的一般規定存在一個例外情況，即投資物業乃根據香港會計準則第40號「投資物業」按公允價值列賬。除非該推定被推翻，否則此等投資物業的遞延稅項金額乃利用此等投資物業按於報告日期的賬面金額出售時應用的稅率計量。當投資物業乃可計提折舊並於旨在隨時間(而非透過出售)消耗物業所蘊含絕大部份經濟利益的商業模型內持有時，該推定即被推翻。

遞延所得稅資產僅於未來可能有應課稅利潤可用以抵銷可動用暫時差額時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Current and deferred income tax (Continued)

(ii) *Deferred income tax (Continued)*

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(iii) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4 重大會計政策概要(續)

p. 即期及遞延所得稅(續)

(ii) *遞延所得稅(續)*

外在差異

本集團會就於附屬公司的投資所產生的應課稅暫時差額計提遞延所得稅負債撥備，惟倘本集團可控制暫時差額的撥回時間，且暫時差額很可能不會在可見將來撥回，則作別論。

本集團會就於附屬公司的投資所產生的可扣減暫時差額確認遞延所得稅資產，惟只有暫時差額很可能於未來撥回，且有足夠應課稅利潤可用以抵銷暫時差額，方予確認。

(iii) *抵銷*

當擁有可在法律上強制執行的權利對銷流動稅項資產與流動稅項負債，且遞延所得稅資產及負債涉及由同一稅務機關向有意按淨額基準清償結餘的應繳稅實體或不同應繳稅實體徵收的所得稅時，遞延所得稅資產與負債會互相抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q. Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the leasing company are classified as operating leases. Payments made under operating leases (including up-front prepayments made for the leasehold land and land use rights) net of any incentives received from the leasing company are charged to the income statement on a straight-line basis over the period of the lease.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

4 重大會計政策概要(續)

q. 經營租賃

凡所有權的絕大部分風險及回報由出租公司保留的租賃，均列為經營租賃。根據經營租賃支付的款項(包括為租賃土地及土地使用權預付的前期費用)在扣除自出租公司收取的任何獎勵後，於租期內以直線法在收益表扣除。

本集團作為出租人

經營租賃的租金收益於相關租期內以直線法在損益確認。磋商及安排經營租賃時產生的初始直接成本加入已租賃資產的賬面金額，並於租期內以直線法確認為開支。

本集團作為承租人

根據經營租賃應付的租金總額於租期內以直線法在損益確認。已收租賃獎勵於租期內確認為總租金支出的組成部分。

就租賃分類而言，物業租賃的土地及樓宇部分會獨立考慮。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r. Employee benefits

- (i) Salaries, bonus, paid annual leave and the cost of other benefits to the Group are accrued in the year in which the associated services are rendered by employees of the Group.
- (ii) The Group operates two defined contribution schemes for Hong Kong employees, the assets of which are held in separate administered funds. The Group's contributions to the defined contribution schemes are expensed as incurred and are not reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions.

The Group also contributes on a monthly basis to various defined contribution retirement benefit plans organised by relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees for post-retirement benefits beyond the contributions made. The assets of these plans are held separately from those of the Group in independently administered funds managed by the government of the PRC. Contributions to these plans are expensed as incurred.

4 重大會計政策概要(續)

r. 僱員福利

- (i) 薪金、花紅、有薪年假及本集團其他福利開支於本集團僱員提供相關服務的年度累算。
- (ii) 本集團為香港僱員設立兩項界定供款計劃，各自的資產分別由不同的受管理基金持有。本集團向該等界定供款計劃作出的供款會於產生時支銷，因僱員在供款全數歸屬前退出計劃而沒收的供款不會用於減少本集團作出的供款。

本集團亦每月向中國相關省級及市級政府所籌辦的多項界定供款退休福利計劃作出供款。省級及市級政府承諾，就超出已作供款的退休後福利承擔向所有現時及未來退休僱員支付退休福利的責任。該等計劃的資產與本集團的資產分開，由中國政府管理的獨立管理基金持有。該等計劃的供款於產生時支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r. Employee benefits (Continued)

(ii) (Continued)

The Group has participated in the 401(k) scheme covering all of its eligible employees in the U.S. Employees who participate in the plan may contribute a portion of their compensation on a pre-income tax basis up to a limit specified by law. The Group's contribution to the plan is based on the percentage of employee contribution from the individual employee's monthly basic salary. The Group also provides an employee benefit plan under Internal Revenue Code Section 125, offering to pay for its eligible employees for medical premium and dependent care expenses on a pre-tax basis. Contributions to this scheme are expensed as incurred.

- (iii) Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37, Provisions, Contingent Liabilities and Contingent Assets, and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

4 重大會計政策概要(續)

r. 僱員福利(續)

(ii) (續)

本集團已參與401(k)計劃，涵蓋其所有美國合資格僱員。參與計劃的僱員可以除所得稅前補償的某一部分(上限為法律所定的限額)作為供款。本集團向計劃作出的供款乃基於從個別僱員每月基本薪金得出的僱員供款百分比計算。本集團亦根據《國內收入法》(Internal Revenue Code)第125條提供一項僱員福利計劃，提出以稅前基準為合資格僱員支付醫療金及受養人照顧開支。向此計劃作出的供款會於產生時支銷。

- (iii) 離職福利於僱員在正常退休日前被本集團終止僱用或僱員接受自願離職以換取此等福利時支付。本集團於以下日期(以較早者為準)確認離職福利：(a)當本集團不再可撤回提供該等福利的建議時；及(b)當實體確認在香港會計準則第37號「撥備、或然負債及或然資產」的範圍內的重組成本並涉及支付離職福利款項時。在提出建議以鼓勵自願離職的情況下，離職福利乃基於預期接受建議的僱員人數計量。在報告期末後超過12個月到期支付的福利會貼現至現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s. Share-based compensation

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become vested. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement and a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

4 重大會計政策概要(續)

s. 以股份為基礎的補償

本集團設有一項以權益結算以股份為基礎的補償計劃。以授出購股權換取僱員提供的服務的公允價值確認為費用。將於歸屬期內支銷的總額參考所授出購股權的公允價值釐定，當中不包括任何非市場歸屬條件(例如盈利能力及銷售增長目標)的影響。非市場歸屬條件包括在有關預期歸屬的購股權數目的假設中。在各報告期末，本集團會修訂其對預期歸屬的購股權數目的估計。本集團於收益表確認對原先估計修訂(如有)的影響，並對權益作出相應調整。

在購股權獲行使時，已收所得款項扣除任何直接應佔的交易成本後，撥入股本(面值)及股份溢價。

倘購股權的條款及條件於購股權歸屬前修改，則購股權公允價值的增加(於緊接修改前及緊隨修改後計量)亦於餘下歸屬期內在損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t. (A) Revenue recognition (accounting policies applied from 1 January 2018)

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding amounts collected on behalf of third parties and is after deduction of any trade discount.

Rental income receivable under operating leases where the Group is a lessor is recognised in the income statement in equal instalments over the accounting periods covered by the lease term. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the year in which they are earned.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments including financial asset at fair value through profit or loss or other comprehensive income are recognised when the shareholder's rights to receive payment have been established (provided that it is probable that the economic benefit will flow to the Group and the amount of revenue can be measured reliably).

4 重大會計政策概要(續)

t. (A) 收入確認(自2018年1月1日起應用的會計政策)

當產品或服務的控制權轉移至客戶時，本集團會確認收入，金額為本集團預期有權獲得的已承諾代價，當中不包括代表第三方收取的金額，並已扣除任何貿易折扣。

根據本集團作為出租人的經營租賃應收的租金收益於租期所涵蓋的會計期間內以等額在收益表確認。所授予的租賃獎勵於收益表確認為應收淨租金總額的組成部分。或然租金在賺取的年度確認為收益。

倘經濟利益可能將流入本集團且收益金額能可靠地計量，則會確認財務資產的利息收益。利息收益乃參照未償還本金及按適用實際利率以時間基準累計；該實際利率為於財務資產預期年期內，將估計未來現金收款準確貼現至該資產於初始確認的賬面淨額的利率。

投資(包括按公允價值計入損益或其他全面收益的財務資產)的股息收益於股東收款的權利確立時確認(前提為經濟利益可能將流入本集團且收入金額能可靠地計量)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t. (B) Revenue recognition (accounting policies until 31 December 2017)

Rental income receivable under operating leases is recognised in the income statement in equal instalments over the accounting periods covered by the lease term. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the year in which they are earned.

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

u. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v. Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, as appropriate.

4 重大會計政策概要(續)

t. (B) 收入確認(直至2017年12月31日為止應用的會計政策)

根據經營租賃應收租金收益於租期所涵蓋的會計期間內以等額在收益表確認。所授予的租賃獎勵於收益表確認為應收淨租金總額的組成部分。或然租金在賺取的年度確認為收益。

利息收益利用實際利息法按時間比例基準確認。

股息收益於收取付款的權利確立時確認。

u. 股本

普通股分類為權益。

發行新股或購股權直接產生的增量成本在權益中顯示為扣除稅項後的所得款項扣減。

v. 分派股息

向本集團股東分派的股息在本公司股東或董事(視適用情況而定)批准股息的期間於本集團財務報表確認為負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

w. Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

4 重大會計政策概要(續)

w. 關聯方

- (a) 某人士或該人士的近親如屬以下人士，則與本集團有關聯：
- (i) 對本集團擁有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司的主要管理層人員。
- (b) 某實體如符合以下任何條件，則與本集團有關聯：
- (i) 該實體與本集團屬同一集團的成員公司(即指母公司、附屬公司及同系附屬公司各自之間有關聯)。
 - (ii) 某一實體為另一實體的聯營公司或合營企業(或另一實體所屬集團旗下成員公司的聯營公司或合營企業)。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 某一實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

w. Related parties (Continued)

(b) (Continued)

- (v) The entity is a post-employment benefit plan for the benefit of the employees of 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 key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4 重大會計政策概要(續)

w. 關聯方(續)

(b) (續)

- (v) 該實體為本集團或與本集團有關聯的實體就僱員利益設立的離職後福利計劃。
- (vi) 該實體受(a)界定人士控制或共同控制。
- (vii) (a)(i)所界定人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層人員。
- (viii) 該實體或其所屬集團的任何成員公司為本集團或本集團的母公司提供主要管理人員服務。

某人士的近親為彼等於與實體進行交易時預期可能會影響該人士或受該人士影響的家庭成員，並包括：

- (i) 該名人士的子女及配偶或同居伴侶；
- (ii) 該名人士的配偶或同居伴侶的子女；及
- (iii) 該名人士或其配偶或同居伴侶的受養人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY

This note explains the impact of the adoption of HKFRS 9 *Financial Instruments* and HKFRS 15 *Revenue from Contracts with Customers* on the consolidated financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior years.

A HKFRS 9 — Financial Instrument

(a) Impact on the financial statement

As explained in Note 5A(b) below, HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position as at 31 December 2017, but are recognised in the opening balance on 1 January 2018.

The following tables show the adjustments of the Group recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments of the Group are explained in more detail below.

On 1 January 2018 (the date of initial application (the “DIA”) of HKFRS 9), the Group’s management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories.

5 會計政策變動影響概要

本附註闡述採用香港財務報告準則第9號「金融工具」及香港財務報告準則第15號「來自客戶合約的收入」對綜合財務報表的影響，並披露由2018年1月1日起應用的新會計政策（倘與過往年度應用者不同）。

A 香港財務報告準則第9號「金融工具」

(a) 對財務報表的影響

誠如下文附註5A(b)所闡述，於採用香港財務報告準則第9號時一般無須重列比較資料。因此，新減值規則所產生的重新分類及調整並無於2017年12月31日的財務狀況表反映，惟於2018年1月1日的年初結餘確認。

下表列示就各單獨分項確認的本集團調整，當中並無載列不受有關變動影響的分項。因此，已披露的小計及總計不能以所列數字重新計算。本集團的調整於下文詳述。

於2018年1月1日（初始應用香港財務報告準則第9號之日（「初始應用日期」）），本集團管理層已評估應用於本集團所持財務資產的業務模型，並已將金融工具分類至合適的香港財務報告準則第9號類別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(a) Impact on the financial statement (Continued)

The impact of these changes on the Group's equity is as follows:

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(a) 對財務報表的影響(續)

此等變動對本集團權益的影響如下：

		Notes 附註	Effect on Investment revaluation reserve 對投資重估 儲備的影響 HK\$'000 港幣千元	Effect on fair value through other comprehensive income reserve 對按公允價值計入 其他全面收益儲備 的影響 HK\$'000 港幣千元	Effect on retained profits 對保留利潤的 影響 HK\$'000 港幣千元
Opening balance 1 January 2018 — HKAS 39	於2018年1月1日的年初 結餘 — 香港會計準則 第39號		(24,194)	—	724,674
Reclassify listed debt securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income	將上市債務證券由可供 出售財務資產重新分類 至按公允價值計入其他 全面收益的財務資產	b(i)	(15,719)	15,719	—
Reclassify listed equity securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income	將上市股票證券由可供 出售財務資產重新分類 至按公允價值計入其他 全面收益的財務資產	b(ii)	38,209	(38,209)	—
Reclassify non-publicly traded fund investments from available-for-sale financial assets to financial assets at fair value through profit or loss	將非公開買賣基金投資由 可供出售財務資產重新 分類至按公允價值計入 損益的財務資產	b(iii)	1,704	—	(1,704)
Increase in expected credit losses in loan and interest receivables	貸款及應收款項的預期 信用損失增加	b(iv)	—	—	(5,599)
Opening balance 1 January 2018 — HKFRS 9	於2018年1月1日的年初 結餘 — 香港財務報告 準則第9號		—	(22,490)	717,371

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(b) HKFRS 9 Financial Instruments — Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note (c) below. In accordance with the transitional provisions in HKFRS 9(7.2.15) and (7.2.26), comparative figures have not been restated. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition are recognised in the opening retained profits of the current year.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(b) 香港財務報告準則第9號「金融工具」— 採用的影響

香港財務報告準則第9號取代香港會計準則第39號與財務資產及財務負債確認、分類及計量、金融工具終止確認、財務資產減值及對沖會計有關的條文。

由2018年1月1日起採用香港財務報告準則第9號導致會計政策變動及調整已於財務報表確認的金額。新會計政策載於下文附註(c)。按照香港財務報告準則第9號的過渡條文(7.2.15)及(7.2.26)，比較數字並無重列。對財務資產及負債於過渡日期的賬面金額的任何調整於當前年度的年初保留利潤確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(b) HKFRS 9 Financial Instruments — Impact of adoption (Continued)

Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The main effects resulting from this reclassification are as follows:

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(b) 香港財務報告準則第9號「金融工具」— 採用的影響(續)

分類及計量

於2018年1月1日(初始應用香港財務報告準則第9號之日)，本集團管理層已評估應用於本集團所持財務資產的業務模型，並已將其金融工具分類至合適的香港財務報告準則第9號類別。重新分類引致的主要影響如下：

		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Available-for-sale financial assets
	Notes	按公允價值計入損益的財務資產	按公允價值計入其他全面收益的財務資產	可供出售的財務資產
	附註	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Opening balance 1 January 2018 — HKAS 39	於2018年1月1日的年初結餘 — 香港會計準則第39號	80,670	—	908,746
Reclassify listed debt securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income	將上市債務證券由可供出售財務資產重新分類至按公允價值計入其他全面收益的財務資產 (i)	—	332,338	(332,338)
Reclassify listed equity securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income	將上市股票證券由可供出售財務資產重新分類至按公允價值計入其他全面收益的財務資產 (ii)	—	500,042	(500,042)
Reclassify non-publicly traded fund investments from available-for-sale financial assets to financial assets at fair value through profit or loss	將非公開買賣基金投資由可供出售財務資產重新分類至按公允價值計入損益的財務資產 (iii)	76,366	—	(76,366)
Opening balance 1 January 2018 — HKFRS 9	於2018年1月1日的年初結餘 — 香港財務報告準則第9號	157,036	832,380	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(b) HKFRS 9 Financial Instruments — Impact of adoption (Continued)

Classification and measurement (Continued)

Notes:

- (i) Reclassification of listed debt securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income

Listed debt securities were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income, as the Group's business model is achieved both by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely principal and interest. As a result, listed debt securities with a fair value of HK\$332,338,000 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income and fair value gains of HK\$15,719,000 were reclassified from the investment revaluation reserve to the fair value through other comprehensive income reserve on 1 January 2018.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(b) 香港財務報告準則第9號「金融工具」— 採用的影響(續)

分類及計量(續)

附註：

- (i) 將上市債務證券由可供出售財務資產重新分類至按公允價值計入其他全面收益的財務資產

上市債務證券已由可供出售財務資產重新分類至按公允價值計入其他全面收益之財務資產，原因在於本集團的業務模型乃透過收取合約現金流量及出售該等資產一同達致。該等投資的合約現金流量純粹為本金及利息。因此，於2018年1月1日，公允價值為港幣332,338,000元的上市債務證券已由可供出售財務資產重新分類至按公允價值計入其他全面收益的財務資產，而公允價值利得港幣15,719,000元已由投資重估儲備重新分類至按公允價值計入其他全面收益儲備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(b) HKFRS 9 Financial Instruments — Impact of adoption (Continued)

Classification and measurement (Continued)

Notes: (Continued)

- (ii) Reclassification of listed equity securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income

The Group elected to present in other comprehensive income changes in the fair value of all its listed equity securities previously classified as available-for-sale financial assets, because these investments are held as strategic investments. As a result, listed equity securities with fair values of HK\$500,042,000 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income and fair value losses of HK\$38,209,000 were reclassified from the investment revaluation reserve to the fair value through other comprehensive income reserve on 1 January 2018. Other income for the year ended 31 December 2018 was HK\$213,398,000 higher as there is no longer any reclassification of accumulated amounts from reserves to profit or loss on the disposal and impairment of these investments.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(b) 香港財務報告準則第9號「金融工具」— 採用的影響(續)

分類及計量(續)

附註：(續)

- (ii) 將上市股票證券由可供出售財務資產重新分類至按公允價值計入其他全面收益的財務資產

本集團選擇於其他全面收益呈列以往分類為可供出售財務資產的所有上市股票證券的公允價值變動，原因在於該等投資乃作為策略投資持有。因此，於2018年1月1日，公允價值為港幣500,042,000元的上市股票證券已由可供出售財務資產重新分類至按公允價值計入其他全面收益的財務資產，而公允價值虧損港幣38,209,000元已由投資重估儲備重新分類至按公允價值計入其他全面收益儲備。截至2018年12月31日止年度的其他收益增加港幣213,398,000元，乃因出售該等投資及該等投資減值時再無將任何累計金額由儲備重新分類至損益所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(b) HKFRS 9 Financial Instruments — Impact of adoption (Continued)

Classification and measurement (Continued)

Notes: (Continued)

- (iii) Reclassification of non-publicly traded fund investments from available-for-sale financial assets to financial assets at fair value through profit or loss

The Group's non-publicly traded fund investments were reclassified from available-for-sale financial assets to financial assets at fair value through profit or loss (HK\$76,366,000 as at 1 January 2018). They do not meet the HKFRS 9 criteria for classification at amortised cost or at fair value through other comprehensive income, because their cash flows do not represent solely payments of principal and interest.

Related fair value loss of HK\$1,704,000 were transferred from the investment revaluation reserve to retained profits on 1 January 2018. During the year ended 31 December 2018, net fair value losses of HK\$11,830,000 relating to these investments were recognised in profit or loss.

- (iv) Assessment of ECLs of loan and interest receivables

The non-current loan and interest receivables of the Group at amortised costs, upon the transition to HKFRS 9 as of 1 January 2018, recognised the ECLs of HK\$5,599,000 in the retained profits.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(b) 香港財務報告準則第9號「金融工具」— 採用的影響(續)

分類及計量(續)

附註：(續)

- (iii) 將非公開買賣基金投資由可供出售財務資產重新分類至按公允價值計入損益的財務資產

本集團的非公開買賣基金投資已由可供出售財務資產重新分類至按公允價值計入損益的財務資產(於2018年1月1日為港幣76,366,000元)。該等基金投資並不符合香港財務報告準則第9號按攤銷成本或按公允價值計入其他全面收益分類的條件，原因在於該等基金投資的現金流量並非純粹為本金及利息付款。

於2018年1月1日，相關公允價值虧損港幣1,704,000元已由投資重估儲備轉撥至保留利潤。於截至2018年12月31日止年度，與該等投資有關的公允價值淨虧損港幣11,830,000元已於損益確認。

- (iv) 評估應收貸款及利息的預期信用損失

於2018年1月1日過渡至香港財務報告準則第9號後，本集團按攤銷成本列賬的非即期應收貸款及利息於保留利潤確認預期信用損失港幣5,599,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018

(i) Classification and measurement of financial instrument

HKFRS 9 basically retains the existing requirements in HKAS 39 for the classification and measurements of financial liabilities. However, it eliminates the previous HKAS 39 categories for financial assets of held to maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of HKFRS 9 has no material impact on the Group's accounting policies related to financial liabilities and derivative financial instruments. The impact of HKFRS 9 on the Group's classification and measurement of financial assets is set out below.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策

(i) 金融工具的分類及計量

香港財務報告準則第9號基本上保留香港會計準則第39號有關財務負債分類及計量的現有規定。然而，香港財務報告準則第9號取消過往香港會計準則第39號就持至到期財務資產、貸款及應收款項以及可供出售財務資產的財務資產類別。採用香港財務報告準則第9號對本集團有關財務負債及衍生金融工具的會計政策並無重大影響。香港財務報告準則第9號對本集團財務資產分類及計量的影響載列如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(i) Classification and measurement of financial instrument (Continued)

Under HKFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with HKFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs. A financial asset is classified as: (i) financial assets at amortised cost (“amortised costs”); (ii) financial assets at fair value through other comprehensive income (“FVOCI”); or (iii) FVTPL (as defined in above). The classification of financial assets under HKFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the “solely payments of principal and interest” criterion, also known as “SPPI criterion”). Under HKFRS 9, embedded derivatives is no longer required to be separated from a host financial asset. Instead, the hybrid financial instrument is assessed as a whole for the classification.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(i) 金融工具的分類及計量(續)

根據香港財務報告準則第9號，除若干應收賬款（應收賬款不包含按照香港財務報告準則第15號的重大融資組成部分）外，實體於初始確認時按公允價值加（如屬並非按公允價值計入損益）交易成本計量財務資產。財務資產分類為：(i)按攤銷成本列賬的財務資產；(ii)按公允價值計入其他全面收益的財務資產；或(iii)按公允價值計入損益（定義見上文）。根據香港財務報告準則第9號，財務資產的分類一般基於兩項準則：(i)管理財務資產的業務模型及(ii)其合約現金流特徵（「純粹支付本息」準則）。根據香港財務報告準則第9號，嵌入式衍生工具無須再與主體財務資產分開。取而代之，混合式金融工具按整體評估分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(i) Classification and measurement of financial instrument (Continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

A debt investment is measured at FVOCI if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(i) 金融工具的分類及計量(續)

財務資產如同時符合以下條件，且並無指定為按公允價值計入損益，則按攤銷成本計量：

- 該財務資產於旨在持有財務資產以收取合約現金流的業務模型內持有；及
- 該財務資產的合約條款於特定日期產生符合純粹支付本息準則的現金流。

債務投資如同時符合以下條件，且並非指定按公允價值計入損益，則以按公允價值計入其他全面收益的方式計量：

- 該債務投資於透過收取合約現金流及銷售財務資產達到目的之業務模型內持有；及
- 該財務資產的合約條款於特定日期產生符合純粹支付本息準則的現金流。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(i) Classification and measurement of financial instrument (Continued)

On initial recognition of an equity investment that is not held for trading and not contingent consideration recognised by an acquirer to which HKFRS 3 applies, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(i) 金融工具的分類及計量(續)

於初始確認並非持作買賣及並非香港財務報告準則第3號適用的由收購方確認的或然代價的股本投資時，本集團可不可撤回地選擇於其他全面收益呈列投資公允價值的其後變動。此項選擇乃按投資逐項作出。上述所有非按攤銷成本或以按公允價值計入其他全面收益的方式分類的其他財務資產，乃分類為按公允價值計入損益。此包括所有衍生財務資產。於初始確認時，本集團或會不可撤回地指定財務資產(於其他方面符合按攤銷成本或以按公允價值計入其他全面收益的方式計量的規定)為按公允價值計入損益，前提是有關指定可消除或大幅減少在其他情況下產生的會計錯配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(i) Classification and measurement of financial instrument (Continued)

The following accounting policies would be applied to the Group's financial assets as follows:

FVTPL
按公允價值計入損益

Amortised cost
攤銷成本

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(i) 金融工具的分類及計量(續)

以下會計政策將適用於本集團的財務資產如下：

FVTPL is subsequently measured at fair value. Changes in fair value, dividends and interest income are recognised in profit or loss.

