



万达酒店发展有限公司

WANDA HOTEL DEVELOPMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 169

2019

ANNUAL REPORT 年報



Contents

目錄

Corporate Information	公司資料	2
Chairman's Statement	主席致辭	4
Business Review	業務回顧	5
Financial Review	財務回顧	10
Directors and Senior Management	董事及高級管理層	21
Directors' Report	董事會報告書	25
Corporate Governance Report	企業管治報告	53
Environmental, Social and Governance Report	環境、社會及管治報告	76
Independent Auditor's Report	獨立核數師報告	103
Consolidated Statement of Profit or Loss	綜合損益表	110
Consolidated Statement of Comprehensive Income	綜合全面收入表	111
Consolidated Statement of Financial Position	綜合財務狀況表	112
Consolidated Statement of Changes in Equity	綜合股權變動表	114
Consolidated Statement of Cash Flows	綜合現金流量表	116
Notes to Financial Statements	財務報表附註	119
Financial Summary	財務概要	266
Property Portfolio	物業組合	268





Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Director

Mr. Ning Qifeng

Non-executive Directors

Mr. Ding Benxi (*Chairman*)

Mr. Zhang Lin

Mr. Han Xu

Independent Non-executive Directors

Mr. He Zhiping

Dr. Teng Bing Sheng

Dr. Chen Yan

AUDIT COMMITTEE

Dr. Chen Yan (*Chairwoman*)

Mr. He Zhiping

Dr. Teng Bing Sheng

REMUNERATION COMMITTEE

Dr. Teng Bing Sheng (*Chairman*)

Mr. He Zhiping

Dr. Chen Yan

NOMINATION COMMITTEE

Mr. Ding Benxi (*Chairman*)

Dr. Teng Bing Sheng

Dr. Chen Yan

COMPANY SECRETARY

Ms. Hui Wai Man, Shirley

DEPUTY CHIEF FINANCIAL OFFICER

Mr. Chan Wan Woon

董事會

執行董事

寧奇峰先生

非執行董事

丁本錫先生 (*主席*)

張霖先生

韓旭先生

獨立非執行董事

何志平先生

滕斌聖博士

陳艷博士

審核委員會

陳艷博士 (*主席*)

何志平先生

滕斌聖博士

薪酬委員會

滕斌聖博士 (*主席*)

何志平先生

陳艷博士

提名委員會

丁本錫先生 (*主席*)

滕斌聖博士

陳艷博士

公司秘書

許惠敏女士

財務副總監

陳宏煥先生

PRINCIPAL BANKERS

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

AUDITORS

Ernst & Young, Certified Public Accountants

REGISTERED OFFICE

Victoria Place
5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

PRINCIPAL OFFICE IN HONG KONG

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

COMPANY'S WEBSITE

www.wanda-hotel.com.hk

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

169

主要往來銀行

中國銀行
中國工商銀行
平安銀行
中國光大銀行

核數師

安永會計師事務所·執業會計師

註冊辦事處

Victoria Place
5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

香港主要辦事處

香港
中環
康樂廣場8號交易廣場2座
30樓3007室

公司網址

www.wanda-hotel.com.hk

主要股份登記及過戶處

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

香港股份登記及過戶分處

卓佳標準有限公司
香港
皇后大道東183號
合和中心54樓

股票代號

169

Chairman's Statement

主席致辭

Dear Shareholders,

The global business environment encountered enormous uncertainties and challenges in 2019. Amid the volatilities, Wanda Hotel Development Company Limited (the "Company") remained focused on implementing strategic initiatives under our business plan and was able to deliver stable results. The Company, as always, seeks to develop its business by adhering to the strategic goal of achieving long-term development and sustainable growth of shareholders' value in the long run.

Despite the slowdown in China's hotel market in tandem with the prolonged Sino-US trade war in the second half of 2019, our hotel management business still delivered steady revenue and achieved market leadership in China hospitality and tourism industry. On monetization of prior investments, the Company disposed of its remaining 53% interest in the Hengli City project during 2019. The disposal enabled the Group to focus its resources on the development of its fee-based hotel management business which we believe would further enhance shareholders' value.

Our operating environment is set to be unprecedentedly challenging in 2020 with the outbreak of the novel coronavirus pneumonia (COVID-19) (the "Pandemic"), which has led to substantial travel restrictions and lockdowns across China. However, with support from our parent company, Dalian Wanda Commercial Management Group Co., Ltd. ("DWCM", together with its subsidiaries, "DWCM Group"), the Group will stay vigilant in our cost discipline, and continue to explore investment opportunities with the objective of expanding our revenue sources as well as improving our profitability, thus laying a solid foundation for its long-term growth.

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

Ding Benxi
Chairman

31 March 2020

尊敬的各位股東，

二零一九年國際營商環境面臨巨大的不確定性及挑戰。但萬達酒店發展有限公司(「本公司」)在市況極為波動的情況下仍專注執行業務計劃下的策略措施並能夠交出穩定業績。本公司一如既往地以維持長遠發展以及股東價值長期持續增長為策略目標發展業務。

儘管2019年下半年中國酒店市場放緩加上中美貿易戰持續，但我們的酒店管理業務仍實現穩定收入，並在中國酒店和旅遊行業中保持市場領先地位。至於變現先前物業投資方面，本公司於二零一九年出售了其於恒力城項目的餘下53%股權，是項收購令本集團能集中資源發展酒店管理收費業務，而我們相信能進一步提升股東價值。

二零二零年，受到新型冠狀病毒肺炎(COVID-19)之爆發(「疫情」)影響，引致中國內實施大量旅遊禁令及封鎖，我們的運營環境將面臨前所未有的挑戰。然而，儘管本集團將在成本紀律方面保持警覺，但在母公司大連萬達商業管理集團有限公司(「大連萬達商業管理」，連同其附屬公司(「大連萬達商業管理集團」)的支持下，我們將繼續物色投資機會，以擴大我們的收入來源，提高我們的盈利能力，為長遠增長奠定穩固基礎。

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

主席
丁本錫

二零二零年三月三十一日

Wanda Hotel Management (Hong Kong) Co., Ltd. and its subsidiaries (“Wanda Hotel Management Group”)

Wanda Hotel Management Group is a leading hotel services provider in China with comprehensive capabilities in hotel operations and management. It is also principally engaged in hotel design and construction management services and other related consultancy and ancillary businesses. Wanda Hotel Management Group currently manages hotels under the following brands (“Wanda Hotel Brands”):—

萬達酒店管理(香港)有限公司及其附屬公司(「萬達酒管集團」)

萬達酒管集團為中國領先酒店服務供應商，具備全方位的酒店營運及管理能力。其亦主要從事酒店設計及建設管理服務以及其他相關顧問及配套業務。萬達酒管集團現時管理下列品牌酒店(「萬達酒店品牌」)：

Hotel Brand	Brand Positioning	酒店品牌	品牌定位
Wanda Reign	<ul style="list-style-type: none"> An ultra-luxury hotel brand for luminaries and the social elites that delivers supremely personalized services and transcends every expectation. 	萬達瑞華	<ul style="list-style-type: none"> 為社會名流及精英人士，提供精益求精的個性化貼心服務，並打造極致非凡體驗的奢華酒店品牌。
Wanda Vista	<ul style="list-style-type: none"> A luxury hotel brand for distinguished guests who relish extraordinary services in an oriental elegance that seamlessly blends with local culture. 	萬達文華	<ul style="list-style-type: none"> 為崇尚品質生活的尊貴賓客，提供融合東方神韻與當地風情的精緻服務，並營造優雅旅居感受的豪華酒店品牌。
Wanda Realm	<ul style="list-style-type: none"> A premium hotel brand built upon quality service in line with superb international standards for business and leisure travelers. 	萬達嘉華	<ul style="list-style-type: none"> 為商務旅行及休閒度假賓客，提供品質出眾、高效舒適的國際化服務，並予以安心入住體驗的高端酒店品牌。
Wanda Jin	<ul style="list-style-type: none"> A premium and select service hotel brand built upon boutique design and quality service offering a balanced life experience for business and leisure travelers. 	萬達錦華	<ul style="list-style-type: none"> 為商務旅行及休閒度假賓客，提供精品設計住宿與優質服務，並營造工作與生活舒適平衡體驗的高端優選酒店品牌。

Business Review

業務回顧

Wanda Moments

- A high-end midscale hotel brand dedicated to quality design and select services for the ultimate comfort of business travelers.