按公允價值計入損益其後按公允價值計量。公允價值變動、股息及利息收益於損益確認。

Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

按攤銷成本列賬的財務資產其後利用實際利率法計量。利息收益、外匯利得及虧損以及減值於損益確認。終止確認的任何利得於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(i) Classification and measurement of financial instrument (Continued)

FVOCI (debt instruments)
按公允價值計入其他全面收益
(債務工具)

FVOCI (equity instruments)
按公允價值計入其他全面收益
(股本工具)

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(i) 金融工具的分類及計量(續)

Debt investments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

按公允價值計入其他全面收益的債務投資其後按公允價值計量。利用實際利率法計算的利息收益、外匯利得及虧損以及減值於損益確認。其他淨利得及虧損於其他全面收益確認。於終止確認時，於其他全面收益累計的利得及虧損會重新分類至損益。

Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss.

按公允價值計入其他全面收益的股本投資按公允價值計量。股息收益除非明確屬收回部分投資成本的金額，否則於損益確認。其他淨利得及虧損於其他全面收益確認，而不會重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(i) Classification and measurement of financial instrument (Continued)

The following table summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018:

Financial assets	Original classification under HKAS 39	New classification under HKFRS 9	Carrying amount as at 1 January 2018 under HKAS 39 根據香港會計準則第39號於2018年1月1日的賬面金額 HK\$'000 港幣千元	Carrying amount as at 1 January 2018 under HKFRS 9 根據香港財務報告準則第9號於2018年1月1日的賬面金額 HK\$'000 港幣千元
Listed debt investment 上市債務投資	Available-for-sale investments (at fair value) 可供出售投資(按公允價值)	FVOCI 按公允價值計入其他全面收益	332,338	332,338
Listed equity investment 上市股本投資	Available-for-sale investments (at fair value) 可供出售投資(按公允價值)	FVOCI 按公允價值計入其他全面收益	500,042	500,042
Non-publicly traded fund investments 非公開買賣基金投資	Available-for-sale investments (at fair value) 可供出售投資(按公允價值)	FVTPL 按公允價值計入損益	76,366	76,366

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(i) 金融工具的分類及計量(續)

下表概述於2018年1月1日本集團各類財務資產根據香港會計準則第39號的原有計量類別及根據香港財務報告準則第9號的新計量類別：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(i) Classification and measurement of financial instrument (Continued)

Financial assets	Original classification under HKAS 39	New classification under HKFRS 9	Carrying amount as at 1 January 2018 under HKAS 39 根據香港會計準則第39號於2018年1月1日的賬面金額 HK\$'000 港幣千元	Carrying amount as at 1 January 2018 under HKFRS 9 根據香港財務報告準則第9號於2018年1月1日的賬面金額 HK\$'000 港幣千元
Unlisted equity investments 非上市股本投資	Financial assets at fair value through profit or loss 按公允價值計入損益的財務資產	FVTPL 按公允價值計入損益	80,670	80,670
Trade receivables 應收賬款	Loan and receivables 貸款及應收款項	Amortised cost 攤銷成本	292	292
Loan receivables (non-current) 應收貸款(非流動)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	221,632	219,368
Interest receivables (non-current) 應收利息(非流動)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	35,867	32,532
Other interest receivables (current) 其他應收利息(流動)	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	8,593	8,593
Restricted cash 受限制現金	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	880,642	880,642
Cash and bank balances 現金及銀行結餘	Loans and receivables 貸款及應收款項	Amortised cost 攤銷成本	713,397	713,397

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(i) 金融工具的分類及計量(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(ii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group's impairment model by replacing the HKAS 39 "incurred loss model" to the "ECLs model". HKFRS 9 requires the Group to recognise ECLs for trade receivables, financial assets at amortised costs, contract assets and debt investment at FVOCI earlier than HKAS 39. Cash and cash equivalents are subject to ECLs model but the impairment is immaterial for the current year.

Under HKFRS 9, the loss allowances are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the end of the reporting period; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(ii) 財務資產減值

採用香港財務報告準則第9號已更改本集團的減值模型，以「預期信用損失模型」取代香港會計準則第39號「已產生虧損模型」。香港財務報告準則第9號規定本集團早於香港會計準則第39號就應收賬款、按攤銷成本列賬的財務資產、合約資產及按公允價值計入其他全面收益的債務投資確認預期信用損失。現金及現金等價物須受預期信用損失模型所限，惟本年度減值並不重大。

根據香港財務報告準則第9號，虧損備抵按以下其中一個基準計量：(1)12個月預期信用損失：為因於報告期末後12個月內發生的可能違約事件而導致的預期信用損失；及(2)全期預期信用損失：為因於金融工具預期年期內發生的所有可能違約事件而產生的預期信用損失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(ii) Impairment of financial assets (Continued)

Measurement of ECLs

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. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

For trade receivables, the Group has elected to measure loss allowances for rental receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(ii) 財務資產減值(續)

計量預期信用損失

預期信用損失以按照合約到期的合約現金流與本集團預期收取的所有現金流的差額為基礎。該不足額其後按與資產原有實際利率相近的利率貼現。

就應收賬款而言，本集團已選擇利用香港財務報告準則第9號簡化方法計量應收租金的虧損備抵，並已基於全期預期信用損失計算預信貸虧損。本集團已設立基於本集團歷史信貸虧損經驗計算的撥備矩陣，並就債務人特定的前瞻性因素及經濟環境作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(ii) Impairment of financial assets (Continued) Measurement of ECLs (Continued)

For loan and interest receivables, the ECLs are determined based on the 12 months ECLs. The 12 months ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the end of the reporting period. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group's loan receivables at amortised cost are considered to have low credit risk as the balance represents loans receivables due from a non-controlling shareholder of PT Mabar Elektrindo ("PT Mabar"), a subsidiary of the Company. Since PT Mabar is entitled to retain 70% of each dividend distribution to PT Garda Sayap Garuda with gross amount outstanding as at 31 December 2018 of HK\$274,240,000 (2017: HK\$258,694,000) for repayment of outstanding loan receivables, the credit risk on these receivables is limited and the restatement of the loss allowance for these receivables on transition to HKFRS 9 as a result of applying the expected credit risk model was immaterial.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(ii) 財務資產減值(續)

計量預期信用損失(續)

就應收貸款及利息而言，預期信用損失乃基於12個月預期信用損失釐定。12個月預期信用損失為全期預期信用損失的一部分，而後者源自可能於報告期末後12個月內發生的金融工具違約事件。然而，當自發生以來信貸風險大幅增加時，備抵將以全期預期信用損失為基礎。當釐定財務資產的信貸風險自初始確認以來有否大幅增加，及當估計預期信用損失時，本集團會考慮相關及無須花費過多成本或努力即可獲得的合理而具理據支持的資料。此包括基於本集團歷史經驗及知情信貸評估的定量及定性資料及分析，並包括前瞻性資料。本集團按攤銷成本列賬的應收貸款的信貸風險被視為偏低，原因為結餘指應收PT Mabar Elektrindo（「PT Mabar」，本公司的附屬公司）一名非控股股東的貸款。由於PT Mabar有權從每次向PT Garda Sayap Garuda分派的股息（於2018年12月31日的未償還總額為港幣274,240,000元（2017年：港幣258,694,000元）中保留70%償還未償還應收貸款，故此等應收款項的信貸風險有限，而於過渡至香港財務報告準則第9號時因應用預期信貸風險模型而重列此等應收款項的虧損備抵並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(ii) Impairment of financial assets (Continued) Measurement of ECLs (Continued)

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

For listed debt securities carried at fair value through other comprehensive income, the Group considers all of them to have low credit risk, and the loss allowance recognised during the year was therefore limited to twelve months expected losses. Management considered a low credit risk for listed debt securities to be an investment grade credit rating with at least one major rating agency.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(ii) 財務資產減值(續)

計量預期信用損失(續)

當借款人不大可能在本集團無追索權採取行動(例如變現抵押)(如持有)的情況下向本集團全數支付信貸義務時,本集團視財務資產為違約。

就以按公允價值計入其他全面收益的方式列賬的上市債務證券而言,本集團視該等證券的信貸風險均為偏低,年內確認的虧損備抵因而以十二個月預期虧損為限。管理層視上市債務證券的信貸風險為低,原因為至少一間大型評級機構給予此投資的信貸評級為投資級別。

估計預期信用損失時考慮的最長期間為本集團面對信貸風險的最長合約期間。

呈列預期信用損失

按攤銷成本列賬的財務資產的虧損備抵從該等資產的賬面總額扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(ii) Impairment of financial assets (Continued) Impact of the ECL model

(a) Impairment of trade receivables

As mentioned above, the Group applies the HKFRS 9 simplified approach to measure ECLs which adopts a life time ECLs for trade receivables. The Group applies the HKFRS 9 simplified approach to measuring ECLs which uses a lifetime expected loss allowance for all trade receivables. The balance of trade receivables mainly represents rental receivables. Rental deposits are required from tenants prior to the commencement of leases. Since the Group's historical credit loss experience for its trade receivables was minimal, the restatement of the loss allowance for these receivables on transition to HKFRS 9 as a result of applying the expected credit risk model was immaterial.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(ii) 財務資產減值(續) 預期信用損失模型的影響

(a) 應收賬款減值

誠如上文所述，本集團應用香港財務報告準則第9號簡化方法計量預期信用損失，即就應收賬款採用全期預期信用損失。本集團應用香港財務報告準則第9號的簡化方法計量預期信用損失，為所有應收賬款使用全期預期虧損撥備。應收賬款結餘主要為應收租金。租戶須於租賃開始前繳交租金按金。由於本集團過往的應收賬款信貸虧損經驗輕微，故於過渡至香港財務報告準則第9號時因應用預期信貸風險模型而重列此等應收款項的虧損備抵並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(ii) Impairment of financial assets (Continued)

Impact of the ECL model (Continued)

(b) Impairment of non-current loan and interest receivables

The non-current loan and interest receivables of the Group at amortised costs are considered to have low credit risk, and the loss allowances recognised during the year ended 31 December 2018 was therefore limited to 12 months ECLs.

The increase in loss allowances for the non-current loan and interest receivables upon the transition to HKFRS 9 as of 1 January 2018 were HK\$5,599,000. The loss allowances further increased by HK\$1,219,000 during the year ended 31 December 2018.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(ii) 財務資產減值(續)

預期信用損失模型的影響(續)

(b) 非即期應收貸款及利息減值

本集團按攤銷成本列賬的非即期應收貸款及利息減值被視為低信貸風險，截至2018年12月31日止年度確認的虧損備抵因而以十二個月預期信用損失為限。

於2018年1月1日過渡至香港財務報告準則第9號的非即期應收貸款及利息的虧損備抵增加港幣5,599,000元。截至2018年12月31日止年度，虧損備抵進一步增加港幣1,219,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(iii) Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the statement of financial position as at 31 December 2017, but are recognised in the statement of financial position on 1 January 2018. This means that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(iii) 過渡

本集團已應用香港財務報告準則第9號的過渡條文，致使香港財務報告準則第9號全面獲採用而無須重列比較資料。因此，新預期信用損失規則產生的重新分類及調整並無於2017年12月31日的財務狀況表反映，惟於2018年1月1日的財務狀況表確認。此意味着於2018年1月1日的保留盈利及儲備確認採用香港財務報告準則第9號所產生財務資產與財務負債的賬面金額差異。因此，就2017年呈列的資料並不反映香港財務報告準則第9號的規定，惟反映香港會計準則第39號的規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

A HKFRS 9 — Financial Instrument (Continued)

(c) HKFRS 9 Financial Instrument — Accounting policy applied from 1 January 2018 (Continued)

(iii) Transition (Continued)

The following assessments have been made on the basis of the facts and circumstances that existed at the DIA of HKFRS 9:

- The determination of the business model within which a financial asset is held;
- The designation and revocation of previous designations of certain financial assets as measured at FVTPL; and
- The designation of certain investments in equity investments not held for trading as at FVOCI.

If an investment in a debt investment had low credit risk at the DIA, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

5 會計政策變動影響概要(續)

A 香港財務報告準則第9號「金融工具」(續)

(c) 香港財務報告準則第9號「金融工具」— 自2018年1月1日起應用的會計政策(續)

(iii) 過渡(續)

以下評估乃基於香港財務報告準則第9號初始應用日期存在的事實及情況作出：

- 釐定持有財務資產的業務模型；
- 指定及撤銷原來指定若干財務資產以按公允值計入損益的方式計量；及
- 指定並非持作買賣的股本投資的若干投資按公允值計入其他全面收益。

倘於債務投資的投資在初始應用日期具有低信貸風險，則本集團假設該資產的信貸風險自其初始確認以來並無大幅增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

B HKFRS 15 Revenue from Contracts with Customers — Impact of adoption

The Group has adopted HKFRS 15 *Revenue from Contracts with Customers* from 1 January 2018 which resulted in changes in accounting policies. In accordance with the transition provisions in HKFRS 15, the Group has adopted the new rules retrospectively. The Group assessed the impacts of adopting HKFRS 15 on its financial statements. Based on the assessment, the adoption of HKFRS 15 has no significant impact on the Group's revenue recognition as the Group's dividend income, interest income and rental income are not within the scope of HKFRS 15.

6 FINANCIAL RISK MANAGEMENT

a. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by senior management of the Group under policies approved by the board of directors of the Company.

5 會計政策變動影響概要(續)

B 香港財務報告準則第15號「來自客戶合約的收入」— 採用的影響

本集團由2018年1月1日起採用香港財務報告準則第15號「來自客戶合約的收入」，導致會計政策變動。按照香港財務報告準則第15號的過渡條文，本集團已追溯採用新規則。本集團已評估採用香港財務報告準則第15號對其財務報表的影響。基於有關評估，採用香港財務報告準則第15號對本集團的收入確認並無重大影響，原因為本集團的股息收益、利息收益及租金收益不屬於香港財務報告準則第15號的範圍內。

6 財務風險管理

a. 財務風險因素

本集團的活動使本集團面對多種財務風險：市場風險(包括外匯風險、價格風險及利率風險)、信貸風險及流動性風險。風險管理由本集團的高級管理人員根據經本公司董事會批准的政策執行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Financial risk factors (Continued)

(i) Market risk (Continued)

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar (“US\$”), HK\$ and Renminbi (“RMB”) as the Group’s revenue and the operating costs are denominated in these currencies. The Group is also exposed to other currency movements, primarily in terms of investments in the U.S. and Indonesia, bank deposits, available-for-sale financial assets and bank and other loans denominated in US\$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

6 財務風險管理(續)

a. 財務風險因素(續)

(i) 市場風險(續)

外匯風險

本集團面對多種不同貨幣產生的外匯風險，主要涉及美元、港幣及人民幣，原因為本集團的收入及經營成本以該等貨幣計值。本集團亦面對其他貨幣變動的風險，主要是以美元計值的於美國及印尼的投資、銀行存款、可供出售財務資產以及銀行及其他貸款。外匯風險來自期貨商業交易、已確認的資產及負債以及於外國營運的淨投資。本集團並無訂立任何衍生工具對沖其外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Financial risk factors (Continued)

(i) Market risk (Continued)

Foreign exchange risk (Continued)

At 31 December 2018, if the HK\$ had weakened/strengthened by 0.5% against the US\$ with all other variables held constant, loss for the year and equity would have been HK\$35,435,000 higher/lower (2017: profit for the year would be HK\$19,769,000 lower/higher) and HK\$34,868,000 lower/higher (2017: HK\$17,725,000 lower/higher) respectively, mainly as a result of net foreign exchange losses/gains on translation of US\$ denominated cash and bank deposits, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, available-for-sale financial assets, loans receivables, borrowings and amount due to an intermediate holding company. The Group considers the risk of movements in exchange rates between the HK\$ and the US\$ not significant due to the fact that the HK\$ and the US\$ are pegged.

6 財務風險管理(續)

a. 財務風險因素(續)

(i) 市場風險(續)

外匯風險(續)

於2018年12月31日，倘港幣兌美元貶值／升值0.5%而所有其他變數維持不變，則年內虧損及權益將分別增加／減少港幣35,435,000元(2017年：年內利潤將減少／增加港幣19,769,000元)及減少／增加港幣34,868,000元(2017年：減少／增加港幣17,725,000元)，主要因為換算以美元計值的現金及銀行存款、按公允價值計入損益的財務資產、按公允價值計入其他全面收益的財務資產、可供出售財務資產、應收貸款、借貸以及應付一間中間控股公司款項錄得匯兌淨虧損／利得。本集團認為，由於港幣與美元掛鈎，故港幣兌美元的匯率變動風險不大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Financial risk factors (Continued)

(i) Market risk (Continued)

Price risk

The Group's main market price risk exposures relate to its financial assets at fair value through profit or loss and through other comprehensive income, which mainly comprise debt and equity securities. At 31 December 2018, if the market price of the financial assets at fair value through profit or loss and through other comprehensive income had increased/decreased by 5%, loss for the year and equity of the Group would have been HK\$3,235,000 lower/higher (2017: profit for the year would have been HK\$4,034,000 higher/lower) and HK\$18,950,000 (2017: HK\$49,471,000) higher/lower respectively, mainly as a result of the gains/losses on financial assets at fair value through profit or loss and through other comprehensive income. The Group closely monitors the price movement and changes in market conditions that may have an impact on the value of these financial assets.

6 財務風險管理(續)

a. 財務風險因素(續)

(i) 市場風險(續)

價格風險

本集團的主要市場價格風險與按公允價值計入損益及計入其他全面收益的財務資產有關，該等資產以債務及股票證券為主。於2018年12月31日，倘按公允價值計入損益及計入其他全面收益的財務資產市價上升/下跌5%，則本集團的年內虧損及權益將分別減少/增加港幣3,235,000元(2017年：年內利潤將增加/減少港幣4,034,000元)及增加/減少港幣18,950,000元(2017年：港幣49,471,000元)，主要由於按公允價值計入損益及計入其他全面收益的財務資產的利得/虧損所致。本集團密切監察可能對該等財務資產的價值構成影響的價格變動及市況轉變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Financial risk factors (Continued)

(i) Market risk (Continued)

Interest rate risk

The Group has no significant interest-bearing assets except for cash and bank deposits, listed debt securities included under financial assets at fair value other comprehensive income and loans receivables. The Group has no significant interest-bearing liabilities except for bank and other loans.

The interest rate for the listed debt securities, loans receivables and other loans are fixed. The interest of the bank and other loans is capitalised. At 31 December 2018, if interest rates on cash and bank deposits had been 100 basis points higher/lower with all other variables held constant, loss for the year would have been HK\$10,899,000 lower/higher (2017: profit for the year would have been HK\$15,940,000 higher/lower), mainly as a result of interest income on the bank deposits.

Credit risk

The aggregate revenue from the five largest customers represents 41.3% (2017: 45.3%) of total revenue excluding interest income and dividend income, of which, one customer (2017: two customers) individually exceeds 10% of the total revenue (excluding interest income and dividend income) for the year ended 31 December 2018.

6 財務風險管理(續)

a. 財務風險因素(續)

(i) 市場風險(續)

利率風險

除現金及銀行存款、包含在按公允價值計入其他全面收益財務資產的上市債務證券以及應收貸款外，本集團並無重大計息資產。除銀行及其他貸款外，本集團並無重大計息負債。

上市債務證券、應收貸款及其他貸款的利率為固定。銀行及其他貸款的利息已撥充資本。於2018年12月31日，倘現金及銀行存款的利率上升/下跌100個基點而所有其他變數維持不變，則年內虧損將減少/增加港幣10,899,000元(2017年：年內利潤將增加/減少港幣15,940,000元)，主要源自銀行存款的利息收益。

信貸風險

截至2018年12月31日止年度，來自五大客戶的收入合共佔總收入(不包括利息收益及股息收益)的41.3%(2017年：45.3%)，其中一名(2017年：兩名)客戶單獨佔總收入(不包括利息收益及股息收益)超過10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Financial risk factors (Continued)

(i) Market risk (Continued)

Credit risk (Continued)

At 31 December 2018, the balance of trade and other receivables mainly represents rental receivables and interest receivables. Rental deposits are required from tenants prior to the commencement of leases. The Group performs periodic credit evaluations of these debtors to manage the risk.

There is no significant credit risk in relation to the Group's cash and bank deposits as cash and bank deposits are placed with banks and financial institutions with good credit ratings. Approximately 98% (2017: 85%) of the Group's bank deposits were placed in international financial institutions with minimum credit ratings of A3/A- as rated by Moody's and Standard & Poor's as at 31 December 2018.

The Group's investments in listed debt securities are listed in Singapore with credit rating of A2/A- as rated by Moody's and Standard & Poor's as at 31 December 2018.

The maximum exposure to credit risk for the Group and the Company at the reporting date is the carrying amount of each class of financial assets.

The Group determines the ECL rate for its loan receivables using the general approach, which is based on Group's historical credit loss experience, expected loan repayment date and adjusted by forward looking factors.