萬達美華

- 致力於為獨具品味、懂得享受生活、追求不同體驗的商旅夥伴，提供精選服務的超中端設計酒店品牌。

As at 31 December 2019, Wanda Hotel Management Group managed a total of 82 hotels in operation as set out in below table:—

截至二零一九年十二月三十一日，萬達酒管集團管理共82間已開業酒店如下表概述：

Hotels In Operation Under Management

管理營運中酒店

		Number of Hotel			Number of Rooms 客房數目 (‘000)
		Third Party Clients		Total	
	DWCM Group 大連萬達商業管理集團	Third Party Clients 第三方客戶		總計	
Wanda Reign	萬達瑞華	3	0	3	0.8
Wanda Vista	萬達文華	1	23	24	6.5
Wanda Realm	萬達嘉華	1	47	48	13.9
Wanda Jin	萬達錦華	0	2	2	0.4
Wanda Moments	萬達美華	2*	1**	3	0.7
Others	其他	1	1	2	0.3
Grand Total	總數	8	74	82	22.6

* Representing hotels leased from third party landlords which Wanda Hotel Management Group manages and operates and Wanda Hotel Management Group bear all of the costs associated with renovation of these hotels.

* 指向第三方業主租賃而由萬達酒管集團管理及經營的酒店，而萬達酒管集團承擔裝修該等酒店的一切相關成本。

** Representing franchised-and-managed hotel for which the franchisee is responsible for the costs of renovation in accordance with the standards set by Wanda Hotel Management Group.

** 指特許經營及管理的酒店，而特許經營方負責根據萬達酒管集團所設標準裝修並負責酒店裝修所需的成本。

Besides the above operating hotels, as at 31 December 2019, Wanda Hotel Management Group also contracted to manage 69 hotels which had not yet commenced operation and were under construction.

除上述已開業酒店外，截至二零一九年十二月三十一日，萬達酒管集團已簽約管理69間在建中尚未開業酒店。

Joint Venture Platform in the Americas and Chicago Project, the United States of America

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

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

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

美洲大陸合資平臺及美利堅合眾國芝加哥項目

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

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

芝加哥項目之規劃總建築面積約為17.6萬平方米，地處芝加哥市核心地段，緊鄰千禧公園和芝加哥CBD，步行可到劇院區、博物館區、密歇根大道等著名場所，地理位置十分優越。該項目計劃建設一座高361米、高101層的五星酒店（預計建造超過200套客房）及高檔公寓項目，建成後將成為芝加哥第三高建築，成為芝加哥新地標。高檔公寓部分已於二零一五年九月開始預售。芝加哥項目已於二零一六年四月取得規劃批准、完成交割，已於二零一六年八月開始建設工程，目前正按計劃施工中。芝加哥項目預計於二零二零年底完成開發。



Business Review

業務回顧

Guilin Project, the People's Republic of China ("PRC")

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

The construction work of the Guilin Project has completed and the shopping mall opened in September 2015. With satisfactory commercial leases and operating conditions, the shopping mall has become a supreme landmark business centre in Guilin.

Hengli City, Fuzhou, the PRC

The total gross floor area of Hengli City is approximately 242,000 sq.m.. The project is a residential, office and retail complex located in Fuzhou, the PRC. On 13 December 2019, the Company as vendor and Zhizun Holdings Limited as purchaser entered into a sale and purchase agreement in respect of the disposal of the 53% of the issued share capital of Amazing Wise Limited ("Amazing Wise"), the holding company of Hengli City, for a total consideration of HK\$2,000,000. The disposal was completed on 27 December 2019 and as from the completion date, the Company no longer has any interest in the Hengli City project.