6 財務風險管理(續)

a. 財務風險因素(續)

(i) 市場風險(續)

信貸風險(續)

於2018年12月31日，應收賬款及其他應收款項的結餘主要為應收租金及應收利息。租戶須於租賃開始前繳交租金按金。本集團定期評估該等債務人的信貸質素以管理有關風險。

由於現金及銀行存款存放於信貸評級良好的銀行及金融機構，故本集團的現金及銀行存款並無重大信貸風險。於2018年12月31日，本集團約98% (2017年：85%) 的銀行存款存放於獲穆迪及標準普爾最低評為A3/A- 信貸評級的國際金融機構。

本集團於上市債務證券的投資於新加坡上市，並於2018年12月31日獲穆迪及標準普爾評為A2/A- 信貸評級。

於報告日期，本集團及本公司面對的最高信貸風險為各類財務資產的賬面金額。

本集團利用一般方法(以本集團歷史信貸虧損經驗、預期貸款還款日期為基礎，並就前瞻性因素作出調整)釐定應收貸款的預期信用損失率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Financial risk factors (Continued)

(i) Market risk (Continued)

Credit risk (Continued)

The loss allowances as at 31 December 2018 was determined for non-current loan and interest receivables as follows:

On 31 December 2018

於2018年12月31日

		Loan and interest receivables
		應收貸款及利息
ECL (%)	預期信用損失(%)	2.4
Gross carrying amount of non-current loan and interest receivables (HK\$'000)	非即期應收貸款及利息的賬面總額 (港幣千元)	278,396
Loss allowances (HK\$'000)	虧損備抵(港幣千元)	6,818

In respect of loan receivables, credit risk has not increased significantly since initial recognition, and the loss allowances recognised during the year was therefore limited to 12 months ECLs.

6 財務風險管理(續)

a. 財務風險因素(續)

(i) 市場風險(續)

信貸風險(續)

本集團就非即期應收貸款及利息釐定於2018年12月31日的虧損備抵如下：

就應收貸款而言，信貸風險自初始確認以來並無大幅增加，年內確認的虧損備抵因而以12個月預期信用損失為限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Financial risk factors (Continued)

(ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, senior management of the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

6 財務風險管理(續)

a. 財務風險因素(續)

(ii) 流動性風險

審慎的流動性風險管理指維持充足的現金及有價證券、透過充足的承諾信貸額度獲得可用資金及有能力結算市場持倉。由於相關業務性質流動性強，故本集團的高級管理層旨在透過維持可用承諾信貸額度保持資金靈活性。

下表基於結算日至合約到期日的剩餘期限，透過相關到期日組合分析本集團的財務負債。表內披露的數額為未貼現現金流。由於貼現影響不大，故於12個月內到期的結餘等同於其賬面結餘。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

		Contractual payment 合約付款			
		Less than 1 year and repayable on demand 1年以下及 按要求償還 HK\$'000 港幣千元	Between 1 and 2 years 1至2年之間 HK\$'000 港幣千元	Between 2 and 5 years 2至5年之間 HK\$'000 港幣千元	Over 5 years 5年以上 HK\$'000 港幣千元
At 31 December 2018	於2018年12月31日				
Deposits received, other payables and accruals	已收按金、其他應付款項及應計項目	933,441	473,633	3,310	7,489
Borrowings	借貸	4,563,968	242,820	1,426,371	—
Amount due to an intermediate holding company	應付一間中間控股公司款項	—	5,194,773	—	—
		5,497,409	5,911,226	1,429,681	7,489
At 31 December 2017	於2017年12月31日				
Deposits received, other payables and accruals	已收按金、其他應付款項及應計項目	913,953	334,929	6,677	5,743
Borrowings	借貸	4,299,643	—	1,067,007	—
Amount due to an intermediate holding company	應付一間中間控股公司款項	3,120,506	—	—	—
		8,334,102	334,929	1,073,684	5,743

6 財務風險管理(續)

a. 財務風險因素(續)

(ii) 流動性風險(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as "total borrowings". Total capital is calculated as "total equity", as shown in the consolidated statement of financial position.

6 財務風險管理(續)

b. 資本風險管理

當管理資本時，本集團以維護其可持續經營的能力為目標，從而為股東提供回報及為其他持份者帶來利益，並維持最佳資本結構以減少資金成本。

為了維持或調整資本結構，本集團可能調整向股東派付的股息額、返還股東資本、發行新股或出售資產以減少債務。

本集團以資本負債比率為基準監察資本，與同業看齊。該比率按債務總額除以資本總額計算。債務總額按「借貸總額」計算。資本總額按綜合財務狀況表所示的「權益總額」計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Capital risk management (Continued)

The Group's strategy is to maintain a healthy gearing ratio. The gearing ratios, as calculated by total borrowings over total shareholders' equity, are as follows:

6 財務風險管理(續)

b. 資本風險管理(續)

本集團的策略旨在維持穩健的資本負債比率。資本負債比率(按借貸總額除以股東權益總額計算)如下:

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Total borrowings (excluding amount due to an intermediate holding company)	借貸總額(不包括應付一間中間控股公司款項)	6,147,463	5,328,364
Amount due to an intermediate holding company	應付一間中間控股公司款項	5,194,773	3,120,506
Total borrowings (including amount due to an intermediate holding company)	借貸總額(包括應付一間中間控股公司款項)	11,342,236	8,448,870
Total equity	權益總額	10,812,440	11,175,800
Gearing ratio (excluding amount due to an intermediate holding company)	資本負債比率(不包括應付一間中間控股公司款項)	56.9%	47.7%
Gearing ratio (including amount due to an intermediate holding company)	資本負債比率(包括應付一間中間控股公司款項)	104.9%	75.6%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Capital risk management (Continued)

In order to fund the daily operation and the expansion of the business of the Group, significant amounts of capital in the form of borrowing or equity, or a combination of both, is considered to be necessary in the future. The directors of the Company consider such funding for the future operation and expansion will be available as and when required.

c. Fair value estimation

The following table presents the Group's financial instruments that were measured at fair value at 31 December 2018 and 31 December 2017. The different levels have been defined as follows:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- (iii) Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (Level 3).

6 財務風險管理(續)

b. 資本風險管理(續)

為撥付本集團的日常營運及業務擴展，本集團認為日後需以借貸或股權形式或兩者結合取得大額資金。本公司董事認為，於需要時可獲得有關資金以撥付日後營運及擴展所需。

c. 公允價值估計

下表呈列於2018年12月31日及2017年12月31日按公允價值計量的本集團金融工具。不同級別的定義如下：

- (i) 相同資產或負債於活躍市場的報價(未經調整)(第1級)。
- (ii) 除包含於第1級的報價外，就資產或負債直接(即價格)或間接(即引伸自價格)可觀察所得的輸入數據(第2級)。
- (iii) 並非基於可觀察所得市場數據的資產或負債輸入數據(即不可觀察所得輸入數據)(第3級)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Fair value estimation (Continued)

(iii) (Continued)

		Level 1 第1級 HK\$'000 港幣千元	Level 2 第2級 HK\$'000 港幣千元	Level 3 第3級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 31 December 2018	於2018年12月31日				
Financial assets at fair value through profit or loss	按公允價值計入損益的財務資產				
— Non-publicly traded fund investments	— 非公開買賣基金投資	—	64,700	—	64,700
Financial assets at fair value through other comprehensive income	按公允價值計入其他全面收益的財務資產				
— Non-publicly traded listed equity securities	— 非公開買賣上市股票證券	—	—	200,956	200,956
— Listed debt securities with fixed interest rate	— 固定利率的上市債務證券	113,334	—	—	113,334
Total financial assets	財務資產總值	113,334	64,700	200,956	378,990
At 31 December 2017	於2017年12月31日				
Financial assets at fair value through profit or loss	按公允價值計入損益的財務資產				
— Unlisted equity investments	— 非上市股本投資	—	—	80,670	80,670
Available-for-sale financial assets	可供出售財務資產				
— Listed debt securities with fixed interest rate	— 固定利率的上市債務證券	332,338	—	—	332,338
— Listed equity securities	— 上市股票證券	500,042	—	—	500,042
— Non-publicly traded fund investments	— 非公開買賣基金投資	—	76,366	—	76,366
Total financial assets	財務資產總值	832,380	76,366	80,670	989,416

6 財務風險管理(續)

c. 公允價值估計(續)

(iii) (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Fair value estimation (Continued)

During the year ended 31 December 2017, there were no transfers between Levels 1, 2 and 3.

(i) Financial instruments in Level 1

During the year ended 31 December 2018, the Company's equity investments in China Huiyuan Juice Group Limited ("Huiyuan Juice") of HK\$200,956,000 (2017: HK\$432,000,000) has become non-publicly traded as trading of shares of Huiyuan Juice has been suspended since April 2018. Hence, these equity investments were transferred from Level 1 to Level 3 for the estimation of fair value as at 31 December 2018.

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

6 財務風險管理(續)

c. 公允價值估計(續)

於截至2017年12月31日止年度，第1級、第2級及第3級之間並無轉移。

(i) 第1級內的金融工具

於截至2018年12月31日止年度，由於中國滙源果汁集團有限公司(「滙源果汁」)股份自2018年4月起暫停買賣，故本公司於滙源果汁的股本投資港幣200,956,000元(2017年：港幣432,000,000元)已成為非公開買賣。因此，於2018年12月31日，為估計公允價值，該等股本投資已由第1級轉移至第3級。

於活躍市場買賣的金融工具的公允價值以於結算日的市場報價為基礎。倘該等報價可容易地定期從交易所、經銷商、經紀、產業集團、股價服務機構或監管機構獲得，且代表以公允原則定期進行的實際市場交易，則該市場會被視為活躍。本集團所持財務資產使用的市場報價乃現行出價。

(ii) 第2級內的金融工具

並非於活躍市場買賣的金融工具(例如場外衍生工具)的公允價值利用估值技術釐定。該等估值技術盡量使用可觀察所得的可得市場數據，並盡可能地減少倚賴實體的特定估計。倘得出工具公允價值所須的全部重大輸入數據乃可觀察，則該工具列入第2級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Fair value estimation (Continued)

(iii) Financial instruments in Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following table presents the changes in Level 3 instruments for the year ended 31 December 2018 and 2017.

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Opening balance	年初結餘	80,670	—
Additions	增添	—	78,053
Transfer from level 1	由第1級轉撥	432,000	—
Disposal of a subsidiary (Note 35)	出售一間附屬公司 (附註35)	(100,453)	—
Fair value gains on revaluation of financial assets at fair value through profit or loss	重估按公允價值計入 損益的財務資產的 公允價值利得	19,463	2,499
Fair value loss on revaluation of financial assets at fair value through other comprehensive income	重估按公允價值計入 其他全面收益的財 務資產的公允價值 虧損	(231,044)	—
Exchange difference	匯兌差額	320	118
Closing balance	年終結餘	200,956	80,670
Total gains for the year included in income statement for assets held at the end of the reporting period, under "Other net gains"	於報告期末持有的 資產計入收益表的 年內利得總額， 呈列於「其他淨 利得」	19,783	2,617

6 財務風險管理(續)

c. 公允價值估計(續)

(iii) 第3級內的金融工具

倘一項或多項重大輸入數據並非基於可觀察所得的市場數據，則該工具列入第3級。

下表呈列第3級工具於截至2018年及2017年12月31日止年度的變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Fair value estimation (Continued)

(iii) Financial instruments in Level 3 (Continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description 描述	Fair value at 於下列日期的 公允價值		Significant unobservable inputs 重大不可觀察所得的輸入數據	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元	Range of significant unobservable inputs 重大不可觀察所得的輸入數據範圍	Relationship of unobservable inputs to fair value 不可觀察所得的輸入數據與公允價值的關係
	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元					
Unlisted equity investments at fair value 按公允價值的非上市股本投資	—	80,670	Expected volatility (Note a) 預期波幅 (附註a)	N/A 不適用	2017	If the volatility is 2.6% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$405,000 and increase by HK\$443,000 respectively. 倘波幅上升/下跌2.6%而所有其他變數維持不變，則公允價值將分別減少港幣405,000元及增加港幣443,000元。	The higher the volatility, the lower the fair value 波幅越高，公允價值越低
Non-publicly traded listed equity securities at fair value 按公允價值的非公開買賣上市股票證券	200,956 (Note b) (附註b)	—	Discount for the lack of marketability 缺乏流通性的折讓	10%	N/A 不適用	The higher the marketability discount, the lower the fair value 流通性折讓越高，公允價值越低	
			Company specific discount attributable to trade halt due to corporate governance issues 因企業管治事宜而短暫停止買賣所引致的公司特定折讓	40%	N/A 不適用		The higher the company specific discount, the lower the fair value 公司特定折讓越高，公允價值越低

6 財務風險管理(續)

c. 公允價值估計(續)

(iii) 第3級內的金融工具(續)

下表概述有關第3級公允價值計量所用的重大不可觀察所得的輸入數據的量化資料：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Fair value estimation (Continued)

(iii) Financial instruments in Level 3 (Continued)

Notes:

- a. On 30 July 2018, the Company entered into a sale and purchase agreement with a connected person of the Company for disposal of its entire equity interest in a wholly-owned subsidiary which owned the unlisted equity investments. Completion of the disposal has taken place simultaneously with the signing of the agreement.
- b. During the year ended 31 December 2018, the Company's equity investments in Huiyuan Juice has become non-publicly traded as trading of shares of Huiyuan Juice has been suspended since April 2018. Hence, these equity investments were transferred from Level 1 to Level 3 for the estimation of fair value as at 31 December 2018.

During the year ended 31 December 2017, the Group did not transfer any impairment loss from other comprehensive income into the consolidated income statement.

During the year ended 31 December 2018, the Group transferred impairment loss of HK\$189,054,000 from other comprehensive income into the retained earnings upon adoption of HKFRS 9.

6 財務風險管理(續)

c. 公允價值估計(續)

(iii) 第3級內的金融工具(續)

附註：

- a. 於2018年7月30日，本公司與一名本公司關連人士訂立一份買賣協議，以出售於一間擁有非上市股本投資的全資附屬公司的全部股權。出售事項已與協議簽訂同時落實完成。
- b. 於截至2018年12月31日止年度，由於滙源果汁股份自2018年4月起暫停買賣，故本公司於滙源果汁的股本投資已成為非公開買賣。因此，於2018年12月31日，為估計公允價值，該等股本投資已由第1級轉移至第3級。

於截至2017年12月31日止年度，本集團並無自其他全面收益轉出任何減值虧損至綜合收益表。

於截至2018年12月31日止年度，本集團在採用香港財務報告準則第9號後自其他全面收益轉撥港幣189,054,000元的減值虧損至保留盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Fair value estimation (Continued)

(iii) Financial instruments in Level 3 (Continued)

The fair value of the following financial assets and liabilities approximate their carrying amount:

- (i) Loans receivables;
- (ii) Trade receivables;
- (iii) Deposits, prepayments and other receivables;
- (iv) Cash and bank deposits;
- (v) Deposits received, other payables and accruals;
- (vi) Borrowings; and
- (vii) Amount due to an intermediate holding company.

The disclosures of the investment properties that are measured at fair value are set out in Note 18.

6 財務風險管理(續)

c. 公允價值估計(續)

(iii) 第3級內的金融工具(續)

以下財務資產及負債的公允價值與賬面金額相若：

- (i) 應收貸款；
- (ii) 應收賬款；
- (iii) 按金、預付款項及其他應收款項；
- (iv) 現金及銀行存款；
- (v) 已收按金、其他應付款項及應計項目；
- (vi) 借貸；及
- (vii) 應付一間中間控股公司款項。

按公允價值計量的投資物業的披露資料載於附註18。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Note 4 to the consolidated financial statements includes a summary of the significant accounting policies used in the preparation of the consolidated financial statements. The preparation of consolidated financial statements often requires the use of judgments to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and assumptions concerning the future may be required in selecting and applying those methods and policies in the consolidated financial statements. The Group bases its estimates and judgments on historical experience and various assumptions that are reasonable under the circumstances. Actual results may differ from these estimates and judgments under different assumptions or conditions.

The following is a review of the more significant assumptions and estimates, as well as the accounting policies and methods used in the preparation of the consolidated financial statements.

a. Going concern consideration

In the process of applying the Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgement by the directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors consider that the Group has the capability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt upon the going concern assumption are set out in Note 3b to the consolidated financial statements.

7 關鍵會計估算及判斷

綜合財務報表附註4包括編製綜合財務報表時所用主要會計政策的概要。在編製綜合財務報表的過程中往往須作出判斷，以從多個可接受方案中選出特定會計方法及政策。再者，在選擇及運用會計方法和政策以編製綜合財務報表的過程中，可能需要對未來作出重大估算及假設。本集團的估算及判斷乃建基於過往經驗，以及在有關情況下為合理的多項假設。在不同假設或情況下，實際結果可能有別於此等估算及判斷。

下文概述在編製綜合財務報表時使用的較重大假設及估算，以及會計政策及方法。

a. 考慮持續經營能力

在運用本集團會計政策以編製綜合財務報表的過程中，除涉及估計者外，管理層亦已假設本集團將能夠於未來一年持續經營，而此關鍵判斷對於綜合財務報表中所確認金額構成最重大影響。在評估持續經營假設時，董事須於某一時間點判斷若干事件或情況的未來結果，有關結果在本質上無法確定。董事認為本集團有能力持續經營，而可能產生業務風險且單獨或一同可能導致對持續經營假設產生重大疑慮的主要事件或情況載於綜合財務報表附註3b。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

b. Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

7 關鍵會計估算及判斷(續)

b. 公允價值計量

包括在本集團財務報表內的多項資產及負債須按公允價值計量及/或披露公允價值。

本集團財務及非財務資產及負債的公允價值計量盡可能利用市場可觀察所得輸入數據及資料進行。用於釐定公允價值計量的輸入數據乃基於所用估值技術中使用的輸入數據的可觀察程度分為不同級別(「公允價值等級」):

- 第1級: 相同項目於活躍市場的報價(未經調整);
- 第2級: 第1級輸入數據以外的可觀察所得直接或間接輸入數據; 及
- 第3級: 不可觀察所得輸入數據(即並非市場數據得出)。

將某一項目分類至上述級別時乃以對項目公允價值計量具有重大影響的所用輸入數據最低級別為基礎。項目在各級別之間的轉移會於產生的期間確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

b. Fair value measurement (Continued)

The Group measures a number of items at fair value:

- Investment properties in Shanghai, the PRC (Note 18);
- Available-for-sale financial assets (Note 20);
- Financial assets at fair value through other comprehensive income (Note 21); and
- Financial assets at fair value through profit or loss (Note 22).

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

c. Estimated impairment of loan and interest receivables

The Group recognised life time ECLs for the loan and interest receivables due from a non-controlling party at HK\$6,818,000 (Note 23), using a general approach based on management's best estimate of losses incurred at the reporting date. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flow that are due to the Group and all the cash flows that the Group expected to receive, discounted at effective interest rate determined at initial recognition. Where the future cash flows are less than expected or being revised downward due to changes in fact or circumstances, a material impairment loss may arise.

7 關鍵會計估算及判斷(續)

b. 公允價值計量(續)

本集團按公允價值計量多個項目：

- 中國上海的投資物業(附註18)；
- 可供出售財務資產(附註20)；
- 按公允價值計入其他全面收益的財務資產(附註21)；及
- 按公允價值計入損益的財務資產(附註22)。

有關上述項目公允價值計量的更詳細資料，請參閱適用附註。

c. 應收貸款及利息的估計減值

本集團利用基於管理層對於報告日期已產生虧損的最佳估計的一般方法，就應收一名非控股方的貸款及利息確認全期預期信用損失港幣6,818,000元(附註23)。基於預期信用損失模型的減值虧損金額乃按所有應付本集團的合約現金流與本集團預期收取的所有現金流之間的差額計量，並按於初始確認時釐定的實際利率貼現。倘未來現金流少於預期或因事實或情況有變而下調，則可能產生重大減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

d. Impairment of non-financial assets

At the date of statement of financial position, the Group undertakes a review to determine whether there is any indication of impairment of non-financial assets.

Properties, plant and equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Reversal of an impairment provision is recorded as income in the period when the reversal occurs. Reversal on impairment loss would be recognised if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out.

e. Depreciation and useful lives of power plant

Estimation of the useful lives of the Group's power plant facilities is based on the Group's assessment of industry practice, internal technical evaluation and experience with similar assets. Management estimates the useful lives of the power plant facilities, which are under construction, to be around 40 years. Changes in the expected level of usage and technological development could have an impact on the economic useful lives and the residual values of these assets, and therefore future depreciation charges.

7 關鍵會計估算及判斷(續)

d. 非財務資產減值

於結算日，本集團進行審閱以釐定是否有任何跡象顯示非財務資產出現減值。

每當有事件或情況變動顯示可能無法收回物業、機器及設備以及其他非財務資產的賬面金額時，本集團會審閱減值虧損。本集團會就資產賬面金額超逾可收回金額的差額確認減值虧損。就評估減值而言，資產乃按可獨立識別現金流量的最低層級分類。減值撥備的撥回會於撥回產生的期間列作收入。倘用於釐定資產可收回金額的估計自進行上次減值測試後出現變動，則本集團會確認減值虧損的撥回。

e. 發電廠的折舊及可使用年期

本集團發電廠設施的可使用年期乃基於本集團對行業慣例的評估、內部技術評估及處理類似資產的經驗估計。管理層估計在建發電廠設施的可使用年期約為40年。預計使用水平及技術發展的變動或會影響該等資產的經濟可使用年期及剩餘價值，進而影響日後的折舊支出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

e. Depreciation and useful lives of power plant (Continued)

The estimated useful lives are reviewed at least each financial year-end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in the factors mentioned above.

f. Estimates for net realisable value of properties under development

The Group assesses the carrying amounts of properties under development according to their net realisable values based on the realisability of these properties. Net realisable value for properties under development is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses and the anticipated costs to completion (including land costs). Based on management's best estimates, an impairment loss of HK\$77,582,000 (Note 24) was recognised on properties under development for the year ended 31 December 2018.

g. Classification of construction cost of the project in Los Angeles, the U.S.

The Group currently classifies the construction costs of the project in the Los Angeles, United States as properties under development (for condominiums) and investment properties (for others). For the investment properties, the Group considers to hold the properties for earning fixed rental income after completion of construction and commencement of operation.

7 關鍵會計估算及判斷(續)

e. 發電廠的折舊及可使用年期(續)

估計可使用年期最少於每個財政年度末審閱，並於預期因有關資產本身出現損耗、於技術或商業上過時及用途受法律或其他限制而有別於先前估計時更新。然而，未來經營業績可能因上述因素變動而受到重大影響。

f. 發展中物業可變現淨值的估計

本集團基於發展中物業的變現能力按該等物業的可變現淨值評估該等物業的賬面金額。發展中物業的可變現淨值乃參照管理層基於現行市況估計的售價，減去適用可變銷售開支及預計完工成本(包括土地成本)釐定。基於管理層的最佳估計，截至2018年12月31日止年度就發展中物業確認的減值虧損為港幣77,582,000元(附註24)。

g. 美國洛杉磯項目的建築成本分類

本集團目前將美國洛杉磯項目的建築成本分類為發展中物業(就公寓而言)及投資物業(就其他而言)。至於投資物業，本集團考慮於物業竣工及開始營運後持有物業以賺取固定租金收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 REVENUE AND SEGMENT INFORMATION 8 收入及分部資料

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in Note 39.

Revenue represents rental income, interest income and dividend income. The amounts of revenue recognised during the year are as follows:

本公司的主要業務為投資控股。本公司附屬公司的主要業務載於附註39。

收入包括租金收益、利息收益及股息收益。年內確認的收入金額如下：

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Rental income from investment properties	投資物業的租金收益	96,118	92,194
Rental income from properties under development (Note)	發展中物業的租金收益 (附註)	—	1,582
Interest income	利息收益	30,785	44,024
Dividend income	股息收益	11,734	4,374
		138,637	142,174

Note:

Revenue of HK\$1,582,000 for the year ended 31 December 2017 represented rental income from leasing of properties acquired for development before the commencement of the development.

附註：

截至2017年12月31日止年度的港幣1,582,000元收入指於發展項目開始前，出租為開發而收購的物業所得的租金收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 REVENUE AND SEGMENT INFORMATION (CONTINUED)

The senior management comprising executive directors and the chief financial officer are the Group's chief operating decision-maker ("CODM"). Management has determined operating segments for the purposes of allocating resources and assessing performance.

Segments are managed separately as each business segment has different business objectives and is subject to risks and returns that are different from one another.

Earnings/(losses) before interest expense and tax ("EBIT/(LBIT)") is regarded as segment results in respect of the Group's reportable segments as the CODM considers that this can better reflect the performance of each segment. EBIT/(LBIT) is used in the Group's internal financial and management reporting to monitor business performances.

8 收入及分部資料(續)

高級管理層(包括執行董事及財務總監)為本集團的主要經營決策者(「主要經營決策者」)。管理層已釐定經營分部，以分配資源及評估表現。

由於各業務分部的業務目標不同，且各分部涉及的風險及回報有別於其他分部，因此各分部的管理工作乃獨立進行。

由於主要經營決策者認為未扣除利息支出及稅項前的盈利／(虧損)(「利息及稅前盈利／(虧損)」)更能反映各分部的表現，故其被視為有關本集團可報告分部的分部業績。利息及稅前盈利／(虧損)乃用於本集團的內部財務及管理報告，以監察業務表現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 REVENUE AND SEGMENT INFORMATION (CONTINUED)

8 收入及分部資料(續)

Segment information:

分部資料：

		Year ended 31 December 2018 截至2018年12月31日止年度				
		Property investment	Real estate development	Energy	Finance investment and others	Total
		物業投資	房地產開發	能源電力	財務投資及其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue from external customers	來自外部客戶的分部收入	96,118	—	—	42,519	138,637
Segment results before other net losses	其他淨虧損前分部業績	80,977	(27,648)	(18,754)	(2,292)	32,283
Other net losses (Note 9a)	其他淨虧損(附註9a)	—	(77,582)	(1,219)	(7,161)	(85,962)
EBIT/(LBIT)	利息及稅前盈利/(虧損)	80,977	(105,230)	(19,973)	(9,453)	(53,679)
Income tax expense	所得稅支出	—	—	—	—	(26,243)
Loss for the year	年內虧損	—	—	—	—	(79,922)
Segment assets	分部資產	1,485,413	18,239,875	3,498,194	1,011,568	24,235,050
Deferred income tax assets	遞延所得稅資產	—	10,585	—	—	10,585
Total assets	資產總值	—	—	—	—	24,245,635
Segment liabilities	分部負債	71,737	1,509,166	169,432	44,682	1,795,017
Borrowings	借貸	—	2,269,437	—	3,878,026	6,147,463
Amount due to an intermediate holding company	應付一間中間控股公司款項	874,140	3,424,855	—	895,778	5,194,773
Current income tax liabilities	流動所得稅負債	24,406	—	—	2,197	26,603
Deferred income tax liabilities	遞延所得稅負債	266,842	2,497	—	—	269,339
Total liabilities	負債總額	—	—	—	—	13,433,195
Depreciation of properties, plant and equipment	物業、機器及設備的折舊	460	763	597	1,207	3,027
Amortisation of leasehold land and land use rights	租賃土地及土地使用權的攤銷	79	—	—	—	79
Additions to non-current segment assets (Note)	添置非流動分部資產(附註)	35,530	1,037,437	206,108	182	1,279,257

Note:

The additions to non-current segment assets include additions to properties, plant and equipment, investment properties, prepayments for construction of power plants and prepayments for property development projects.

附註：

添置非流動分部資產包括添置物業、機器及設備、投資物業、建設發電廠的預付款項以及物業發展項目的預付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 REVENUE AND SEGMENT INFORMATION (CONTINUED)

8 收入及分部資料(續)

Segment information: (Continued)

分部資料：(續)

		Year ended 31 December 2017 截至2017年12月31日止年度				
		Property investment	Real estate development	Energy	Finance investment and others	Total
		物業投資 HK\$'000 港幣千元	房地產開發 HK\$'000 港幣千元	能源電力 HK\$'000 港幣千元	財務投資及其他 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
Segment revenue	分部收入	92,194	1,582	—	48,398	142,174
Segment results before other net gains	其他淨利得前分部業績	75,165	(20,645)	(9,672)	12,557	57,405
Other net gains (Note 9a)	其他淨利得(附註9a)	—	—	—	29,151	29,151
EBIT/(LBIT)	利息及稅前盈利/(虧損)	75,165	(20,645)	(9,672)	41,708	86,556
Income tax expense	所得稅支出	—	—	—	—	(17,411)
Profit for the year	年內利潤	—	—	—	—	69,145
Segment assets	分部資產	1,614,030	15,036,106	3,481,907	1,316,855	21,448,898
Deferred income tax assets	遞延所得稅資產	—	9,211	—	—	9,211
Total assets	資產總值	—	—	—	—	21,458,109
Segment liabilities	分部負債	77,415	1,282,734	156,538	22,645	1,539,332
Borrowings	借貸	—	3,232,269	617,535	1,478,560	5,328,364
Amount due to an intermediate holding company	應付一間中間控股公司款項	1,178,241	—	—	1,942,265	3,120,506
Current income tax liabilities	流動所得稅負債	25,320	—	—	—	25,320
Deferred income tax liabilities	遞延所得稅負債	266,851	1,936	—	—	268,787
Total liabilities	負債總額	—	—	—	—	10,282,309
Depreciation of properties, plant and equipment	物業、機器及設備的折舊	401	643	89	2,305	3,438
Amortisation of leasehold land and land use rights	租賃土地及土地使用權的攤銷	51	—	—	—	51
Additions to non-current segment assets (Note)	添置非流動分部資產(附註)	359	1,008,813	762,854	413	1,772,439

Note:

The additions to non-current segment assets include additions to properties, plant and equipment, investment properties, prepayments for construction of power plants and prepayments for property development projects.

附註：

添置非流動分部資產包括添置物業、機器及設備、投資物業、建設發電廠的預付款項以及物業發展項目的預付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information: (Continued)

Geographical information:

The Group operates primarily in Hong Kong, the PRC, the U.S. and Indonesia. The geographical segment revenue is presented based on the geographical location of the rental, interest and dividend income.

Revenue and assets by geographical location are as follows:

		U.S. 美國 HK\$'000 港幣千元	Indonesia 印尼 HK\$'000 港幣千元	PRC 中國 HK\$'000 港幣千元	Hong Kong 香港 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Revenue	收入					
31 December 2018	2018年12月31日	2,716	14,581	101,652	19,688	138,637
31 December 2017	2017年12月31日	2,664	13,365	96,811	29,334	142,174
Total assets	資產總值					
31 December 2018	2018年12月31日	18,250,460	3,497,484	1,483,578	1,014,113	24,245,635
31 December 2017	2017年12月31日	15,045,317	3,480,988	1,580,722	1,351,082	21,458,109

Information about major customers:

Revenue of approximately HK\$19.3 million (2017: approximately HK\$27.7 million) is derived from one external customer (2017: HK\$27.7 million from two external customers), which individually amounted to 10% or more of the Group's revenue (excluding interest income and dividend income). This revenue is attributable to the property investment segment and derived from the PRC.

8 收入及分部資料(續)

分部資料：(續)

地域資料：

本集團主要於香港、中國、美國及印尼經營業務。地域分部收入以租金、利息及股息收益的地理位置為基礎呈列。

按地理位置劃分的收入及資產如下：

有關主要客戶的資料：

收入中約港幣1,930萬元(2017年：約港幣2,770萬元)來自一名外部客戶(2017年：港幣2,770萬元來自兩名外部客戶)，該等客戶個別佔本集團收入(不包括利息收益及股息收益)10%或以上。該收入歸屬於物業投資分部並來自中國。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is stated after crediting and charging the following:

9 除稅前(虧損)／利潤

除稅前(虧損)／利潤已計入及扣除下列項目：

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Crediting	計入		
Fair value gains on revaluation of financial assets at fair value through profit or loss (Note a)	重估按公允價值計入損益的財務資產的公允價值利得(附註a)	—	2,499
Net realised gains on disposal of listed debt securities classified as financial assets at fair value through other comprehensive income (Note a)	出售分類為按公允價值計入其他全面收益的財務資產的上市債務證券的淨變現利得(附註a)	6,281	—
Net realised gains on disposal of listed debt securities classified as available-for-sale financial assets (Note a)	出售分類為可供出售財務資產的上市債務證券的淨變現利得(附註a)	—	19,669
Net realised gains on disposal of listed equity securities classified as available-for-sale financial assets (Note a)	出售分類為可供出售財務資產的上市股票證券的淨變現利得(附註a)	—	27,928
Rental income from investment properties	投資物業租金收益	96,118	92,194
Charging	扣除		
Fair value losses on revaluation of financial assets at fair value through profit or loss (Note a)	重估按公允價值計入損益的財務資產的公允價值虧損(附註a)	630	—
Impairment loss on properties under development (Note a)	發展中物業的減值虧損(附註a)	77,582	—
Expected credit losses on loan and interest receivables (Note a)	應收貸款及利息的預期信用損失(附註a)	1,219	—
Staff costs (including directors' emoluments) (Note b and 14)	僱員成本(包括董事酬金)(附註b及14)	48,206	43,759
Depreciation of properties, plant and equipment (Note c and 17)	物業、機器及設備的折舊(附註c及17)	3,027	3,438
Amortisation of leasehold land and land use rights (Note 19)	租賃土地及土地使用權的攤銷(附註19)	79	51
Operating lease charges in respect of properties (Note d)	物業經營租賃費用(附註d)	16,903	10,071
Auditor's remuneration	核數師酬金		
Audit and audit related services	審核及審核相關服務	5,618	5,724
Non-audit services	非審核服務	1,476	1,746
Net foreign exchange losses (Note a)	外幣匯兌淨虧損(附註a)	12,812	20,945
Direct operating expenses arising from investment property that generated rental income	產生租金收益的投資物業產生的直接經營支出	10,319	9,159

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 (LOSS)/PROFIT BEFORE TAX (CONTINUED)

Notes:

- a. Other net losses of HK\$85,962,000 for the year ended 31 December 2018 represented (i) the net foreign exchange losses of HK\$12,812,000; (ii) the impairment loss on properties under development of HK\$77,582,000; (iii) the expected credit losses on loan and interest receivables of HK\$1,219,000; and (iv) the net fair value losses on revaluation of financial assets at fair value through profit or loss of HK\$630,000; net of (v) the net realised gains on disposal of listed debt securities classified as financial assets at fair value through other comprehensive income of HK\$6,281,000.

Other net gains of HK\$29,151,000 for the year ended 31 December 2017 represented (i) the fair value gains on revaluation of financial assets at fair value through profit or loss of HK\$2,499,000; (ii) net realised gains on disposal of listed debt securities classified as available-for-sale financial assets of HK\$19,669,000; (iii) net realised gains on disposal of listed equity securities classified as available-for-sale financial assets of HK\$27,928,000; net of (iv) the net foreign exchange losses of HK\$20,945,000.

- b. For the year ended 31 December 2018, staff costs amounting to HK\$50,592,000 (2017: HK\$38,968,000), HK\$11,844,000 (2017: HK\$9,639,000) and HK\$2,708,000 (2017: HK\$5,242,000) were capitalised into properties under development, investment properties and properties under construction, plant and equipment respectively.
- c. For the year ended 31 December 2018, depreciation charges amounting to HK\$2,629,000 (2017: HK\$1,911,000), HK\$321,000 (2017: HK\$328,000) and HK\$492,000 (2017: HK\$750,000) were capitalised into properties under development, investment properties and properties under construction, plant and equipment respectively.
- d. For the year ended 31 December 2018, operating lease charges amounting to HK\$7,910,000 (2017: HK\$7,376,000), HK\$1,896,000 (2017: HK\$1,454,000) and HK\$3,671,000 (2017: HK\$7,091,000) were capitalised into properties under development, investment properties and properties under construction, plant and equipment respectively.

9 除稅前(虧損)／利潤(續)

附註：

- a. 截至2018年12月31日止年度的其他淨虧損港幣85,962,000元為(i)外幣匯兌淨虧損港幣12,812,000元；(ii)發展中物業的減值虧損港幣77,582,000元；(iii)應收貸款及利息的預期信用損失港幣1,219,000元；及(iv)重估按公允價值計入損益的財務資產的公允價值淨虧損港幣630,000元；扣除(v)出售分類為按公允價值計入其他全面收益的財務資產的上市債務證券的淨變現利得港幣6,281,000元。

截至2017年12月31日止年度的其他淨利得港幣29,151,000元為(i)重估按公允價值計入損益的財務資產的公允價值利得港幣2,499,000元；(ii)出售分類為可供出售財務資產的上市債務證券的淨變現利得港幣19,669,000元；(iii)出售分類為可供出售財務資產的上市股票證券的淨變現利得港幣27,928,000元；扣除(iv)外幣匯兌淨虧損港幣20,945,000元。

- b. 截至2018年12月31日止年度的僱員成本港幣50,592,000元(2017年：港幣38,968,000元)、港幣11,844,000元(2017年：港幣9,639,000元)及港幣2,708,000元(2017年：港幣5,242,000元)已分別資本化於發展中物業、投資物業以及在建物業、機器及設備。
- c. 截至2018年12月31日止年度的折舊費用港幣2,629,000元(2017年：港幣1,911,000元)、港幣321,000元(2017年：港幣328,000元)及港幣492,000元(2017年：港幣750,000元)已分別資本化於發展中物業、投資物業以及在建物業、機器及設備。
- d. 截至2018年12月31日止年度的經營租賃費用港幣7,910,000元(2017年：港幣7,376,000元)、港幣1,896,000元(2017年：港幣1,454,000元)及港幣3,671,000元(2017年：港幣7,091,000元)已分別資本化於發展中物業、投資物業以及在建物業、機器及設備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 INCOME TAX EXPENSE

10 所得稅支出

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Current income tax	即期所得稅		
— Outside Hong Kong	— 香港境外	14,679	11,442
— Overprovision in prior years	— 過往年度超額撥備	—	(224)
Deferred income tax charge (Note 28)	遞延所得稅開支(附註28)		
— Charge for the year	— 年內開支	6,202	4,014
— Write-off of deferred income tax assets	— 撤銷遞延所得稅資產	5,362	—
— Change in tax rate (Note)	— 稅率變動(附註)	—	2,179
		26,243	17,411

Note:

Pursuant to the tax reform legislation enacted by the U.S. government on 22 December 2017, the U.S. corporate tax rate is reduced for tax years beginning after 31 December 2017. The Group has assessed the financial impact as at 31 December 2017 and recorded a reversal of deferred tax asset of HK\$2,179,000 during the year ended 31 December 2017 due to the changes in applicable tax rate.

The Group's subsidiaries in the PRC are subject to Enterprise Income Tax at a standard rate of 25% for the year ended 31 December 2018 (2017: 25%).

No U.S. Federal or State Income Tax was provided for the years ended 31 December 2018 and 2017 as the Group had no estimated assessable profits.

For the years ended 31 December 2018 and 2017, no Hong Kong profits tax was provided as the Group had no estimated assessable profits.

附註：

根據美國政府於2017年12月22日施行的稅務改革法例，2017年12月31日以後開始的稅務年度的美國企業稅率被下調。本集團已評估於2017年12月31日的財務影響，並於截至2017年12月31日止年度因適用稅率變動而錄得遞延稅項資產撥回港幣2,179,000元。

截至2018年12月31日止年度，本集團於中國的附屬公司須按標準稅率25%（2017年：25%）繳納企業所得稅。

截至2018年及2017年12月31日止年度，由於本集團於美國並無估計應課稅利潤，故並無就美國聯邦及州所得稅計提撥備。

截至2018年及2017年12月31日止年度，由於本集團於香港並無估計應課稅利潤，故並無就香港利得稅計提撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 INCOME TAX EXPENSE (CONTINUED) 10 所得稅支出(續)

The differences between the Group's expected tax charges calculated at the domestic rates and the Group's tax charge for the years are as follows:

年內，本集團按當地稅率計算的預期稅項開支與本集團的稅項開支的差額如下：

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
(Loss)/profit before tax	除稅前(虧損)/利潤	(53,679)	86,556
Tax calculated at the domestic rates applicable to the profits in the countries concerned	按適用於有關國家利潤的當地稅率計算的稅項	(7,821)	15,108
Income not subject to tax	免稅收益	(11,390)	(16,553)
Expenses not deductible for tax purposes	不可作減免稅項用途的開支	14,872	9,331
Tax losses not recognised	未確認的稅項虧損	25,220	7,570
Write-off of deferred income tax assets	撇銷遞延所得稅資產	5,362	—
Adjustments for current tax of prior periods	就過往期間即期稅項作出調整	—	(224)
Change in applicable tax rate	適用稅率變動	—	2,179
Total tax charge	稅項開支總額	26,243	17,411

The weighted average applicable tax rate was 14.6% (2017: 17.5%). The tax rate changes from year to year due to changes in the mix of the taxable results of the individual companies of the Group.

適用稅率加權平均值為14.6%(2017年：17.5%)。稅率的按年變動源於本集團旗下個別公司的應課稅業績比例變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 BORROWING COSTS

11 借貸成本

	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Borrowing costs on bank and other loans (including loans from a fellow subsidiary (Note 37h)) and loan from an intermediate holding company (Note 37h)	602,372	171,503
Less: capitalised on qualifying assets	(602,372)	(171,503)
	—	—

Borrowing costs have been capitalised at a rate of 1.8%–9.5% (2017: 1.8%–6.0%) per annum on qualifying assets.

借貸成本按每年1.8%至9.5% (2017年：1.8%至6.0%) 的比率於合資格資產中撥充資本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 BASIC AND DILUTED (LOSS)/ EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

12 每股基本及攤薄(虧損)／盈利

每股基本(虧損)／盈利乃根據本公司股東應佔(虧損)／利潤除以年內已發行普通股的加權平均數計算。

		2018 2018年	2017 2017年
Weighted average number of ordinary shares in issue	已發行普通股的加權平均數	16,142,653,060	16,142,653,060
(Loss)/profit attributable to shareholders of the Company (HK\$'000)	本公司股東應佔(虧損)／利潤(港幣千元)	(48,840)	70,422
Basic (loss)/earnings per share attributable to shareholders of the Company (HK cent per share)	本公司股東應佔每股基本(虧損)／盈利(每股港幣仙)	(0.30)	0.44

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are only derived from the convertible notes. In calculating the dilutive (loss)/earnings per share, the convertible notes are assumed to have been converted into ordinary shares, and the net (loss)/profit is adjusted to eliminate the interest expenses, exchange gains on debt component and the fair value gains on embedded financial derivatives less the tax effect, if applicable.

每股攤薄(虧損)／盈利乃透過假設所有具潛在攤薄影響的普通股已轉換，從而調整發行在外普通股加權平均數計算。本公司具潛在攤薄影響的普通股只來自可換股票據。於計算每股攤薄(虧損)／盈利時，假設可換股票據已轉換為普通股，並調整淨(虧損)／利潤以剔除利息支出、債務組成部分的匯兌利得及嵌入式財務衍生工具的公允價值利得，並扣除稅務影響(如適用)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE (CONTINUED)

12 每股基本及攤薄(虧損)／盈利(續)

		2018 2018年	2017 2017年
(Loss)/profit attributable to shareholders of the Company (HK\$'000)	本公司股東應佔(虧損)／利潤(港幣千元)	(48,840)	70,422
Weighted average number of ordinary shares in issue	已發行普通股的加權平均數	16,142,653,060	16,142,653,060
Effect of dilutive potential ordinary shares — convertible notes	潛在攤薄普通股的影響 — 可換股票據	11,576,307	—
Weighted average number of ordinary shares for diluted (loss)/earnings per share	用於釐定每股攤薄(虧損)／盈利的普通股的加權平均數	16,154,229,367	16,142,653,060
Diluted (loss)/earnings per share attributable to shareholders of the Company (HK cent per share)	本公司股東應佔每股攤薄(虧損)／盈利(每股港幣仙)	(0.30)	0.44

13 DIVIDEND

The directors of the Company do not recommend the payment of a final dividend in respect of the year ended 31 December 2018 (2017: Nil).

13 股息

本公司董事並不建議就截至2018年12月31日止年度派付末期股息(2017年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

14 僱員成本(包括董事酬金)

Staff costs recognised during the year are as follows:

於年內確認的僱員成本如下：

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Wages and salaries	工資及薪金	97,093	82,866
Pension costs	退休金成本	5,194	5,693
Other allowances and benefits	其他津貼及福利	11,063	9,049
Total staff costs (including directors' emoluments (Note 16))	僱員成本總額(包括董事酬金(附註16))	113,350	97,608
Less: amount capitalised into properties under development, investment properties and properties, plant and equipment	減：於發展中物業、投資物業以及物業、機器及設備中撥充資本的金額	(65,144)	(53,849)
		48,206	43,759

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 RETIREMENT BENEFITS SCHEMES

The Group provides retirement benefits mainly to employees in Hong Kong, the PRC and the U.S.

The Group has two defined contribution schemes for all qualified employees in Hong Kong.

- a. Hong Kong employees who commenced employment before 1 September 2000 are members of the first defined contribution scheme. The assets of the first defined contribution scheme are held separately under a provident fund managed by an independent trustee. Pursuant to the rules of the scheme, the employers and its employees are each required to make contributions to the scheme calculated at 5% of the employees' basic salaries on a monthly basis. The employees are entitled to 100% of the employers' contributions and accrued interest after 10 years of service, or at an increasing scale ranging from 20% to 90% after completion of 2 to 9 years of service.

When there are employees who leave the scheme prior to vesting fully in the contributions, in accordance with the rules of the scheme, the forfeited employers' contributions arising from members terminating employment before becoming fully vested are allocated to the benefit of the remaining members instead of being used to reduce the future contributions of the employers.