中華人民共和國(「中國」) 桂林項目

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

桂林項目建設工程已完成，購物中心亦已於二零一五年九月開業。購物中心商業出租與經營狀況良好，目前已成為桂林市首屈一指的地標式商業中心。

中國福州恒力城

恒力城總建築面積約為24.2萬平方米，項目位於中國福州市，為一個集住宅、辦公室及零售於一體的綜合項目。於二零一九年十二月十三日，本公司(作為賣方)與Zhizun Holdings Limited(作為買方)就以總代價2,000,000港元出售恒力城的控股公司Amazing Wise Limited(「Amazing Wise」)全部已發行股本的53%訂立買賣協議。出售已於二零一九年十二月二十七日完成，而自完成日期起，本公司不再於恒力城項目中擁有任何權益。

OUTLOOK

Following the injection of Wanda Hotel Management Group, the Group's strategies under the business transformation are to focus on fee-based businesses, to improve cash flow, and to reduce leverage with the following initiatives:

1. To continue to monetize prior property investments. The Group views that potential disposal of the Chicago Project at current market level can help realize value of the investments and reduce current and future indebtedness (for project construction loans purpose). Hence the Group has been in active discussions with potential buyers for the disposal of the Chicago Project;
2. To capitalize on the hotel management expertise of the Group (e.g. hotel design, construction and operation management, etc.) where the Group can potentially develop into an industry leader in China; and
3. To improve the operating efficiency of the Guilin Project through cost control and targeted marketing, while at the same time evaluate future plans regarding the asset.

During the year, the Company has executed the above strategy including disposing of the Group's remaining 53% equity interest in Amazing Wise and focusing on the fee-based businesses. The Group expects to continue adopting the same strategies in the coming years and the Group will continue to prudently seek profitable investment opportunities, further expand the Group's sources of revenue, enhance the Group's profitability and maximize return for its shareholders.

The Group's fee-based businesses operates mainly in the PRC. Since the beginning of 2020 and up to the date of this report, the PRC has been affected by the outbreak of the novel coronavirus pneumonia (COVID-19) (the "Pandemic"). The Board has been monitoring the development of the Pandemic and is continuously assessing its impact to the Group's operations. As at the date of this report, the degree of the impact and duration of the Pandemic remains uncertain to the Board but the Board will continue to pay close attention to its development and evaluate its impact on the Company's operations, and respond or make announcement(s) as appropriate if necessary.

展望

注入萬達酒管集團後，本集團在業務轉型之策略重點將放在收費業務，以透過下列舉措改善現金流量及降低槓桿率：

1. 繼續將先前的物業投資項目變現。本集團認為按當前市場水平進行之潛在出售有助於變現投資價值及減少當前及未來債務(就項目建設貸款而言)，因此現正就芝加哥項目與潛在買家磋商出售事宜；
2. 利用本集團之酒店管理專業知識令本集團可發展為在中國之業界領導者(如酒店設計、施工及運營管理等)；及
3. 透過成本控制及具針對性之營銷，改善桂林項目的營運效率，同時評估對該項資產的未來計劃。

於本年度，本公司已執行上述策略，包括出售本集團於Amazing Wise的餘下53%股權，以專注於收費業務。本集團預期於來年繼續採納相同策略，且本集團將繼續以審慎的態度尋求收益優厚的投資機會，進一步擴展本集團之收益來源，提升本集團之盈利能力，追求股東的回報最大化。

本集團之收費業務主要於中國營運。自二零二零年初起及直至本報告日期，中國一直受到新型冠狀病毒肺炎(COVID-19)之爆發(「疫情」)影響。董事會一直監察疫情發展並持續評估其對本集團營運之影響。於本報告日期，董事會仍不確定疫情之影響及持續時間，但董事會將繼續密切注視其發展及評估其對本公司業務營運之影響，並於需要時作適當回應或公告。



Financial Review

財務回顧

Since June 2019, the Company has been in active discussions with potential buyers for the disposal of the Company's interest in Parcel C LLC ("Parcel C"), a non-wholly owned subsidiary of the Company holding Chicago Project. As at 31 December 2019, the negotiations for the sale were in progress and Parcel C was hence classified as a disposal company held for sale and as a discontinued operation.