15 退休福利計劃

本集團主要為香港、中國及美國的僱員提供退休福利。

本集團為全體合資格香港僱員設立兩個界定供款計劃。

- a. 於2000年9月1日前已受僱的香港僱員為首個界定供款計劃的成員。首個界定供款計劃的資產由獨立信託人管理的公積金分開保管。根據該計劃的規定，僱主及僱員須分別每月向該計劃作出相等於僱員基本薪金5%的供款。僱員在服務滿10年後，有權取得100%的僱主供款額及應計利息，或在服務滿2年至9年內，按20%至90%的遞增幅度取得供款。

根據該計劃的規定，倘若僱員在有資格全數取得供款前退出該計劃，因成員在有權取得全數供款前終止受僱而沒收的僱主供款不會用作減低僱主日後的供款額，而會撥入作其餘成員的利益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 RETIREMENT BENEFITS SCHEMES (CONTINUED)

- b. All qualified Hong Kong employees who commenced employment on or after 1 September 2000 are members of the second defined contribution scheme which has been set up in accordance with the guidelines of Mandatory Provident Fund Schemes Ordinance. Both the employers and employees contribute 5% of relevant income (limited to HK\$1,500) to the scheme each month. The assets of the second defined contribution scheme are held separately from those of the Group in funds under the control of trustees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The Group has participated in the 401(k) scheme covering all of its eligible employees in the U.S. Employees who participate in the plan may contribute a portion of their compensation on a pre-income tax basis up to a limit specified by law. The Group's contribution to the plan is based on the percentage of employee contribution from the individual employee's monthly basic salary. The Group also provides an employee benefit plan under Internal Revenue Code Section 125, offering to pay for its eligible employees for medical premium and dependent care expenses on a pre-tax basis. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

15 退休福利計劃(續)

- b. 於2000年9月1日或以後開始受僱的全體合資格香港僱員為第二個界定供款計劃(根據《強制性公積金計劃條例》的指引成立)的成員。僱主及僱員分別每月向該計劃作出相等於有關收入5%的供款(上限為港幣1,500元)。第二個界定供款計劃的資產與本集團的資產分開，由信託人管理的基金持有。

本集團中國附屬公司的僱員為中國政府營辦的國家管理退休福利計劃的成員。附屬公司須向退休福利計劃支付按薪金成本一個指定百分比計算的金額，作為退休福利的資金。本集團對退休福利計劃的唯一責任是作出指定的供款。

本集團已參與401(k)計劃，涵蓋其所有美國合資格僱員。參與計劃的僱員可以除所得稅前報酬的某一部分(上限為法律所定的限額)作為供款。本集團向計劃作出的供款乃基於從個別僱員每月基本薪金得出的僱員供款百分比計算。本集團亦根據《國內收入法》(Internal Revenue Code)第125條提供一項僱員福利計劃，提出以稅前基準為合資格僱員支付醫療金及受養人照顧開支。本集團於退休福利計劃中的唯一責任為作出指定供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

a. Directors' emoluments

Directors' emoluments comprised the payments to directors of the Company by the Group in connection with the management of the affairs of the Group. The emoluments of the directors of the Company are as follows:

Name of director 董事姓名		Basic salaries, allowances and benefits- in-kind 基本薪酬、津貼		Discretionary bonuses 酌情花紅	Provident fund contributions 公積金供款	Inducement or compensation fees 獎勵或補償	Total emoluments 酬金總額
		Director's fees 董事袍金 HK\$'000 港幣千元	HK\$'000 港幣千元				
Executive Directors 執行董事							
Han Xiaosheng ⁽¹⁾⁽²⁾⁽⁴⁾	韓曉生 ⁽¹⁾⁽²⁾⁽⁴⁾	—	—	—	—	—	—
Liu Bing	劉冰	—	—	—	—	—	—
Liu Hongwei	劉洪偉	—	—	—	—	—	—
Zhang Xifang	張喜芳	—	—	—	—	—	—
Liu Guosheng	劉國升	—	—	—	—	—	—
Non-executive Directors 非執行董事							
Zhao Yingwei ⁽³⁾	趙英偉 ⁽³⁾	—	—	—	—	—	—
ZHANG Fubiao ⁽⁵⁾	張福彪 ⁽⁵⁾	—	—	—	—	—	—
Independent Non-executive Directors 獨立非執行董事							
Liu Jipeng ⁽³⁾⁽⁴⁾	劉紀鵬 ⁽³⁾⁽⁴⁾	200	—	—	—	—	200
Cai Hongping ⁽²⁾	蔡洪平 ⁽²⁾	200	—	—	—	—	200
Yan Fashan ⁽²⁾⁽⁴⁾	嚴法善 ⁽²⁾⁽⁴⁾	200	—	—	—	—	200
Lo Wa Kei Roy ⁽³⁾	盧華基 ⁽³⁾	200	—	—	—	—	200
2018 total	2018年總計	800	—	—	—	—	800

Notes:

- (1) Chief Executive Officer
- (2) Member of the Remuneration Committee
- (3) Member of the Audit Committee
- (4) Member of the Nomination Committee
- (5) Appointed with effect from 29 March 2018

附註：

- (1) 總裁
- (2) 薪酬委員會成員
- (3) 審核委員會成員
- (4) 提名委員會成員
- (5) 自2018年3月29日起獲委任

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

16 董事及高級管理人員酬金(續)

a. Directors' emoluments

a. 董事酬金

Name of director 董事姓名	Director's fees 董事袍金 HK\$'000 港幣千元	Basic salaries, allowances and benefits-in-kind 基本薪酬、津貼及實物收益 HK\$'000 港幣千元	Discretionary bonuses 酌情花紅 HK\$'000 港幣千元	Provident fund contributions 公積金供款 HK\$'000 港幣千元	Inducement or compensation fees 獎勵或補償 HK\$'000 港幣千元	Total emoluments 酬金總計 HK\$'000 港幣千元
Executive Directors	執行董事					
Han Xiaosheng ⁽¹⁾⁽²⁾⁽⁴⁾	—	—	—	—	—	—
Liu Bing	—	—	—	—	—	—
Liu Hongwei	—	—	281	—	—	281
Zhang Xifang ⁽⁷⁾	—	—	—	—	—	—
Liu Guosheng	—	—	—	—	—	—
Non-executive Directors	非執行董事					
Qin Dingguo ⁽⁶⁾	—	—	374	—	—	374
Zheng Dong ⁽⁵⁾	—	—	—	—	—	—
Zhao Yingwei ⁽³⁾	—	—	—	—	—	—
Qi Zixin ⁽⁸⁾	—	—	281	—	—	281
Independent Non-executive Directors	獨立非執行董事					
Liu Jipeng ⁽³⁾⁽⁴⁾	200	—	—	—	—	200
Cai Hongping ⁽²⁾	200	—	—	—	—	200
Yan Fashan ⁽²⁾⁽⁴⁾	200	—	—	—	—	200
Lo Wa Kei Roy ⁽³⁾	200	—	—	—	—	200
2017 total	800	—	936	—	—	1,736

Notes:

- (1) Chief Executive Officer
- (2) Member of the Remuneration Committee
- (3) Member of the Audit Committee
- (4) Member of the Nomination Committee
- (5) Resigned with effect from 22 June 2017
- (6) Resigned with effect from 15 August 2017
- (7) Appointed with effect from 15 August 2017
- (8) Resigned with effect from 14 December 2017

附註：

- (1) 總裁
- (2) 薪酬委員會成員
- (3) 審核委員會成員
- (4) 提名委員會成員
- (5) 辭任自2017年6月22日起生效
- (6) 辭任自2017年8月15日起生效
- (7) 自2017年8月15日起獲委任
- (8) 辭任自2017年12月14日起生效

During the years ended 31 December 2018 and 2017, no directors of the Company waived or agreed to waive any emoluments.

於截至2018年及2017年12月31日止年度，並無本公司董事免收或同意免收任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

b. Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include no (2017: no) director. The emoluments payable to the five (2017: five) individuals for the year are as follows:

16 董事及高級管理人員酬金(續)

b. 五位最高酬金人士

在本年度本集團酬金最高的五位人士中，並無董事(2017年：無)。於本年度應付予該五位(2017年：五位)人士的酬金如下：

	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Basic salaries, allowances and benefits-in-kind	12,454	10,836
Discretionary bonuses	432	1,336
Provident fund contributions	441	257
	13,327	12,429

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

b. Five highest paid individuals (Continued)

The emoluments of the five (2017: five) individuals with the highest emoluments for the year fall within the following bands:

Emolument bands 酬金範圍	Number of individuals 人數	
	2018 2018年	2017 2017年
HK\$3,500,001–HK\$4,000,000 港幣3,500,001元至 港幣4,000,000元	1	—
HK\$3,000,001–HK\$3,500,000 港幣3,000,001元至 港幣3,500,000元	—	1
HK\$2,500,001–HK\$3,000,000 港幣2,500,001元至 港幣3,000,000元	1	1
HK\$2,000,001–HK\$2,500,000 港幣2,000,001元至 港幣2,500,000元	3	3
< HK\$2,000,000 港幣2,000,000元以下	—	—

During the years ended 31 December 2018 and 2017, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

16 董事及高級管理人員酬金(續)

b. 五位最高酬金人士(續)

本年度最高酬金的人士中，五位(2017年：五位)人士的酬金屬於下列薪酬範圍：

於截至2018年及2017年12月31日止年度，本集團概無向本公司任何董事或五位最高酬金人士支付任何酬金作為吸引其加盟本集團或加入本集團後的獎勵或作為離職補償。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 PROPERTIES, PLANT AND EQUIPMENT

17 物業、機器及設備

		Freehold land 永久業權土地 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Buildings 樓宇 HK\$'000 港幣千元	Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furniture, fixtures and equipment 傢具、固定裝置及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost	成本							
At 1 January 2018	於2018年1月1日	41,804	2,675,383	19,245	12,230	12,854	5,236	2,766,752
Exchange translation differences	匯兌差額	85	5,416	(360)	(14)	(96)	(26)	5,005
Additions	添置	—	100,494	—	8	810	484	101,796
Transfer (Note 18a)	轉撥(附註18a)	—	—	2,782	—	—	—	2,782
Disposals and write-off	出售及撇銷	—	—	—	—	(886)	(569)	(1,455)
At 31 December 2018	於2018年12月31日	41,889	2,781,293	21,667	12,224	12,682	5,125	2,874,880
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2018	於2018年1月1日	—	—	1,788	5,957	6,565	3,022	17,332
Exchange translation differences	匯兌差額	—	—	(61)	(26)	(96)	(31)	(214)
Charge for the year (Note 9)	年度折舊(附註9)	—	—	1,026	2,314	2,311	818	6,469
Disposals and write-off	出售及撇銷	—	—	—	—	(873)	(569)	(1,442)
At 31 December 2018	於2018年12月31日	—	—	2,753	8,245	7,907	3,240	22,145
Net book value	賬面淨值							
At 31 December 2018	於2018年12月31日	41,889	2,781,293	18,914	3,979	4,775	1,885	2,852,735

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 PROPERTIES, PLANT AND EQUIPMENT (CONTINUED)

17 物業、機器及設備(續)

		Freehold land 永久 業權土地 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Buildings 樓宇 HK\$'000 港幣千元	Leasehold improvements 租賃 物業裝修 HK\$'000 港幣千元	Furniture, fixtures and equipment 傢具、固定 裝置及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost	成本							
At 1 January 2017	於2017年1月1日	41,396	1,757,619	3,832	7,398	9,246	5,151	1,824,642
Exchange translation differences	匯兌差額	408	16,525	311	69	208	85	17,606
Additions	添置	—	901,239	15,102	4,763	3,450	—	924,554
Disposals and write-off	出售及撇銷	—	—	—	—	(50)	—	(50)
At 31 December 2017	於2017年12月31日	41,804	2,675,383	19,245	12,230	12,854	5,236	2,766,752
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2017	於2017年1月1日	—	—	1,007	3,289	4,162	2,157	10,615
Exchange translation differences	匯兌差額	—	—	78	46	151	62	337
Charge for the year (Note 9)	年度折舊(附註9)	—	—	703	2,622	2,299	803	6,427
Disposals and write-off	出售及撇銷	—	—	—	—	(47)	—	(47)
At 31 December 2017	於2017年12月31日	—	—	1,788	5,957	6,565	3,022	17,332
Net book value	賬面淨值							
At 31 December 2017	於2017年12月31日	41,804	2,675,383	17,457	6,273	6,289	2,214	2,749,420

The net book value of construction in progress consists of an amount of relating to the Group's power plant located in Indonesia, which is currently under construction which will be depreciated once the property is complete and available for use.

在建工程的賬面淨值包括有關本集團位於印尼的在建發電廠的金額。物業一經落成及可供使用，將會計算折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 INVESTMENT PROPERTIES

18 投資物業

		2018 2018年	2018 2018年	2017 2017年	2017 2017年
		Completed investment properties 已落成 投資物業 HK\$'000 港幣千元	Investment properties under construction 在建 投資物業 HK\$'000 港幣千元	Completed investment properties 已落成 投資物業 HK\$'000 港幣千元	Investment properties under construction 在建 投資物業 HK\$'000 港幣千元
Valuation/cost	估值／成本				
At 1 January	於1月1日	1,270,243	2,130,230	1,186,650	1,106,748
Additions	添置				
— Acquisitions	— 收購	34,881	—	359	—
— Subsequent expenditure	— 其後支出	—	1,037,039	—	1,011,821
Transfer (Note a)	轉撥(附註a)	(3,929)	—	—	—
Exchange translation differences	匯兌差額	(59,746)	4,353	83,234	11,661
At 31 December	於12月31日	1,241,449	3,171,622	1,270,243	2,130,230

The Group's investment properties comprise:

本集團的投資物業包括：

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Shanghai, the PRC — Office units (Note b)	中國上海 — 辦公室單位 (附註b)	1,241,449	1,270,243
Los Angeles, the U.S. — Commercial properties under development (Note c)	美國洛杉磯 — 發展中商業 物業(附註c)	3,171,622	2,130,230
		4,413,071	3,400,473

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 INVESTMENT PROPERTIES (CONTINUED)

Notes:

- a. Certain premises held by the Group previously classified as investment properties was reclassified to properties, plant and equipment (Note 17) of HK\$2,782,000 and leasehold land and land use rights (Note 19) of HK\$1,147,000 as there was a change in use from held to earn rentals to held for the Group's own use during the year ended 31 December 2018.
- b. The table below analyses recurring fair value measurements for investment properties. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

18 投資物業(續)

附註：

- a. 由於本集團所持有的若干處用途於截至2018年12月31日止年度內由為賺取租金而持有改為為供本集團自用而持有，故該等物業已由以往分類為投資物業重新分類為物業、機器及設備(附註17)港幣2,782,000元以及租賃土地及土地使用權(附註19)港幣1,147,000元。
- b. 下表列示有關投資物業的經常性公允價值計量分析。此等公允價值計量根據估值技術內所使用的輸入數據而於公允價值等級中分類至不同級別。

Fair value hierarchy	Quoted prices in active markets for identical assets	Level 1	Significant other observable inputs	Level 2	Significant unobservable inputs	Level 3	Total
公允價值等級	第1級	第2級	第3級	第1級	第2級	第3級	總計
	HK\$'000	HK\$'000	HK\$'000	港幣千元	港幣千元	港幣千元	港幣千元
At 31 December 2018	於2018年12月31日						
Office units — PRC	辦公室單位 — 中國	—	—	1,241,449	—	—	1,241,449
At 31 December 2017	於2017年12月31日						
Office units — PRC	辦公室單位 — 中國	—	—	1,270,243	—	—	1,270,243

There were no transfers between Levels 1, 2 and 3 during the year ended 31 December 2018 (2017: Nil). The Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

As at 31 December 2018, the office units in the PRC have been valued by Cushman & Wakefield Limited, professional valuers. The fair value of the investment properties was determined based on, amongst other factors, comparable market transactions, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

於截至2018年12月31日止年度，第1級、第2級及第3級之間並無轉移(2017年：無)。本集團的政策為於發生引致轉移的事件或狀況改變當日，確認於公允價值等級間的轉入/轉出。

於2018年12月31日，中國辦公室單位由專業估值師戴德梁行有限公司進行估值。投資物業的公允價值乃基於(包括其他因素)可比較的市場交易、來自現有租約的租金收益及按現行市場推算來自未來租約的租金收益的假設釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 INVESTMENT PROPERTIES (CONTINUED)

Notes: (Continued)

b. (Continued)

The valuations are derived using the income capitalisation method. This method is based on the capitalisation of net income with due allowance for outgoings and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation are referenced to valuers' view of recent lettings, within the subject properties and other comparable properties.

Information about fair value measurements on office units in the PRC based on Level 3 fair value hierarchy:

18 投資物業(續)

附註：(續)

b. (續)

估值以收益資本化方法釐定。此方法乃以收益淨額資本化為基準，採用適用資本化率，適當地為支出與復歸收益的潛力作出備抵，資本化率乃參考對買賣交易的分析及估值師對投資者當下的要求或期望的詮釋訂定。估值所採用的現行市值租金已參考估值師對相關及其他相若物業的近期租賃的意見。

有關中國辦公室單位根據第3級公允價值等級計量公允價值的資料：

Description 描述	Fair value at 於下列日期的 公允價值		Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察所得 的輸入數據	Range of significant unobservable inputs 重大不可觀察所得的 輸入數據範圍		Relationship of unobservable inputs to fair value 不可觀察所得的 輸入數據與公允 價值的關係
	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元			2018 2018年	2017 2017年	
Harbour Ring Plaza 港陸廣場	972,833	1,023,542	Income capitalisation method 收益資本化法	Capitalisation rate 資本化率	7.0%	7.0%	The higher the capitalisation rate, the lower the fair value 資本化率越高，公允價值越低
				Rental rate 租金率	RMB170-240/ month/sq.m. 每平方米每月 人民幣170元至240元	RMB170-240/ month/sq.m. 每平方米每月 人民幣170元至240元	The higher the rental rate, the higher the fair value 租金率越高，公允價值越高
Harbour Ring Huangpu Centre 港陸黃浦中心	268,616	246,701	Income capitalisation method 收益資本化法	Capitalisation Rate 資本化率	7.0%	7.0%	The higher the capitalisation rate, the lower the fair value 資本化率越高，公允價值越低
				Rental rate 租金率	RMB95-220/ month/sq.m. 每平方米每月 人民幣95元至220元	RMB95-220/ month/sq.m. 每平方米每月 人民幣95元至220元	The higher the rental rate, the higher the fair value 租金率越高，公允價值越高

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 INVESTMENT PROPERTIES (CONTINUED)

Notes: (Continued)

- c. The investment properties in the U.S. are under construction and their fair value is not reliably measurable due to significant uncertainty as to its future cash flows. Accordingly, the investment properties are carried at cost. The fair value is expected to become reliably measurable when the construction is completed which is expected to take place by the end of 2020.

19 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments in the PRC.

18 投資物業(續)

附註：(續)

- c. 位於美國的在建投資物業的公允價值無法可靠地計量，原因為其日後現金流量存在重大不確定性。因此，該等投資物業按成本列賬。公允價值預期可於建設完成(預期於2020年底或之前落實)時可靠地計量。

19 租賃土地及土地使用權

本集團於租賃土地及土地使用權的權益為於中國的預付經營租賃款項。

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Net book value	賬面淨值		
At 1 January	於1月1日	1,359	1,320
Transfer (Note 18a)	轉撥(附註18a)	1,147	—
Exchange translation differences	匯兌差額	(136)	90
Amortisation (Note 9)	攤銷(附註9)	(79)	(51)
At 31 December	於12月31日	2,291	1,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 AVAILABLE-FOR-SALE FINANCIAL ASSETS

20 可供出售財務資產

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Listed debt securities, at fair value	上市債務證券，按公允價值		
— Overseas	— 海外	—	324,355
— Hong Kong	— 香港	—	7,983
Listed equity securities, at fair value	上市股票證券，按公允價值		
— Hong Kong	— 香港	—	500,042
Non-publicly traded fund investments, at fair value	非公開買賣基金投資，按公允價值		
— Overseas	— 海外	—	76,366
		—	908,746

The available-for-sale financial assets are denominated in the following currencies:

可供出售財務資產以下列貨幣計值：

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
HK\$	港幣	—	500,042
US\$	美元	—	408,704
		—	908,746

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

21 按公允價值計入其他全面收益的財務資產

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Listed debt securities	上市債務證券		
— Overseas	— 海外	113,334	—
Non-publicly traded listed equity securities	非公開買賣上市股票證券		
— Hong Kong (Note)	— 香港(附註)	200,956	—
		314,290	—

Note:

During the year ended 31 December 2018, the Company's equity investments in Huiyuan Juice has become non-publicly traded as trading of shares of Huiyuan Juice has been suspended since April 2018. Hence, these equity investments were transferred from listed equity securities to unlisted equity securities as at 31 December 2018.

The financial assets at fair value through other comprehensive income are denominated in the following currency:

附註：

於截至2018年12月31日止年度，由於滙源果汁股份自2018年4月起暫停買賣，故本公司於滙源果汁的股本投資已成為非公開買賣。因此，於2018年12月31日，該等股本投資已自上市股票證券轉撥至非上市股票證券。

按公允價值計入其他全面收益的財務資產以下列貨幣計值：

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
US\$	美元	113,334	—
HK\$	港幣	200,956	—
		314,290	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

22 按公允價值計入損益的財務資產

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Unlisted equity investments	非上市股本投資		
— Overseas	— 海外	—	80,670
Non-publicly traded fund investments	非公開買賣基金投資		
— Overseas	— 海外	64,700	—
		64,700	80,670

The financial assets at fair value through profit or loss are denominated in US\$.

按公允價值計入損益的財務資產以美元計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

23 按金、預付款項及其他應收款項

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Non-current portion	非流動部分		
Prepayments for construction of power plants (Note a)	建設發電廠的預付款項 (附註a)	327,141	221,532
Loan and interest receivables from shareholders of a subsidiary (Note b and 37h)	應收一間附屬公司股東的貸款及利息 (附註b及37h)		
— Shanghai Electric Power Construction Co., Ltd. (“SEPC”)	— 上海電力建設有限責任公司 (「SEPC」)	4,139	4,147
— PT. Garda Sayap Garuda (“GSG”)	— PT. Garda Sayap Garuda (「GSG」)	261,598	253,352
Prepaid insurance for property development project	物業發展項目的預付保費	12,644	19,838
Others	其他	18,583	7,442
Total non-current portion	非流動部分總計	624,105	506,311
Current portion	流動部分		
Prepaid insurance for property development project	物業發展項目的預付保費	35,377	25,620
Other interest receivables	其他應收利息	6,914	8,593
Amounts due from related parties (Note 37h)	應收關聯方款項(附註37h)	12,070	13,518
Others	其他	19,143	28,208
Total current portion	流動部分總計	73,504	75,939

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes:

- a. The balance mainly represents advanced payments made to SEPC, a non-controlling shareholder of certain subsidiaries of the Company, and its subsidiary, PT. Shanghai Electric Power Construction ("PT.SEPC"), for the procurement and installation of equipment and machineries for the Group's power plant projects in Indonesia.
- b. The loan and interest receivables are due from SEPC and GSG, non-controlling shareholders of certain subsidiaries of the Company and are denominated in US\$.

As at 31 December 2018, the principal amount of the loan to SEPC was fully repaid and the carrying amount of the loan to GSG was HK\$219,612,000 (2017: HK\$221,632,000). The loan to GSG is interest bearing at 7% per annum and is repayable through its share of the future dividend of the subsidiaries.

The interest receivables from SEPC and GSG were HK\$4,139,000 (2017: HK\$4,147,000) and HK\$41,986,000 (2017: HK\$31,720,000), respectively. The interest receivables are interest free and repayable through their shares of the future dividend of the subsidiaries.