During the year ended 31 December 2019, the Company has decided to cease its business of development and sale of properties in the PRC. Therefore, the segment of development and sale of properties was also classified as discontinued operation and the comparative figures for the year ended 31 December 2018 have been restated to reflect the above change.

The Group has identified three business segments to better reflect its current operating businesses as below:—

1. Leasing and management of commercial properties held by the Group for long-term investment;
2. Hotel operations and management services; and
3. Hotel design and construction management services.

自二零一九年六月，本公司已就出售其於 Parcel C LLC (「Parcel C」) (本公司之非全資擁有附屬公司，其持有芝加哥項目) 之本公司權益與潛在買家積極商討。於二零一九年十二月三十一日，有關出售之磋商仍在進行中，因此 Parcel C 已分類為持作出售之出售公司及已終止經營業務。

於截至二零一九年十二月三十一日止年度，本公司決定不再在中國繼續其物業發展及銷售業務。因此，物業發展及銷售之分部已分類為終止經營業務，截至二零一八年十二月三十一日止年度之比較數字亦已重列，以反映以上變動。

本集團已列出下列三個業務分部，以更有效地反映其目前之營運業務：—

1. 本集團持作長期投資之商業物業之租賃及管理；
2. 酒店營運及管理服務；及
3. 酒店設計及建設管理服務。

Financial Review

財務回顧

Revenue

The Group reported revenue (from continuing operations) of approximately HK\$812.9 million in 2019 (2018 restated: HK\$812.3 million) and can be analyzed as below: —

收益

本集團於二零一九年錄得(來自持續經營業務)收益約812,900,000港元(二零一八年經重列: 812,300,000港元), 分析如下: —

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (restated) (經重列)	Changes 變動 HK\$'000 千港元	%
Investment properties leasing and management	投資物業租賃及管理	149,118	168,736	(19,618)	(11.6)
Hotel operations and management services	酒店營運及管理服務	471,229	429,181	42,048	9.8
Hotel design and construction management services	酒店設計及建設管理服務	192,601	214,403	(21,802)	(10.2)
Total	總計	812,948	812,320	628	0.1

Investment properties leasing and management segment revenue decreased by approximately 11.6% to HK\$149.1 million mainly because the rental income received from Hengli City during the year ended 31 December 2019 dropped.

投資物業租賃及管理分部收益減少約11.6%至149,100,000港元, 原因主要為截至二零一九年十二月三十一日止年度來自恒力城的租金收入減少。

Revenue from hotel operations and management services for the year ended 31 December 2019 amounted to approximately HK\$471.2 million, representing an increase of approximately 9.8% as compared to approximately HK\$429.2 million for the year ended 31 December 2018. Such increase was mainly driven by an increase in the number of hotels under management and newly opened hotels during 2019.

截至二零一九年十二月三十一日止年度, 來自酒店營運及管理服務的收益約471,200,000港元, 較截至二零一八年十二月三十一日止年度約429,200,000港元增加約9.8%。有關增加主要由於於二零一九年所管理酒店及新開業酒店數目增加所致。

Revenue from hotel design and construction management services for the year ended 31 December 2019 amounted to approximately HK\$192.6 million, representing a decrease of approximately 10.2% as compared to approximately HK\$214.4 million for the year ended 31 December 2018. Such decrease was mainly due to having several projects that progressed faster than expected or completed in 2018, resulting in less fee income received in 2019 than originally planned.

截至二零一九年十二月三十一日止年度, 來自酒店設計及建築管理服務的收益約192,600,000港元, 較截至二零一八年十二月三十一日止年度約214,400,000港元減少約10.2%。有關減少主要由於多個項目於二零一八年的進度較預期快或已完成, 導致於二零一九年所收費用收入少於原本計劃所致。

Financial Review

財務回顧

Segment results

The following table illustrates the segment results of the Group for the year ended 31 December 2019 and 2018 (restated) respectively:—

分部業績

下表闡述本集團分別於截至二零一九年及二零一八年十二月三十一日止年度的分部業績(經重列):—

		2019	2018	Changes	
		二零一九年	二零一八年	變動	
		HK\$'000	HK\$'000	HK\$'000	%
		千港元	千港元 (restated) (經重列)	千港元	%
Investment properties leasing and management	投資物業租賃及管理	(666,196)	(293,873)	(372,323)	126.7
Hotel operations and management services	酒店營運及管理服務	176,162	236,810	(60,648)	(25.6)
Hotel design and construction management services	酒店設計及建設管理服務	57,037	116,680	(59,643)	(51.1)
Total	總計	(432,997)	59,617	(492,614)	(826.3)

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

用於匯報分部業績之計量單位為除稅前溢利/(虧損)。

Investment properties leasing and management segment loss increased by about 126.7% to approximately HK\$666.2 million for the year ended 31 December 2019, as compared to HK\$293.9 million for the year ended 31 December 2018. Such significant increase in loss was principally attributable to a net valuation loss of investment properties in Hengli City of approximately HK\$788.6 million provided during the year ended 31 December 2019, as compared to approximately HK\$430.8 million provided during 2018.

截至二零一九年十二月三十一日止年度，投資物業租賃及管理分部虧損增加約126.7%至約666,200,000港元，而截至二零一八年十二月三十一日止年度則為293,900,000港元。有關虧損大幅增加主要由於受截至二零一九年十二月三十一日止年度就恒力城之投資物業的估值虧損淨額撥備約788,600,000港元影響，而二零一八年則撥備約430,800,000港元。

Financial Review

財務回顧

Hotel operations and management services segment profit decreased by about 25.6% to approximately HK\$176.2 million for the year ended 31 December 2019, as compared to HK\$236.8 million for the year ended 31 December 2018. Such decrease in profit was due to higher staff costs resulting from increase in headcount for development of midscale business during the year ended 31 December 2019.

Hotel design and construction management services segment profit halved to approximately HK\$57 million for the year ended 31 December 2019, as compared to HK\$116.7 million for the year ended 31 December 2018. Such decrease in profit was due to higher staff costs resulting from increase in headcount during the year ended 31 December 2019.

(Loss)/profit attributable to equity holders of the parent

During the year, the Group's loss attributable to the equity holders of the Company amounted to approximately HK\$150.4 million (2018 restated: profit of HK\$766.7 million) with the breakdown set out as below:—

截至二零一九年十二月三十一日止年度，酒店營運及管理服務分部之溢利減少約25.6%至約176,200,000港元，而截至二零一八年十二月三十一日止年度則為236,800,000港元。有關溢利減少乃因截至二零一九年十二月三十一日止年度發展中型業務後員工數目增加，導致員工成本增加所致。

截至二零一九年十二月三十一日止年度，酒店設計及建築管理服務分部之溢利減少約一半至約57,000,000港元，而截至二零一八年十二月三十一日止年度則為116,700,000港元。有關溢利減少是由於截至二零一九年十二月三十一日止年度員工數目增加，導致員工成本增加所致。

母公司權益持有人應佔(虧損)/溢利

本年度內，本集團之本公司權益持有人應佔虧損約為150,400,000港元(二零一八年經重列：溢利766,700,000港元)，有關明細載列如下：—

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)	Changes 變動 \$'000 千元
(Loss)/profit attributable to the equity holders of the parent:	母公司權益持有人應佔(虧損)/溢利：			
— From continuing operations	— 來自持續經營業務	(248,092)	15,818	(263,910)
— From discontinued operations	— 來自終止經營業務	97,705	750,898	(653,193)
Total	總計	(150,387)	766,716	(917,103)