On 1 January 2018 and 31 December 2018, an ECL provision of HK\$5,599,000 and HK\$6,818,000 (Note 7c) was made on the loan and interest receivables from shareholders of a subsidiary, respectively.

23 按金、預付款項及其他應收款項(續)

附註：

- a. 該筆結餘主要指就本集團位於印尼的發電廠項目採購及安裝設備及機器而向本公司若干附屬公司的一名非控股股東SEPC及其附屬公司PT. Shanghai Electric Power Construction (「PT.SEPC」)支付的預付款項。
- b. 該等應收貸款及利息應向本公司若干附屬公司的非控股股東SEPC及GSG收取，以美元計值。

於2018年12月31日，給予SEPC的貸款本金額已悉數償還，而給予GSG的貸款的賬面金額為港幣219,612,000元(2017年：港幣221,632,000元)。給予GSG的貸款按年利率7%計息，須透過日後應佔該等附屬公司的股息償還。

應收SEPC及GSG的利息分別為港幣4,139,000元(2017年：港幣4,147,000元)及港幣41,986,000元(2017年：港幣31,720,000元)。應收利息為免息，須透過日後應佔該等附屬公司的股息償還。

於2018年1月1日及2018年12月31日，就應收一家附屬公司東的貸款及利息分別計提港幣5,599,000元及港幣6,818,000元(附註7c)之預期信用損失撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 PROPERTIES UNDER DEVELOPMENT 24 發展中物業

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
At 1 January	於1月1日	12,131,649	9,721,171
Additions	添置	2,721,617	2,326,445
Impairment (Note 7f)	減值(附註7f)	(77,582)	—
Exchange differences	匯兌差額	23,200	84,033
At 31 December	於12月31日	14,798,884	12,131,649

Properties under development comprise:

發展中物業包括：

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Los Angeles, the U.S.	美國洛杉磯	6,204,586	4,024,411
Ko Olina No. 2 Land, Hawaii, the U.S.	美國夏威夷科琳娜二號地塊	1,672,794	1,583,111
Ko Olina No. 1 Land, Hawaii, the U.S.	美國夏威夷科琳娜一號地塊	2,554,406	2,352,731
Kapolei West, Hawaii, the U.S.	美國夏威夷卡珀雷西區	972,320	892,934
New York, the U.S.	美國紐約	3,394,778	3,278,462
		14,798,884	12,131,649

As at 31 December 2018 and 31 December 2017, the properties under development were expected to be completed and recovered after one year from the end of the reporting period.

於2018年12月31日及2017年12月31日，發展中物業預期將於報告期末起計一年後竣工及收回款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 TRADE RECEIVABLES

At 31 December 2018 and 2017, trade receivables represent rental receivables for which no credit terms have been granted. The aging analysis of trade receivables, net of provision and based on the date of invoices at 31 December 2018 and 2017 is as follows:

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
0–30 days	0–30日	548	292
31–60 days	31–60日	525	—
61–90 days	61–90日	522	—
		1,595	292

No interest is charged on the overdue trade receivables. The trade receivables included in the above aging analysis are considered not impaired (2017: Nil) as these relate to a number of independent customers for whom there is no recent history of default.

The maximum exposure to credit risk at the reporting date is the fair value of the trade receivables.

On 1 January 2018 and 31 December 2018, no ECL provision was made on the trade receivables, respectively.

The Group does not hold any collateral securities.

25 應收賬款

於2018年及2017年12月31日，應收賬款為並無授出信貸期的應收租金。於2018年及2017年12月31日以發票日期為準並扣除撥備後的應收賬款賬齡分析如下：

逾期應收賬款並不計息。由於所涉及的多名獨立客戶近期並無拖欠紀錄，故上述賬齡分析所包括的應收賬款並無被視為已減值(2017年：無)。

於本報告日期的最大信貸風險為應收賬款的公允價值。

於2018年1月1日及2018年12月31日，並無就應收賬款確認任何預期信用損失撥備。

本集團並無持有任何抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 CASH AND BANK DEPOSITS

26 現金及銀行存款

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Bank deposits with maturity less than three months	於三個月內到期的銀行存款	2,106	413,478
Cash at banks and on hand	銀行存款及手頭現金	675,877	299,919
Cash and cash equivalents	現金及現金等價物	677,983	713,397
Restricted cash	受限制現金	411,892	880,642
Cash and bank deposits	現金及銀行存款	1,089,875	1,594,039

Notes:

As at 31 December 2018, the Group had the following restricted bank deposits:

- a. As at 31 December 2018, a bank deposit of HK\$186,987,000 (2017: HK\$637,930,000) was held in escrow in a licensed bank for the settlement of any construction obligation of a subsidiary of the Company to a general constructor of the property development project in Los Angeles, the U.S. The escrow arrangement is required pursuant to an escrow agreement entered into between the licensed bank, the general constructor and the subsidiary until the Group obtained construction financing or committed to have fund and equity sufficient to pay the remaining payment obligation to work.
- b. As at 31 December 2018, a bank deposit of HK\$8,000 (2017: HK\$14,230,000) was held in escrow in a licensed bank for the settlement of any infrastructure construction obligation of a subsidiary of the Company to the infrastructure constructor of the property development project in the Kapolei West area of Hawaii, the U.S. The escrow arrangement is required pursuant to an infrastructure agreement and a control account agreement entered into between the licensed bank, the infrastructure constructor and the subsidiary.
- c. As at 31 December 2018, bank deposits of HK\$224,897,000 (2017: HK\$228,482,000) were secured for guarantees provided by the Company and certain of its subsidiaries in favour of the licensed banks for certain banking facilities granted to the Group (Note 34).

附註：

於2018年12月31日，本集團有下列受限制銀行存款：

- a. 於2018年12月31日，港幣186,987,000元(2017年：港幣637,930,000元)的銀行存款以託管方式由持牌銀行持有，以清償本公司一間附屬公司對美國洛杉磯物業發展項目的總承建商負有的任何建設承擔。託管安排乃根據由該持牌銀行、該總承建商及該附屬公司訂立的託管協議的規定作出，直至本集團取得建築融資或肯定獲得資金及股本足以支付餘下工程付款義務為止。
- b. 於2018年12月31日，港幣8,000元(2017年：港幣14,230,000元)的銀行存款以託管方式由持牌銀行持有，以清償本公司一間附屬公司對美國夏威夷卡珀雷西區物業發展項目的基建承建商負有的任何基建承擔。託管安排乃根據由該持牌銀行、該基建承建商及該附屬公司訂立的基礎設施協議及控制賬戶協議的規定作出。
- c. 於2018年12月31日，港幣224,897,000元(2017年：港幣228,482,000元)的銀行存款已就本公司及其若干附屬公司向持牌銀行提供的擔保作抵押，以獲取若干授予本集團的銀行融資(附註34)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 CASH AND BANK DEPOSITS (CONTINUED)

Bank balances of HK\$216,136,000 (2017: HK\$290,373,000) are denominated in RMB and are placed with banks in the PRC. The remittance of these funds out of the PRC is subject to exchange control restrictions imposed by the PRC government. The remaining bank balances are mainly denominated in HK\$ or US\$.

27 DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

As at 31 December 2018, deposits received, other payables and accruals included rental deposits received of HK\$27,425,000 (2017: HK\$29,914,000), amounts due to related parties of HK\$26,834,000 (2017: HK\$3,855,000) (Note 37h), interest payable to a fellow subsidiary of HK\$734,000 (2017: HK\$460,000) (Note 37h), other taxes payable of HK\$312,060,000 (2017: HK\$217,015,000) and payables and accruals for construction costs of power plants and property development projects of HK\$155,487,000 (2017: HK\$111,018,000) and HK\$1,110,982,000 (2017: HK\$1,026,155,000) respectively.

The amounts due to related parties are unsecured, interest-free and repayable within 12 months from the end of the reporting period.

26 現金及銀行存款(續)

港幣216,136,000元(2017年: 港幣290,373,000元)的銀行結餘以人民幣計值及存放於中國的銀行。將該等資金匯出中國受到中國政府外匯管制的規限。餘下銀行結餘主要以港幣或美元計值。

27 已收按金、其他應付款項及 應計項目

於2018年12月31日, 已收按金、其他應付款項及應計項目包括已收租賃按金港幣27,425,000元(2017年: 港幣29,914,000元)、應付關聯方款項港幣26,834,000元(2017年: 港幣3,855,000元)(附註37h)、應付一間同系附屬公司的利息港幣734,000元(2017年: 港幣460,000元)(附註37h)、其他應付稅項港幣312,060,000元(2017年: 港幣217,015,000元)及分別有關發電廠及物業發展項目建設成本的應付款項及應計項目港幣155,487,000元(2017年: 港幣111,018,000元)及港幣1,110,982,000元(2017年: 港幣1,026,155,000元)。

應付關聯方款項為無抵押、免息及須於報告期末後十二個月內償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 DEFERRED INCOME TAX (ASSETS)/ LIABILITIES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

a. The net movement in the deferred income tax (assets)/liabilities is as follows:

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
At 1 January	於1月1日	259,576	239,511
Exchange translation differences	匯兌差額	(12,386)	16,842
Reversal of deferred tax liability upon distribution of profits from subsidiaries	於分配附屬公司利潤時撥回遞延稅項負債	—	(2,970)
Charge to income statement (Note 10)	於收益表扣除(附註10)		
— Charge for the year	— 年內支出	6,202	4,014
— Write-off of deferred income tax assets	— 撇銷遞延所得稅資產	5,362	—
— Change in applicable tax rate	— 適用稅率變動	—	2,179
At 31 December	於12月31日	258,754	259,576

b. Deferred income tax comprises:

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Deferred income tax assets	遞延所得稅資產	(10,585)	(9,211)
Deferred income tax liabilities	遞延所得稅負債	269,339	268,787
At 31 December	於12月31日	258,754	259,576

28 遞延所得稅(資產)／負債

當擁有可在法律上強制執行的權利對銷流動所得稅資產與流動所得稅負債，且遞延所得稅涉及同一財政機關時，遞延所得稅資產及負債會互相對銷。

a. 遞延所得稅(資產)／負債淨變動如下：

b. 遞延所得稅包括：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 DEFERRED INCOME TAX (ASSETS)/ LIABILITIES (CONTINUED)

c. The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

28 遞延所得稅(資產)／負債(續)

c. 遞延所得稅資產及負債於年內的變動(未計及抵銷於相同稅務司法權區內的結餘)如下：

		Tax losses	Accelerated tax depreciation	Changes in fair value of investment properties	Other temporary differences	Total
		稅項虧損	加速稅項折舊	投資物業公允價值變動	其他暫時差額	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2018	於2018年1月1日	(16,526)	141,894	120,642	13,566	259,576
Exchange translation differences	匯兌差額	(29)	(7,511)	(4,721)	(125)	(12,386)
(Credit)/charge to income statement	(計入收益表)／於收益表扣除					
— (Credit)/charge for the year	— 年內(撥回)／支出	(6,164)	8,355	—	4,011	6,202
— Write-off of deferred income tax assets	— 撇銷遞延所得稅資產	5,362	—	—	—	5,362
At 31 December 2018	於2018年12月31日	(17,357)	142,738	115,921	17,452	258,754
At 1 January 2017	於2017年1月1日	(11,539)	124,679	112,801	13,570	239,511
Exchange translation differences	匯兌差額	(108)	9,052	7,841	57	16,842
(Credit)/charge to income statement	(計入收益表)／於收益表扣除					
— (Credit)/charge for the year	— 年內(撥回)／支出	(11,483)	8,163	—	7,334	4,014
— Changes in applicable tax rate	— 適用稅率變動	6,604	—	—	(4,425)	2,179
Reversal of deferred tax liability upon distribution of profits from subsidiaries	於分配附屬公司利潤時撥回遞延稅項負債	—	—	—	(2,970)	(2,970)
At 31 December 2017	於2017年12月31日	(16,526)	141,894	120,642	13,566	259,576

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 DEFERRED INCOME TAX (ASSETS)/ LIABILITIES (CONTINUED)

- d. The investment properties are held within a business model with the objective to substantially realise all of the economic benefits embodied in the properties over time, rather than through sale.
- e. Deferred income tax assets are recognised for unused tax losses carried forward to the extent it is probable that future taxable profit will be available against which the unused tax losses can be utilised, based on all available evidence. The Group has not recognised deferred tax assets in respect of cumulative unused tax losses of approximately HK\$316,240,000 (2017: HK\$183,657,000). The tax losses can be carried forward indefinitely, except for Indonesian tax losses of approximately HK\$74,579,000 (2017: HK\$6,331,000) which can be carried forward for 25 years and will expire in the following years:

28 遞延所得稅(資產)／負債(續)

- d. 投資物業以商業模型持有，而該模型旨在隨時間流逝(而非透過出售)實現該等物業所包含的絕大部分經濟利益。
- e. 基於所有可得證據，倘若未來有機會取得應課稅利潤而可使用結轉的未動用稅項虧損，則就結轉未動用稅項虧損確認遞延所得稅資產。本集團並無就累計未動用稅項虧損約港幣316,240,000元(2017年：港幣183,657,000元)確認遞延稅項資產。稅項虧損可無限期結轉，惟約港幣74,579,000元(2017年：港幣6,331,000元)的印尼稅項虧損僅可結轉25年，並將於以下年度屆滿：

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
2039	2039年	597	597
2041	2041年	352	352
2042	2042年	5,382	5,382
2043	2043年	68,248	—
		74,579	6,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE CAPITAL

29 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 港幣千元
Authorised ordinary shares of HK\$0.1 each:	每股面值港幣0.1元的法定 普通股：		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於2017年1月1日、2017年 12月31日、2018年1月 1日及2018年12月31日	50,000,000,000	5,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	於2017年1月1日、2017年 12月31日、2018年1月 1日及2018年12月31日	16,142,653,060	1,614,265

30 BORROWINGS

30 借貸

The analysis of borrowings is as follows:

借貸分析如下：

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Bank loans, secured (Note a)	銀行貸款，有抵押(附註a)	3,025,647	3,981,357
Other loans from third parties, secured (Note b)	來自第三方的其他貸款， 有抵押(附註b)	2,269,437	1,067,007
Other loans from a fellow subsidiary, secured (Note c)	來自一間同系附屬公司的 其他貸款，有抵押 (附註c)	288,000	280,000
Convertible notes (Note d)	可換股票據(附註d)	564,379	—
Loans and borrowings Current portion	貸款及借貸 流動部分	6,147,463 (4,513,893)	5,328,364 (4,261,357)
Non-current portion	非流動部分	1,633,570	1,067,007

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 BORROWINGS (CONTINUED)

Notes:

- a. As at 31 December 2018, the Group's bank loans were secured by assets amounting to HK\$1,492,093,000 (2017: HK\$1,827,257,000) and guarantees provided by an intermediate holding company of the Company, a non-controlling shareholder of subsidiaries, the Company and certain of its subsidiaries as well as letters of credit in favour of the banks.

The bank loans are denominated in US\$ or HK\$ and bear interest at London Interbank Offering Rate, Hong Kong Interbank Offering Rate or the bank's cost of funds plus a specific margin.

- b. As at 31 December 2018, the Group's other loan was secured by assets amounting to HK\$14,577,934,000 (2017: HK\$6,158,002,000) as well as guarantees provided by a subsidiary and an intermediate holding company of the Company

A keepwell deed was executed by an intermediate holding company of the Company with certain undertakings in favour of the lender for the loan borrowed by a subsidiary with a carrying amount of HK\$1,200,246,000 (2017: Nil).

The other loans are denominated in US\$ and bear interest at fixed rates per annum.

- c. As at 31 December 2018, the Group's loans from a fellow subsidiary was unsecured (2017: secured by assets amounting to HK\$157,036,000).

A keepwell agreement was executed by an intermediate holding company of the Company to provide comfort to the lending fellow subsidiary that the Company shall be in sound financial condition to meet all liabilities and perform all obligations under the facility agreement of HK\$280,000,000.

A loan of HK\$280,000,000 and HK\$8,000,000 is denominated in HK\$ and bears interest at 9.0% and 9.5% per annum respectively.

30 借貸(續)

附註：

- a. 於2018年12月31日，本集團的銀行貸款由其港幣1,492,093,000元(2017年：港幣1,827,257,000元)的資產及本公司一間中間控股公司、附屬公司的非控股股東、本公司及其若干附屬公司所提供的擔保以及以銀行為受益人的信用證作抵押。

該等銀行貸款以美元或港幣計值並按倫敦銀行同業拆息、香港銀行同業拆息或銀行的資金成本加上特定息差計息。

- b. 於2018年12月31日，本集團的其他貸款由其港幣14,577,934,000元(2017年：港幣6,158,002,000元)的資產以及本公司一間附屬公司及一間中間控股公司所提供的擔保作抵押。

本公司一間中間控股公司已就一間附屬公司所借入、賬面金額為港幣1,200,246,000元(2017年：無)的貸款簽立維好契據，內容有關向貸款人作出若干承諾。

其他貸款以美元計值並按固定年利率計息。

- c. 於2018年12月31日，本集團來自一間同系附屬公司的貸款為無抵押(2017年：由其港幣157,036,000元的資產作抵押)。

本公司一間中間控股公司已簽立維好協議，內容有關向貸款同系附屬公司提供本公司須具備良好的財務狀況以履行於港幣280,000,000元的融資協議下的所有責任及義務的告慰。

港幣280,000,000元及港幣8,000,000元的貸款以港幣計值並分別按年利率9.0%及9.5%計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 BORROWINGS (CONTINUED)

Notes: (Continued)

- d. The Company issued 5-year 6% convertible notes with an aggregate principal amount of HK\$600 million at the face value on 27 December 2018 and convertible notes were listed on the Singapore Exchange Securities Trading Limited on 28 December 2018.

The convertible notes are denominated in HK\$. Each bond will at the option of the holder be convertible (unless previously redeemed, converted or purchased and cancelled) into fully paid ordinary shares with a par value of HK\$0.01 each in the issued and paid up capital of the Company at an initial conversion price of HK\$0.71 per share subject to anti-dilutive adjustments on the issued share capital of the Company.

Unless previously redeemed, converted or purchased and cancelled, the convertible notes will be redeemed on the maturity date at 100% of the principle amount. The Company has an early redemption option on 27 December 2021 to redeem in whole, but not in part, the convertible notes for the time being outstanding at a redemption price equal to 100% of the principal amount of the convertible notes together with interest accrued to (but excluding) the date fixed for redemption. The holders also have an early redemption option to require the Company to redeem all or some only of convertible notes on 27 December 2021 at 100% of the principle amount in accordance with the terms and conditions of the subscription agreement.

Therefore, in determining the fair value of the liability host of the debt at initial recognition of the convertible notes, the maturity date is considered to be 27 December 2021 since contractual cash flow for the principal is unavoidable if the note holders choose to exercise the option to require the Company to redeem the convertible notes. The interest is payable semi-annually on 27 June and 27 December.

The convertible notes are separated into two components, equity conversion component and liability component. The liability component is carried at amortised cost using the effective interest method until distinguished on conversion. The effective interest rate of the liability component on initial recognition is 8.2% per annum.

30 借貸(續)

附註：(續)

- d. 於2018年12月27日，本公司按面值發行本金總額港幣600,000,000元的5年期6%可換股票據。可換股票據於2018年12月28日在新加坡證券交易所有限公司上市。

可換股票據以港幣計值。票據持有人有權選擇按初步換股價每股股份港幣0.71元將每一份票據(事前已贖回、轉換或購回並註銷者除外)轉換為本公司已發行及繳足股款股本中每股面值港幣0.01元的已繳足股款普通股，初步換股價可就本公司的已發行股本作出反攤薄調整。

除非事前已贖回、轉換或購回並註銷，否則可換股票據將於到期日按本金額的100%贖回。本公司可於2021年12月27日按相等於可換股票據本金額的100%(連同截至(但不包括)所定贖回日期應計的利息)的贖回價提早贖回全部而非部分當時尚未轉換的可換股票據。持有人亦有權要求本公司於2021年12月27日根據認購協議的條款及條件按本金額的100%提早贖回全部或部分可換股票據。

因此，於釐定初始確認可換股票據的公允價值時債務負債主體的公允價值時，到期日被視為2021年12月27日，原因為倘票據持有人選擇行使期權，要求本公司贖回可換股票據，則本金的合約現金流乃無可避免。利息應每半年於6月27日及12月27日支付。

可換股票據分為兩個組成部分，即權益轉換組成部分及負債組成部分。負債組成部分採用實際利息法按攤銷成本列賬，直至於轉換時消滅為止。負債組成部分於初步確認時的實際年利率為8.2%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 BORROWINGS (CONTINUED)

Notes: (Continued)

d. (Continued)

A valuation on the equity conversion component of the convertible notes has been performed by an independent qualified valuer on 31 December 2018, the binomial model is used in the valuation of the equity conversion component.

As at 31 December 2018, the equity conversion and liability components of the convertible notes are presented in the statement of financial position as follows:

		Liability component	Equity conversion component	Total
		負債組成部分	權益轉換 組成部分	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 1 January 2018	於2018年1月1日	—	—	—
Convertible notes issued at 27 December	於12月27日發行的可換股票據	576,387	23,613	600,000
Less: transaction costs	減：交易成本	(12,008)	(492)	(12,500)
At 31 December 2018	於2018年12月31日	564,379	23,121	587,500

At 31 December 2018 and 2017, the Group's borrowings were repayable as follows:

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Bank loans — within one year	銀行貸款 — 一年內	3,025,647	3,981,357
Other loans from a fellow subsidiary — within one year	來自一間同系附屬公司的其他貸款 — 一年內	288,000	280,000
Other loan from a third party — within one year	來自一名第三方的其他貸款 — 一年內	1,200,246	—
Other loan from a third party — between 2 and 5 years	來自一名第三方的其他貸款 — 二至五年	1,069,191	1,067,007
Convertible notes — between 2 and 5 years	可換股票據 — 二至五年	564,379	—
Total	總計	6,147,463	5,328,364

As at 31 December 2018, the Group had undrawn facilities amounting to HK\$4,635,517,000 (2017: HK\$6,413,767,000) (including undrawn facilities from an intermediate holding company).