Financial Review

財務回顧

The increase in loss attributable to the equity holders of the parent was mainly driven by: i) significant decrease of disposal gain of approximately HK\$778.9 million, due to approximately HK\$136.8 million disposal gain from Hengli City for the year ended 31 December 2019, as compared to approximately HK\$915.7 million gain from disposal of the Australia and London projects for the year ended 31 December 2018 (for details of the disposal of the London and Australia projects, please refer to the announcements of the Company dated 16 January 2018 and 29 January 2018 and circulars of the Company dated 15 March 2018 and 22 February 2018 respectively); ii) significant increase in net valuation loss of investment properties in Hengli City by approximately HK\$357.8 million as abovementioned; offset by iii) an increase in other net gains of approximately HK\$40.8 million, primarily resulting from compensation of HK\$33.2 million for early lease termination received from the tenant in Hengli City; and iv) reversal of deferred tax previously provided for the revaluation of properties in Hengli City of approximately HK\$153.6 million.

Deposits and other receivables

As at 31 December 2019, the Group had deposits and other receivables of approximately HK\$25.9 million (2018: approximately HK\$1,767.9 million). The decrease in deposits and other receivables was mainly due to (i) receipts of the proceeds receivables from the disposal of the London and Australia Projects during the year, amounting to GBP60,000,000 (equivalent to approximately HK\$590,382,000) and AUD25,000,000 (equivalent to approximately HK\$159,098,000); (ii) assignment of receivables, amounting to a total of approximately HK\$798.2 million, from the disposal of London and Australia Projects to Wanda HK, as announced by the Company on 18 October 2019 and was completed on 17 December 2019; and (iii) the refund of a deposit made in 2018 to the Australian Taxation Office in relation to the disposal of interest in Wanda Australia Real Estate Investment Co., Ltd., amounting to approximately HK\$187.2 million during the year.

母公司權益持有人之應佔虧損增加主要是由於：i) 由於截至二零一九年十二月三十一日止年度來自恒力城的出售收益約136,800,000港元，而截至二零一八年十二月三十一日止年度出售澳洲及倫敦項目的收益約915,700,000港元，出售收益顯著下跌約778,900,000港元（有關出售倫敦及澳洲項目的詳情，請參閱本公司日期分別為二零一八年一月十六日及二零一八年一月二十九日的公告，及本公司日期分別為二零一八年三月十五日及二零一八年二月二十二日的通函）；ii) 如上文所述，恒力城之投資物業估值虧損淨額大幅增加約357,800,000港元所致；已由下列因素抵銷iii) 其他收益淨額增加約40,800,000港元，主要由於恒力城租戶因提前終止租賃而作出賠償33,200,000港元所致；及iv) 撥回先前因重估恒力城物業而產生的遞延稅項撥備約153,600,000港元。

按金及其他應收款項

於二零一九年十二月三十一日，本集團擁有按金及其他應收款項約25,900,000港元（二零一八年：約1,767,900,000港元）。按金及其他應收款項減少主要由於(i) 收到年內來自出售倫敦及澳洲項目之應收所得款項60,000,000英鎊（相當於約590,382,000港元）及25,000,000澳元（相當於約159,098,000港元）；(ii) 誠如本公司於二零一九年十月十八日所公告，向萬達香港轉讓來自出售倫敦及澳洲項目的應收款項合共約798,200,000港元，並已於二零一九年十二月十七日完成；及(iii) 年內退回於二零一八年就出售萬達澳洲地產投資有限公司之權益而向澳洲稅務機關繳納之按金約187,200,000港元。

Investment properties

As at 31 December 2019, the Group had investment properties of approximately HK\$1,509.2 million (2018: approximately HK\$3,345.2 million). The decrease in the amount of investment properties was mainly due to (i) a net valuation loss of investment properties in Hengli City of approximately HK\$788.6 million; and (ii) the disposal of investment properties of approximately HK\$980.9 million from Hengli City during the year.