附註：(續)

d. (續)

於2018年12月31日，一名獨立合資格估值師就可換股票據的權益轉換組成部分進行估值。權益轉換組成部分乃利用二項式模型進行估值。

於2018年12月31日，可換股票據權益轉換及負債組成部分於財務狀況表中列示如下：

於2018年及2017年12月31日，本集團的借貸應償還如下：

於2018年12月31日，本集團擁有未提取融資港幣4,635,517,000元(2017年：港幣6,413,767,000元)(包括來自一間中間控股公司的未提取融資)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

- a. Reconciliation of operating (loss)/profit to cash used in operating activities before finance costs, tax paid and changes in working capital:

31 綜合現金流量表附註

- a. 經營(虧損)／利潤與未計融資成本、已付稅項及營運資金變動的經營業務所用的現金對賬：

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Operating (loss)/profit before income tax expense	除所得稅支出前經營(虧損)／利潤	(53,679)	86,556
Adjustments for:	調整：		
Interest income	利息收益	(30,785)	(44,024)
Dividend income	股息收益	(11,734)	(4,374)
Depreciation of properties, plant and equipment	物業、機器及設備的折舊	3,027	3,438
Amortisation of leasehold land and land use rights	租賃土地及土地使用權的攤銷	79	51
Loss on disposal of properties, plant and equipment	出售物業、機器及設備的虧損	13	3
Fair value losses/(gains) on revaluation of financial assets at fair value through profit or loss	重估按公允價值計入損益的財務資產的公允價值虧損／(利得)	630	(2,499)
Net realised gains on disposal of listed debt securities	出售上市債務證券的淨變現利得	(6,281)	(19,669)
Net realised gains on disposal of listed equity securities	出售上市股票證券的淨變現利得	—	(27,928)
Impairment loss on properties under development	發展中物業的減值虧損	77,582	—
Expected credit losses on loan and interest receivables	應收貸款及利息的預期信用損失	1,219	—
		(19,929)	(8,446)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

b. Changes in working capital:

31 綜合現金流量表附註(續)

b. 營運資金的變動：

	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
(Increase)/decrease in trade and other receivables, deposits and prepayments	(1,082)	17,575
Increase in properties under development	(2,145,112)	(1,900,010)
Increase in deposits received, other payables and accruals	3,303	143,847
	(2,142,891)	(1,738,588)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

c. Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

31 綜合現金流量表附註(續)

c. 債務淨額對賬：

本章節載列各呈列期間的債務淨額分析及債務淨額變動。

		Liabilities from financing activities 融資業務所產生的負債				
		Amount due to an intermediate holding company	Loans from fellow subsidiaries	Other borrowings repayable within 1 year	Other borrowings repayable after 1 year	Total
		應付一間中間控股公司款項	一間同系附屬公司提供的貸款	一年內償還的其他借貸	一年後償還的其他借貸	總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Net debt as at 1 January 2018	於2018年1月1日的債務淨額	(3,120,506)	(280,000)	(3,981,357)	(1,067,007)	(8,448,870)
Cash inflows	現金流入	(5,572,439)	(8,000)	(3,500,060)	(587,500)	(9,667,999)
Cash outflows	現金流出	3,663,744	—	3,353,169	—	7,016,913
Foreign exchange adjustments	外幣匯兌調整	(7,635)	—	(7,544)	(2,184)	(17,363)
Other non-cash movements	其他非現金變動	(157,937)	—	(90,101)	23,121	(224,917)
Net debt as at 31 December 2018	於2018年12月31日的債務淨額	(5,194,773)	(288,000)	(4,225,893)	(1,633,570)	(11,342,236)
Net debt as at 1 January 2017	於2017年1月1日的債務淨額	(1,694,489)	—	(2,359,875)	(756,122)	(4,810,486)
Cash inflows	現金流入	(2,331,268)	(340,000)	(1,733,347)	(304,859)	(4,709,474)
Cash outflows	現金流出	919,974	60,000	177,314	—	1,157,288
Foreign exchange adjustments	外幣匯兌調整	(14,723)	—	(26,119)	(6,026)	(46,868)
Other non-cash movements	其他非現金變動	—	—	(39,330)	—	(39,330)
Net debt as at 31 December 2017	於2017年12月31日的債務淨額	(3,120,506)	(280,000)	(3,981,357)	(1,067,007)	(8,448,870)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 CAPITAL COMMITMENTS

As at 31 December 2018 and 2017, capital commitments contracted but not provided for were as follows:

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Properties, plant and equipment	物業、機器及設備	490,103	1,263,960
Properties under development and investment properties	發展中物業及投資物業	4,367,420	3,339,639
Total	總計	4,857,523	4,603,599

32 資本承擔

於2018年及2017年12月31日，已訂約但未撥備的資本承擔如下：

33 OPERATING LEASE COMMITMENTS

a. At 31 December 2018 and 2017, the Group's investment properties are leased to a number of tenants for varying terms. The Group's future aggregate minimum lease receivables under non-cancellable operating leases in respect of investment properties are as follows:

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Not later than one year	一年以內	72,279	96,553
Later than one year and not later than five years	一年之後及五年以內	155,408	181,989
Later than five years	五年之後	109,538	146,634
		337,225	425,176

33 經營租賃承擔

a. 於2018年及2017年12月31日，本集團的投資物業乃按不同租期出租予多名租戶。本集團就投資物業根據不可註銷經營租賃於未來應收的最低租金總額如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 OPERATING LEASE COMMITMENTS (CONTINUED)

- b. At 31 December 2018 and 2017, the Group's future aggregate minimum lease payments under non-cancellable operating leases in respect of properties are as follows:

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Not later than one year	一年以內	28,745	20,313
Later than one year and not later than five years	一年之後及五年以內	37,795	38,290
Later than five years	五年之後	19,398	13,996
		85,938	72,599

Operating lease payments represent rental payables payable by the Group for certain of its office premises. Leases are negotiated for terms ranging from 1 year to 11 years. There is no contingent rental arrangement.

33 經營租賃承擔(續)

- b. 於2018年及2017年12月31日，本集團就物業根據不可註銷經營租賃於未來應付的最低租金總額如下：

經營租賃租金指本集團就若干辦公室處所應付的租金。經磋商後的租賃期介乎1至11年。並無或然租金安排。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 PLEDGE OF ASSETS

As at 31 December 2018 and 2017, certain assets of the Group were pledged to secure borrowings of the Group as follows:

34 資產質押

於2018年及2017年12月31日，本集團若干資產已質押作為授予本集團的借貸的擔保如下：

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Pledged bank deposits (Note 26c)	已質押銀行存款(附註26c)	224,897	228,482
Financial assets at fair value through profit or loss	按公允價值計入損益的 財務資產	—	80,670
Financial assets at fair value through other comprehensive income	按公允價值計入其他全面 收益的財務資產	113,334	—
Available-for-sale financial assets	可供出售財務資產	—	400,721
Properties under development	發展中物業	11,404,106	4,024,411
Properties, plant and equipment	物業、機器及設備	7,216	6,178
Leasehold land and land use rights	租賃土地及土地使用權	2,291	1,359
Investment properties	投資物業	4,318,183	3,400,474
		16,070,027	8,142,295

Save as the pledged assets disclosed above, the issued shares of 14 subsidiaries of the Company (Note 39) were also pledged to secure borrowings of the Group as at 31 December 2018 (31 December 2017: Nil).

除上文所披露的已質押資產外，於2018年12月31日，本公司14間附屬公司(附註39)的已發行股份亦已質押作為授予本集團的借貸的擔保(2017年12月31日：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 DISPOSAL OF A SUBSIDIARY

On 30 July 2018, the Group disposed of its subsidiary China Oceanwide International Limited (“COIL”) which owned equity interests in an unlisted company at a consideration of US\$12,800,000 (equivalent to HK\$100,453,000). The net assets of COIL at the date of disposal were as follows:

35 出售一間附屬公司

於2018年7月30日，本集團按代價12,800,000美元(相等於港幣100,453,000元)出售其附屬公司中泛國際有限公司(「中泛國際」，擁有一間非上市公司的股本權益)。中泛國際於出售當日的淨資產如下：

		30 July 2018 2018年7月30日 HK\$'000 港幣千元
Financial assets at fair value through profit or loss	按公允價值計入損益的財務資產	100,453
Gain on disposal of a subsidiary included in loss for the year from discontinued operations in the consolidated statement of comprehensive income	計入綜合全面收益表內已終止經營業務年內虧損的出售一間附屬公司利得	—
Total consideration	總代價	100,453
Satisfied by: Cash	支付方式： 現金	100,453
Net cash inflow arising on disposal: Cash consideration	出售產生的淨現金流入： 現金代價	100,453
Cash and bank balances disposed of	所出售現金及銀行結餘	—
Total consideration	總代價	100,453

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 EVENT AFTER REPORTING PERIOD

On 31 January 2019, a sub-contractor (the “Sub-contractor”) of the Group’s real estate project in Los Angeles, the U.S. (the “LA Project”), sued Oceanwide Plaza LLC (“Oceanwide Plaza”), the project subsidiary of the Company, the general contractor of the LA Project and a lender of Oceanwide Plaza in Los Angeles County Superior Court to foreclose on a mechanic’s lien (the “First Lien”) for approximately US\$52.9 million (equivalent to approximately HK\$414.4 million) recorded on the LA Project’s title.

On 19 February 2019, the Sub-contractor recorded an amended lien for approximately US\$49.4 million (equivalent to approximately HK\$386.9 million), released the First Lien and was amending its lawsuit to reflect the lower lien amount, but has not yet filed its amended complaint.

Oceanwide Plaza is in the process of recording a lien-release bond, which will remove the lien from the LA Project’s title and prevent the foreclosure of the LA Project while the lawsuit continues.

Oceanwide Plaza is preparing a vigorous defense and reserving all rights under the law. Meanwhile, the parties are preparing to negotiate a settlement to resolve the dispute.

37 MATERIAL RELATED PARTY TRANSACTIONS

The Directors consider the ultimate holding company of the Company to be Tohigh Holdings Co., Ltd*, a company incorporated in the PRC, which is ultimately controlled by Mr. Lu Zhiqiang.

36 報告期後事項

2019年1月31日，本集團美國洛杉磯房地產項目（「洛杉磯項目」）的一名分包商（「該分包商」）向洛杉磯縣高等法院起訴本公司的項目附屬公司泛海廣場有限公司*（「泛海廣場」）、洛杉磯項目的總承包商及泛海廣場的一名貸款人，並在洛杉磯項目業權設置約為5,290萬美元（相等於約港幣4.144億元）的施工留置權（「第一留置權」）及止贖。

2019年2月19日，該分包商提交登記，將留置權的金額修訂為約4,940萬美元（相等於約港幣3.869億元），並解除第一留置權，以及就留置權的金額減少修訂其法律訴訟，但尚未提交經修訂的申訴。

泛海廣場正就其已購買的取消留置權擔保進行登記，該擔保可將留置權從洛杉磯項目的業權中剔除，並防止本集團在法律訴訟進行期間喪失洛杉磯項目的贖回權。

泛海廣場現正準備積極抗辯，並保留所有法律權利。與此同時，各方正準備協商和解以解決糾紛。

37 重大關聯方交易

董事認為，本公司的最終控股公司為通海控股有限公司，該公司於中國註冊成立，並由盧志強先生最終控制。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

Save as disclosed elsewhere in these consolidated financial statements, the following significant transactions were carried out with related parties during the year in the normal course of business at terms determined and agreed by both parties:

a. Sales of services

37 重大關聯方交易(續)

除本綜合財務報表其他章節所披露者外，年內曾與關聯方進行以下重大交易，該等交易乃於正常營業過程中按交易雙方釐定及協定的條款進行：

a. 服務銷售

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
(i) Rental income from a fellow subsidiary — Tohigh Construction Company Limited* — Oceanwide Energy Holdings Co., Ltd.*	(i) 向一間同系附屬公司收取的租金收益 — 通海建設有限公司 — 泛海能源控股股份有限公司	122 20	283 —
(ii) Management fee income from fellow subsidiaries — Oceanwide Property Management Co., Ltd* (“Oceanwide Property Management”) — PT China Oceanwide Indonesia (“PTCOI”)	(ii) 向同系附屬公司收取的管理費用收益 — 泛海物業管理有限公司(「泛海物業管理」) — PT China Oceanwide Indonesia (「PTCOI」)	203 —	196 5
(iii) Referral fee income from a fellow subsidiary — China Tonghai Securities Limited (formerly known as Oceanwide Securities Company Limited) (“China Tonghai Securities”)	(iii) 向一間同系附屬公司收取的轉介費用收益 — 中國通海證券有限公司(前稱：中國泛海證券有限公司)(「中國通海證券」)	—	469

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

Save as disclosed elsewhere in these consolidated financial statements, the following significant transactions were carried out with related parties during the year in the normal course of business at terms determined and agreed by both parties:

b. Purchases of services and properties, plant and equipment

37 重大關聯方交易(續)

除本綜合財務報表其他章節所披露者外，年內曾與關聯方進行以下重大交易，該等交易乃於正常營業過程中按交易雙方釐定及協定的條款進行：

b. 服務以及物業、機器及設備採購

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
(i) Rental expense charged by a fellow subsidiary (1) PTCOI (2) China Oceanwide USA Holdings Co. Ltd	(i) 一間同系附屬公司收取的租金開支 (1) PTCOI (2) 中國泛海美國控股有限公司*	6,751 1,958	7,202 —
(ii) Purchase of building management service from a fellow subsidiary — Oceanwide Property Management	(ii) 向一間同系附屬公司購買物業管理服務 — 泛海物業管理	1,481	1,219
(iii) Purchase of insurance services from a fellow subsidiary — Asia-Pacific Property & Casualty Insurance Co., Ltd.	(iii) 向一間同系附屬公司購買保險服務 — 亞太財產保險有限公司	735	612
(iv) Purchase of loan arrangement service, corporate finance advisory service and sub-underwriting service from a fellow subsidiary — China Tonghai Securities	(iv) 向一間同系附屬公司購買貸款安排服務、企業財務顧問服務及分包銷服務 — 中國通海證券	300	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

37 重大關聯方交易(續)

c. Interest income

c. 利息收益

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
(i) Interest income from GSG (Note 23)	(i) 向GSG收取的利息收益 (附註23)	14,535	13,337

d. Borrowing costs

d. 借貸成本

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
(i) Borrowing costs charged by an intermediate holding company — China Oceanwide Group Limited (“COG”) (Note 11)	(i) 中間控股公司收取的借貸成本 — 中泛集團有限公司 (「中泛集團」) (附註11)	157,936	6,309
(ii) Borrowing costs charged by a fellow subsidiary — China Tonghai Finance Limited (formerly known as Oceanwide Finance Limited) (“China Tonghai Finance”) (Note 11)	(ii) 一間同系附屬公司收取的借貸成本 — 中國通海財務有限公司 (前稱：中國泛海財務有限公司) (「中國通海財務」) (附註11)	20,584	460

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

e. Construction cost paid to a non-controlling shareholder of subsidiaries, SEPC and its subsidiary PT.SEPC

- (i) SEPC and its subsidiary PT.SEPC are engaged on a fixed lump sum contract of US\$431,930,000 (equivalent to HK\$3,383,264,000) for the design, engineering, procurement, construction, commissioning, testing and completion of, and making good of defects in relation to two coal fuel steam power plant facilities with net capacity of 150 megawatt each in Medan Industrial Area, North Sumatra, Indonesia.

During the year ended 31 December 2018, construction costs of HK\$118,224,000 (2017: HK\$650,485,000) were paid and recognised as properties, plant and equipment and prepayments for the construction of the power plant facilities.

- (ii) SEPC is engaged to procure the main equipment for the construction of the Group's power plant facilities in Banyuasin, South Sumatera Province, Indonesia, for a total cash consideration of US\$39,550,000 (equivalent to HK\$309,791,000).

During the years ended 31 December 2018 and 2017, nil construction costs were paid and recognised as prepayments for construction of power plants.

37 重大關聯方交易(續)

e. 支付予多間附屬公司的非控股股東SEPC及其附屬公司PT.SEPC的建設成本

- (i) SEPC及其附屬公司PT.SEPC按431,930,000美元(相等於港幣3,383,264,000元)的固定總價全包合約基準獲委聘設計、工程規劃、採購、建設、調試、測試及完成位於印尼北蘇門答臘省棉蘭工業區的淨產能各為150兆瓦的兩座燃煤蒸汽發電廠設施，並保證並無缺陷。

於截至2018年12月31日止年度，建設成本港幣118,224,000元(2017年：港幣650,485,000元)已支付並確認為物業、機器及設備以及建設發電廠設施的預付款項。

- (ii) SEPC獲委聘採購本集團於印尼南蘇門答臘省Banyuasin建設發電廠設施所需的主要設備，總現金代價為39,550,000美元(相等於港幣309,791,000元)。

於截至2018年及2017年12月31日止年度，並無支付建設成本亦無確認建設成本為建設發電廠的預付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

- f. During the year ended 31 December 2018, the Company disposed of its entire equity interest in China Oceanwide International Limited, the former wholly owned subsidiary of the Company, to Oceanwide Sigma Limited, a fellow subsidiary of the Company, at a consideration of US\$12,800,000 (equivalent to HK\$100,453,000).
- g. **Key management compensation**
No transaction were made with the directors and senior management of the Company during the year other than the emoluments paid to them (being the key management personnel compensation) as disclosed in Note 16.

37 重大關聯方交易(續)

- f. 於截至2018年12月31日止年度，本公司向Oceanwide Sigma Limited (一間同系附屬公司)出售中泛國際有限公司(本公司的前全資附屬公司)的全部股本權益，代價為12,800,000美元(相等於港幣100,453,000元)。
- g. **主要管理人員補償**
年內，除已付本公司董事及高級管理人員的酬金(即主要管理人員補償)(於附註16披露)外，概無與彼等進行任何交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

37 重大關聯方交易(續)

h. Year-end balances arising from related party transactions

h. 關聯方交易所產生的年末結餘

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
Amount due to an intermediate holding company (i) — COG	應付一間中間控股公司款項(i) — 中泛集團	5,194,773	3,120,506
Amount due to a fellow subsidiary — China Tonghai Finance • Loans from China Tonghai Finance (Note 30c) • Interest payables to China Tonghai Finance (Note 27)	應付一間同系附屬公司款項 — 中國通海財務 • 來自中國通海財務的貸款(附註30c) • 應付中國通海財務的利息(附註27)	288,000 734	280,000 460
		288,734	280,460
Amounts due from/(to) related parties (Notes 23 and 27) — Oceanwide Property Management, a fellow subsidiary (ii) — China Tonghai Securities, a fellow subsidiary (ii) — SEPC, a non-controlling shareholder of subsidiaries (ii) — PT. Satya Abadi Semesta, a non-controlling shareholder of a subsidiary (ii) — PTCOI, a fellow subsidiary (ii) — Oceanwide Holdings, an intermediate holding company (ii) — Oceanwide Center LLC, a fellow subsidiary (ii)	應收/(應付)關聯方款項(附註23及27) — 泛海物業管理(一間同系附屬公司)(ii) — 中國通海證券(一間同系附屬公司)(ii) — SEPC(多間附屬公司的非控股股東)(ii) — PT. Satya Abadi Semesta(一間附屬公司的非控股股東)(ii) — PTCOI(一間同系附屬公司)(ii) — 泛海控股(一間中間控股公司)(ii) — Oceanwide Center LLC(一間同系附屬公司)(ii)	(838) (150) 4,023 8,047 (6,750) (1,347) (17,749)	169 469 4,293 8,587 (2,512) (1,343) —
		(14,764)	9,663
Construction payable to a non-controlling shareholder of subsidiaries (iii) — SEPC	應付附屬公司一名非控股股東的建設款項(iii) — SEPC	155,169	110,018
Interest receivable from a non-controlling shareholder of subsidiaries (Note 23) — SEPC	應收附屬公司一名非控股股東的利息(附註23) — SEPC	4,139	4,147
Loan and interest receivables from a non-controlling shareholder of a subsidiary (Note 23) — GSG	應收一間附屬公司一名非控股股東的貸款及利息(附註23) — GSG	261,598	253,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

h. Year-end balances arising from related party transactions (Continued)

Notes:

- (i) The loans are unsecured and bears interest at 5% per annum. As at 31 December 2017, the maturity date is 31 December 2019 and repayable on demand. In November 2018, three supplemental agreements were entered into between the Company and two subsidiaries of the Company (as borrowers) and COG (as lender) to extend the respective loan facility of US\$250,000,000, US\$300,000,000 and US\$650,000,000 to 31 December 2020 with demand clause removed and to amend the repayment terms such that each of the borrowers has the discretion to opt for early repayment, while COG undertakes not to request any early repayment from the borrowers. Accordingly, the loans were reclassified from current liabilities to non-current liabilities since then. As at 31 December 2018, HK\$5,194,773,000 (2017: HK\$3,120,506,000) was drawn.
- (ii) Balances are unsecured, interest-free and repayable within the next 12 months after the end of the reporting period. The carrying amounts approximate their fair values.
- (iii) Balance are unsecured and settled based on agreed credit terms. The carrying amounts approximate their fair values.

37 重大關聯方交易(續)

h. 關聯方交易所產生的年末結餘(續)

附註:

- (i) 該等貸款為無抵押及按年利率5%計息。於2017年12月31日，到期日為2019年12月31日，並須按要求償還。於2018年11月，本公司及旗下兩間附屬公司(作為借款人)與中泛集團(作為貸款人)訂立三份補充協議，將分別250,000,000美元、300,000,000美元及650,000,000美元的貸款融資期限延長至2020年12月31日及移除按要求償還條款，並修訂還款條款，令各借款人有權酌情選擇提早還款，而中泛集團則承諾不會要求任何借款人提早還款。因此，該等貸款於其後由流動負債重新分類為非流動負債。於2018年12月31日，港幣5,194,773,000元(2017年：港幣3,120,506,000元)已提取。
- (ii) 結餘為無抵押、免息及須於報告期末後未來12個月內償還。賬面金額與其公允價值相若。
- (iii) 結餘為無抵押並按經協定的信貸期償付。賬面金額與其公允價值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

i. Others

- (i) As at 31 December 2018, an intermediate holding company of the Company procured a standby letter of credit in favour the licensed bank to secure for a bank loan of the Company with a carrying amount of HK\$975,076,000 (2017: HK\$2,165,262,000) (Note 30a).
- (ii) As at 31 December 2018, an intermediate holding company of the Company secured a bank deposit for guarantees in favour of the licensed bank for a bank loan of the Company with a carrying amount of HK\$781,000,000 (2017: Nil) (Note 30a).
- (iii) As at 31 December 2018, an intermediate holding company of the Company acted as guarantor and provided a guarantee on a loan of the Company with a carrying amount of HK\$1,069,191,000 (2017: HK\$1,067,007,000) (Note 30b).
- (iv) As at 31 December 2018, a keepwell agreement was executed by an intermediate holding company of the Company to provide comfort to the lending fellow subsidiary in respect of a loan from the fellow subsidiary with carrying amount of HK\$280,000,000 (2017: HK\$280,000,000) that the Company shall be in sound financial condition to meet all liabilities and perform all obligations under the loan agreement (Note 30c).

37 重大關聯方交易(續)

i. 其他

- (i) 於2018年12月31日，本公司一間中間控股公司已發行一份以一間持牌銀行為受益人的備用信用證，作為本公司賬面金額為港幣975,076,000元(2017年：港幣2,165,262,000元)的銀行貸款的抵押(附註30a)。
- (ii) 於2018年12月31日，本公司一間中間控股公司以一間持牌銀行為受益人抵押一筆銀行存款，作為本公司一筆賬面金額為港幣781,000,000元(2017年：無)的銀行貸款的擔保(附註30a)。
- (iii) 於2018年12月31日，本公司一間中間控股公司作為擔保人，為本公司一筆賬面金額為港幣1,069,191,000元(2017年：港幣1,067,007,000元)的貸款提供擔保(附註30b)。
- (iv) 於2018年12月31日，本公司一間中間控股公司已就一筆賬面金額為港幣280,000,000元(2017年：港幣280,000,000元)的貸款簽立維好協議，內容有關向貸款同系附屬公司提供本公司須具備良好的財務狀況以履行於貸款協議下的所有責任及義務的告慰(附註30c)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

i. Others (Continued)

- (v) As at 31 December 2018, an intermediate holding company of the Company secured a bank deposit of US\$8,474,000 (equivalent to approximately HK\$66,376,000) on behalf of PT Mabiar for a bank guarantee in favour of PT Perusahaan Listrik Negara (Persero) ("PLN"), an Indonesia state owned limited liability company. The guarantee is required under a power purchase agreement entered into between PLN and PT Mabiar.
- (vi) As at 31 December 2018, a keepwell deed was executed by an intermediate holding company of the Company with certain undertakings in favour of the lender for the loan borrowed by a subsidiary with a carrying amount of HK\$1,200,246,000 (2017: Nil) (Note 30b).
- (vii) As at 31 December 2017, an intermediate holding company of the Company and a non-controlling shareholder of subsidiaries acted as guarantors and provided a guarantee on a loan of a subsidiary of the Company with a carrying amount of HK\$617,535,000. As at 31 December 2018, the loan was fully repaid.

37 重大關聯方交易(續)

i. 其他(續)

- (v) 於2018年12月31日，本公司一間中間控股公司已代表PT Mabiar就以PT Perusahaan Listrik Negara (Persero) (「PLN」)，一間印尼國有有限公司)為受益人的銀行擔保抵押8,474,000美元(相等於約港幣66,376,000元)的銀行存款。該項擔保乃根據一份由PLN與PT Mabiar訂立的電力購買協議之規定提供。
- (vi) 於2018年12月31日，本公司一間中間控股公司就一間附屬公司所借入、賬面金額為港幣1,200,246,000元(2017年：無)的貸款簽立維好契據，內容有關向貸款人作出若干承諾(附註30b)。
- (vii) 於2017年12月31日，本公司一間中間控股公司及多間附屬公司的一名非控股股東作為擔保人，為本公司一間附屬公司一筆賬面金額為港幣617,535,000元的貸款提供擔保。於2018年12月31日，該筆貸款已獲悉數償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

i. Others (Continued)

- (viii) In June 2017, the Company borrowed a loan of HK\$60,000,000 from China Oceanwide International Investment Company Limited, a fellow subsidiary. As at 31 December 2017, the loan was fully repaid.
- (ix) In April 2017, the Group acquired from the non-controlling shareholders of Shanghai Gang Lu Real Estate Development Co., Ltd.* (currently known as Oceanwide Shen Gang Asset Operation (Shanghai) Co., Ltd.*) (“SGL”) and Shanghai Pu Gang Real Estate Development Co., Ltd.* (currently known as Oceanwide Gang Hu Asset Operation (Shanghai) Co., Ltd.*) (“SPG”) the respective 12% and 20% equity interests in SGL and SPG at the consideration of HK\$147,250,000 and HK\$86,071,000 respectively.

38 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors of the Company on 27 March 2019.

37 重大關聯方交易(續)

i. 其他(續)

- (viii) 於2017年6月，本公司向一間同系附屬公司中國泛海國際投資有限公司借入一筆港幣60,000,000元的貸款。於2017年12月31日，該筆貸款已獲悉數償還。
- (ix) 於2017年4月，本集團向上海港陸房地產開發有限公司(現稱泛海申港資產經營(上海)有限公司)(「上海港陸」)及上海浦港房地產開發有限公司(現稱為泛海港滬資產經營(上海)有限公司)(「上海浦港」)的非控股股東分別收購上海港陸及上海浦港的12%及20%股權，代價分別為港幣147,250,000元及港幣86,071,000元。

38 批准綜合財務報表

綜合財務報表已於2019年3月27日經本公司董事會批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries at 31 December 2018 are as follows:

39 主要附屬公司的詳情

於2018年12月31日的主要附屬公司詳情如下：

Name of subsidiaries	Place of operations/ incorporation	Particulars of issued capital	Group's effective interest (%) 本集團 實際權益 (%)	Principal activity
附屬公司名稱	營業／註冊成立地點	已發行資本詳情		主要業務
China Oceanwide Capital Management Limited 中泛資本管理有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Holding of fund investments 持有基金投資
China Oceanwide International Asset Management Limited 中泛國際資產管理有限公司	British Virgin Islands 英屬維爾京群島	US\$100 100美元	100	Holding of debt and equity securities 持有債務及股票證券
China Oceanwide International Capital Hong Kong Limited 中泛國際資本香港有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	100	Provision of management services 提供管理服務
China Oceanwide International Capital Investments Management Limited 中泛國際資本投資管理有限公司	British Virgin Islands 英屬維爾京群島	US\$100 100美元	100	Holding of debt securities 持有債務證券
China Oceanwide International Properties (US) Corp. 中國泛海國際置業(美國)有限公司*	United States 美國	US\$309,875 309,875美元	100	Provision of management and administrative services 提供管理及行政服務
China Oceanwide Power Co., Limited 中國泛海電力有限公司	Hong Kong 香港	US\$36,555,000 36,555,000美元	100	Investment holding 投資控股
China Oceanwide Power Investment Holdings Limited 中泛電力投資控股有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000# 50,000美元#	100	Investment holding 投資控股
China Oceanwide Power Investment I Limited 中泛電力投資第一有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
China Oceanwide Power Investment IV Limited 中泛電力投資第四有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

39 主要附屬公司的詳情(續)

Name of subsidiaries	Place of operations/ incorporation	Particulars of issued capital	Group's effective interest (%) 本集團 實際權益 (%)	Principal activity
附屬公司名稱	營業／註冊成立地點	已發行資本詳情		主要業務
China Oceanwide Property Holdings Limited 中泛置業控股有限公司	British Virgin Islands 英屬維爾京群島	US\$1# 1美元#	100	Investment holding 投資控股
China Oceanwide Property International Development Limited 中泛置業國際發展有限公司	Hong Kong 香港	HK\$5,000,000# 港幣5,000,000元#	100	Investment holding 投資控股
China Oceanwide Property Sino Limited 中泛置業中國有限公司	Hong Kong 香港	HK\$1,000,000# 港幣1,000,000元#	100	Investment holding 投資控股
China Oceanwide Real Estate Development Holdings Limited 中泛房地產開發控股有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000# 50,000美元#	100	Investment holding 投資控股
China Oceanwide Real Estate Development I Limited 中泛房地產開發第一有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
China Oceanwide Real Estate Development II Limited 中泛房地產開發第二有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000# 50,000美元#	100	Investment holding 投資控股
China Oceanwide Real Estate Development III Limited 中泛房地產開發第三有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
China Oceanwide Real Estate Development IV Limited 中泛房地產開發第四有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000# 50,000美元#	100	Investment holding 投資控股
China Oceanwide Real Estate Development V Limited 中泛房地產開發第五有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000# 50,000美元#	100	Investment holding 投資控股
China Oceanwide Real Estate Development VI Limited 中泛房地產開發第六有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
Grand Hover International Development Limited 冠豪國際發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property investment 物業投資

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

39 主要附屬公司的詳情(續)

Name of subsidiaries	Place of operations/ incorporation	Particulars of issued capital	Group's effective interest (%) 本集團 實際權益 (%)	Principal activity
附屬公司名稱	營業/註冊成立地點	已發行資本詳情		主要業務
Jeanwell Development Limited 置惠發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property investment 物業投資
Oceanwide Real Estate Development HI Corp. 夏威夷泛海不動產開發公司*	U.S. 美國	Paid-in capital of US\$119,838,014# 繳足資本 119,838,014美元#	100	Investment holding 投資控股
Oceanwide Real Estate Group (USA) Corp. 泛海建設集團(美國)股份有限 公司*	U.S. 美國	Paid-in capital of US\$791,926,442 繳足資本 791,926,442美元	100	Investment holding 投資控股
Oceanwide Real Estate International Investment Company Limited 泛海建設國際投資有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
Oceanwide Real Estate Investment HI Corp. 夏威夷泛海不動產投資公司*	U.S. 美國	Paid-in capital of US\$208,558,679# 繳足資本 208,558,679美元#	100	Investment holding 投資控股
Oceanwide Real Estate Investment NY Corp. 紐約泛海不動產投資公司*	U.S. 美國	Paid-in capital of US\$66,587,480 繳足資本 66,587,480美元	100	Investment holding 投資控股
Oceanwide Real Estate Management HI Corp. 夏威夷泛海不動產管理公司*	U.S. 美國	Paid-in capital of US\$293,524,779# 繳足資本 293,524,779美元#	100	Investment holding 投資控股
Oceanwide Center NY LLC 紐約泛海中心有限公司*	U.S. 美國	Paid-in capital of US\$66,587,480 繳足資本 66,587,480美元	100	Real estate development 房地產發展
Oceanwide Plaza LLC 泛海廣場有限公司*	U.S. 美國	Paid-in capital of US\$791,935,942 繳足資本 791,935,942美元	100	Real estate development 房地產發展
Oceanwide Resort Community HI LLC 泛海夏威夷度假社區有限公司*	U.S. 美國	Paid-in capital of US\$119,788,014# 繳足資本 119,788,014美元#	100	Real estate development 房地產發展

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

39 主要附屬公司的詳情(續)

Name of subsidiaries	Place of operations/ incorporation	Particulars of issued capital	Group's effective interest (%) 本集團 實際權益 (%)	Principal activity
附屬公司名稱	營業/註冊成立地點	已發行資本詳情		主要業務
Oceanwide Resort HI LLC 泛海夏威夷度假村有限公司*	U.S. 美國	Paid-in capital of US\$208,558,679# 繳足資本 208,558,679美元#	100	Real estate development 房地產發展
Oceanwide Resort Paradise HI LLC 泛海夏威夷度假天堂有限公司*	U.S. 美國	Paid-in capital of US\$293,474,779# 繳足資本 293,474,779美元#	100	Real estate development 房地產發展
PT. Banyuasin Power Energy	Indonesia 印尼	IDR 150,000,000,000 150,000,000,000 印尼盾	85	Operation of power plant 經營發電廠
PT. Mabar Elektrindo	Indonesia 印尼	IDR 210,000,000,000 210,000,000,000 印尼盾	60	Operation of power plant 經營發電廠
Oceanwide Shen Gang Asset Operation (Shanghai) Co., Ltd.* 泛海申港資產經營(上海)有限 公司	PRC [△] 中國 [△]	Paid-in capital of US\$16,000,000 繳足資本 16,000,000美元	100	Property investment 物業投資
Oceanwide Gang Hu Asset Operation (Shanghai) Co., Ltd.* 泛海港滬資產經營(上海)有限 公司	PRC [△] 中國 [△]	Paid-in capital of US\$7,000,000 繳足資本 7,000,000美元	100	Property investment 物業投資

The issued shares of the subsidiary of the Company were pledged to secured borrowings of the Group as at 31 December 2018.

△ A wholly-foreign-owned enterprise

於2018年12月31日，本公司該附屬公司的已發行股份已質押，作為授予本集團的借貸的擔保。

△ 一間外商獨資企業

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY 40 本公司的財務狀況表及儲備變動

a. Statement of financial position of the Company

a. 本公司的財務狀況表

	Note 附註	2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
ASSETS			
Non-current assets			
Investment in subsidiaries		661,035	661,425
Amounts due from subsidiaries		10,810,781	10,450,339
Deposits, prepayments and other receivables		2,522	—
		11,474,338	11,111,764
Current assets			
Amounts due from subsidiaries		1,885,511	1,510,127
Deposits, prepayments and other receivables		1,462	3,719
Restricted cash		15,668	—
Cash and cash equivalents		604,060	201,949
		2,506,701	1,715,795
Total assets		13,981,039	12,827,559
EQUITY			
Equity			
Share capital	29	1,614,265	1,614,265
Reserves		8,317,265	8,465,853
Total equity		9,931,530	10,080,118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED) 40 本公司的財務狀況表及儲備變動(續)

a. Statement of financial position of the Company (Continued)

a. 本公司的財務狀況表(續)

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Amount due to an intermediate holding company	應付一間中間控股公司款項	895,778	—
Borrowings	借貸	564,379	—
		1,460,157	—
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計項目	31,588	13,108
Borrowings	借貸	2,557,764	792,068
Amount due to an intermediate holding company	應付一間中間控股公司款項	—	1,942,265
		2,589,352	2,747,441
Total liabilities	負債總額	4,049,509	2,747,441
Total equity and liabilities	權益及負債總額	13,981,039	12,827,559

The statement of financial position of the Company was approved by the Board of Directors on 27 March 2019 and was signed on its behalf.

本公司的財務狀況表乃於2019年3月27日經董事會批准並由以下代表簽署。

HAN Xiaosheng
韓曉生
Chairman
主席

LIU Guosheng
劉國升
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

40 本公司的財務狀況表及儲備變動(續)

b. Reserve of the Company

b. 本公司的儲備

		Share premium	Capital redemption reserve	Contributed surplus	Convertible note equity reserve	Retained profits	Total
		股份溢價	資本贖回儲備	繳入盈餘	可換股票據權益儲備	保留利潤	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2018	於2018年1月1日	8,181,541	3,558	1,456	—	279,298	8,465,853
Loss for the year	年內虧損	—	—	—	—	(171,716)	(171,716)
Written back of unclaimed dividends	撥回未領取股息	—	—	—	—	7	7
Issue of convertible notes	發行可換股票據	—	—	—	23,121	—	23,121
At 31 December 2018	於2018年12月31日	8,181,541	3,558	1,456	23,121	107,589	8,317,265
At 1 January 2017	於2017年1月1日	8,181,541	3,558	1,456	—	316,244	8,502,799
Loss for the year	年內虧損	—	—	—	—	(36,970)	(36,970)
Written back of unclaimed dividends	撥回未領取股息	—	—	—	—	24	24
At 31 December 2017	於2017年12月31日	8,181,541	3,558	1,456	—	279,298	8,465,853

The application of share premium account is governed by section 40 of the Companies Act 1981 of Bermuda (as amended).

股份溢價賬的用途受百慕達《一九八一年公司法》(經修訂)第40條監管。

The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of subsidiaries when they were acquired by the Company and the nominal amount of the Company's share capital issued for the acquisition.

本公司的繳入盈餘為本公司收購附屬公司時，該等附屬公司的綜合股東資金與本公司就收購而發行的股本面值的差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

b. Reserve of the Company (Continued)

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is available for distribution to shareholders. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

- (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

As at 31 December 2018, the aggregate amount of reserves available for distribution to shareholders of the Company was HK\$109,045,000 (2017: HK\$280,754,000).

40 本公司的財務狀況表及儲備變動(續)

b. 本公司的儲備(續)

根據百慕達《一九八一年公司法》(經修訂)，繳入盈餘可供分派予股東。然而，公司在下列情況下不得自繳入盈餘宣派或派付股息或作出分派：

- (i) 倘公司目前或將於付款後無法繳付到期的負債；或
- (ii) 公司資產的可變現值會因此而低於負債以及已發行股本及股份溢價賬的總和。

於2018年12月31日，可供分派予本公司股東的儲備總額為港幣109,045,000元(2017年：港幣280,754,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

41 BENEFITS AND INTERESTS OF DIRECTORS

a. Directors' and chief executive's emoluments

The remuneration of each of the directors and chief executive of the Company for the years ended 31 December 2018 and 2017 is set out in Note 16a.

b. Directors' retirement benefits and termination benefits

None of the directors of the Company received or will receive any retirement benefits or termination benefits for the year ended 31 December 2018 (2017: Nil).

c. Consideration provided to third parties for making available directors' services

During the year ended 31 December 2018, the Company does not pay consideration to third parties for making available directors' service (2017: Nil).

d. Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2018, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors (2017: Nil).

e. Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted as at 31 December 2018 and 2017 or at any time during the years ended 31 December 2018 and 2017.

41 董事福利及利益

a. 董事及最高行政人員酬金

本公司各董事及最高行政人員於截至2018年及2017年12月31日止年度的薪酬載於附註16a。

b. 董事退休福利及離職福利

概無本公司董事於截至2018年12月31日止年度收取或將收取任何退休福利或離職福利(2017年：無)。

c. 就獲提供董事服務向第三方支付代價

於截至2018年12月31日止年度，本公司並無就獲提供董事服務向第三方支付代價(2017年：無)。

d. 有關以董事、受董事控制的法團及與董事有關連的實體為受益人的貸款、準貸款及其他交易的資料

於2018年12月31日，概無以董事、受董事控制的法團及受董事控制的實體為受益人的貸款、準貸款及其他交易安排(2017年：無)。

e. 董事於交易、安排或合約的重大利益

於2018年及2017年12月31日或於截至2018年及2017年12月31日止年度內任何時間，概無存在本公司所訂立有關本集團業務且本公司董事直接或間接於當中擁有重大利益的重大交易、安排及合約。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

		2018 2018年 HK\$'000 港幣千元	2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元	2015 2015年 HK\$'000 港幣千元	2014 2014年 HK\$'000 港幣千元
Results	業績					
Revenue	收入	138,637	142,174	153,390	189,208	171,008
Operating (loss)/profit	經營(虧損)/利潤	(53,679)	86,556	257,436	152,888	117,411
Finance costs	融資成本	—	—	—	—	—
(Loss)/profit before tax	除稅前(虧損)/利潤	(53,679)	86,556	257,436	152,888	117,411
Income tax expense	所得稅支出	(26,243)	(17,411)	(87,188)	(22,212)	(22,966)
(Loss)/profit for the year	年內(虧損)/利潤	(79,922)	69,145	170,248	130,676	94,445
Attributable to:	以下應佔:					
Shareholders of the Company	本公司股東	(48,840)	70,422	136,214	122,510	85,808
Non-controlling interests	非控股權益	(31,082)	(1,277)	34,034	8,166	8,637
		(79,922)	69,145	170,248	130,676	94,445
Assets and liabilities	資產及負債					
Total assets	資產總值	24,245,635	21,458,109	16,967,177	8,734,914	6,757,587
Total liabilities	負債總額	(13,433,195)	(10,282,309)	(5,684,470)	(2,343,710)	(528,911)
Net assets	資產淨值	10,812,440	11,175,800	11,282,707	6,391,204	6,228,676

PARTICULARS OF MAJOR PROPERTIES

主要物業資料

Particulars of major properties held by the Group which have been completed for existing use or under development at 31 December 2018 are as follows:

於2018年12月31日，本集團持有的已落成使用中或開發中主要物業資料如下：

A. INVESTMENT PROPERTIES

A. 投資物業

Name/Location 名稱／地點	Land lease term 土地租賃年期	Type 類別	Gross floor area 建築面積 (sq.m.) (平方米)	Attributable interest 應佔權益
Completed 已落成				
Various units on levels 2, 5-7, 11 & 16 and the whole of levels 1, 3-4, 14-15 & 18-23, and 50 car parking spaces in the basement, Harbour Ring Huang Pu Centre, No. 98 Luhe Road, Huangpu District, Shanghai, China. 中國上海市黃浦區六合路98號港陸黃浦中心2、5-7、11及16樓多個單位，1、3-4、14-15及18-23樓全層，以及地下停車場50個車位。	The land use term of the property is 50 years from 19 November 1992 to 18 November 2042 該物業土地使用權年期為50年，由1992年11月19日至2042年11月18日	Commercial 商用	10,718 (excluding car park) (停車場除外)	100%
Various units on levels 9-12 & 18 and the whole of levels 2-6, 13-14, 17, 23-24, 28-29 & 31-32 and 152 car parking spaces in the basement, Harbour Ring Plaza, No. 18 Xizang Zhong Road, Huangpu District, Shanghai, China. 中國上海市黃浦區西藏中路18號港陸廣場9-12及18樓多個單位，2-6、13-14、17、23-24、28-29及31-32樓全層，以及地下停車場152個車位。	The land use term of the property is 50 years from 1 August 1993 to 31 July 2043 該物業土地使用權年期為50年，由1993年8月1日至2043年7月31日	Commercial 商用	29,127 (excluding car park) (停車場除外)	100%
Under development 開發中				
1101 South Flower Street, Los Angeles, the U.S. 美國洛杉磯南花街1101號	Freehold land with no expiry date 永久業權土地，無到期日	Commercial 商用	41,800 (exclude car park) (停車場除外)	100%

PARTICULARS OF MAJOR PROPERTIES

主要物業資料

B. OTHER PROPERTIES

B. 其他物業

Name/Location 名稱／地點	Land lease term 土地租賃年期	Type 類別	Gross floor area 建築面積 (sq.m.) (平方米)	Attributable interest 應佔權益
Completed 已落成				
Unit 1006 and 1007 on level 10 in Harbour Ring Plaza, No. 18 Xizang Zhong Road, Huangpu District, Shanghai, China 中國上海市黃浦區西藏中路18號港陸廣場10樓1006及1007單位	The land use term of the property is 50 years from 1 August 1993 to 31 July 2043 該物業土地使用權年期為50年，由1993年8月1日至2043年7月31日	Commercial 商用	378	100%

C. PROPERTIES UNDER DEVELOPMENT PROJECTS

C. 發展中物業項目

Name/Location 名稱／地點	Land lease term 土地租賃年期	Type 類別	Expected completion date 預計完成時間	Gross floor area 建築面積 (sq.m.) (平方米)	Attributable interest 應佔權益
1101 South Flower Street, Los Angeles, the U.S. 美國洛杉磯南花街1101號	Freehold land with no expiry date 永久業權土地，無到期日	Commercial/ Residential 商用／住宅	2020 2020年	96,449 (exclude car park) (停車場除外)	100%
80 South Street, New York, the U.S. 美國紐約南街80號	Freehold land with no expiry date 永久業權土地，無到期日	Commercial/ Residential 商用／住宅	Not yet determined 未定	75,975	100%

PARTICULARS OF MAJOR PROPERTIES

主要物業資料

Name/Location 名稱／地點	Land lease term 土地租賃年期	Type 類別	Expected completion date 預計完成時間	Gross floor area 建築面積 (sq.m.) (平方米)	Attributable interest 應佔權益
Ko Olina Parcels 54B, 54C and 55, Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, the U.S. 美國夏威夷州檀香山市縣愛娃區火奴魯里科琳娜地塊54B、54C及55	Freehold land with no expiry date 永久業權土地，無到期日	Commercial/Residential 商用／住宅	Not yet determined 未定	92,292	100%
Ko Olina Parcels 20/21 (lot 4608), 25/26 (lot 4609) and 19B (lot 5346-B), Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, the U.S. 美國夏威夷州檀香山市縣愛娃區火奴魯里科琳娜地塊20/21(第4608號地塊)、25/26(第4609號地塊)及19B(第5346-B號地塊)	Freehold land with no expiry date 永久業權土地，無到期日	Commercial/Residential 商用／住宅	Not yet determined 未定	149,412	100%
Parcel Lots 18734, 18733, 18252 and 18250, Kapolei Area, Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, the U.S. 美國夏威夷州檀香山市縣愛娃區火奴魯里卡珀雷區地塊18734、18733、18252及18250	Freehold land with no expiry date 永久業權土地，無到期日	Commercial/Residential 商用／住宅	Not yet determined 未定	Not yet determined (Land area: 2,066,286) 未定(土地面積: 2,066,286)	100%



中泛控股有限公司

CHINA OCEANWIDE HOLDINGS LIMITED