Net assets and equity attributable to equity holders

As at 31 December 2019, the Group recorded total assets and total liabilities of approximately HK\$9,593 million and HK\$6,949.7 million respectively. The Group had net assets of approximately HK\$2,643.3 million as at 31 December 2019 as compared to approximately HK\$3,207.4 million as at 31 December 2018. As at 31 December 2019, the equity attributable to equity holders of the parent was approximately HK\$1,921.5 million as compared to HK\$2,220.1 million as at 31 December 2018.

Liquidity, borrowing and financial resources

The Group had total cash and bank balances of approximately HK\$2,453.9 million as at 31 December 2019 as compared with HK\$2,746.3 million as at 31 December 2018. The decrease was mainly due to repayment of other payables and loans from an intermediate holding company. About 86%, 11%, 2% and 1% of the cash and bank balances were denominated in Renminbi ("RMB"), Australia Dollar ("AUD"), United States Dollar ("USD") and Hong Kong Dollar. As at 31 December 2019, the current ratio, which is the quotient arrived at by dividing current assets by current liabilities, was 1.19 as compared with 1.26 as at 31 December 2018.

投資物業

於二零一九年十二月三十一日，本集團擁有投資物業約1,509,200,000元（二零一八年：約3,345,200,000港元）。投資物業金額減少乃主要由於(i)恒力城投資物業之估值虧損淨額約788,600,000港元；及(ii)於年內出售恒力城約980,900,000港元之投資物業所致。

資產淨值及權益持有人應佔權益

於二零一九年十二月三十一日，本集團分別錄得總資產及總負債約9,593,000,000港元及6,949,700,000港元。本集團於二零一九年十二月三十一日擁有之資產淨值約為2,643,300,000港元，而於二零一八年十二月三十一日則約為3,207,400,000港元。於二零一九年十二月三十一日，母公司權益持有人應佔權益約為1,921,500,000港元，而於二零一八年十二月三十一日則為2,220,100,000港元。

流動資金、借款及財務撥備

於二零一九年十二月三十一日，本集團有現金及銀行結餘總額約2,453,900,000港元，而於二零一八年十二月三十一日則為2,746,300,000港元。該減少主要是由於償還來自一間中間控股公司之其他應付款項及貸款所致。約86%、11%、2%及1%之現金及銀行結餘分別以人民幣（「人民幣」）、澳元（「澳元」）、美元（「美元」）及港元計值。於二零一九年十二月三十一日，流動比率（即流動資產除以流動負債所得商數）為1.19，而於二零一八年十二月三十一日則為1.26。

Financial Review

財務回顧

The following table sets out the debt and borrowings of the Group with its maturity profile:

下表載列本集團之債務及借款之到期情況：

		31 December 2019	31 December 2018
		二零一九年 十二月三十一日	二零一八年 十二月三十一日
		\$'000	\$'000
		千元	千元
Debts and borrowings	債務及借款		
Interest bearing:	計息：		
— Loans from financial institutions	— 金融機構貸款	—	1,192,857
— Loan from a financial institution classified as held for sale	— 分類為持作出售之 一項金融機構貸款	973,475	—
— Other borrowings	— 其他借款	—	385,592
— Loans from an intermediate holding company	— 一間中間控股公司貸款	3,513,166	1,380,150
Non-interest bearing:	不計息：		
— Loans from an intermediate holding company	— 一間中間控股公司貸款	674,416	743,660
Total debts and borrowings	債務及借款總額	5,161,057	3,702,259
Repayable:	還款期：		
— Within one year	— 一年內	4,187,582	1,504,398
— After one year but within two years	— 一年後但兩年內	—	1,146,484
— After two years but within five years	— 兩年後但五年內	973,475	1,051,377
		5,161,057	3,702,259

Financial Review

財務回顧

		31 December 2019	31 December 2018
		二零一九年 十二月三十一日	二零一八年 十二月三十一日
		\$'000	\$'000
		千元	千元
Cash and bank balances	現金及銀行結餘		
— Cash and cash equivalents	— 現金及現金等值物	2,421,957	2,741,296
— Restricted bank deposits	— 受限制銀行存款	—	5,002
— Cash and bank balances classified as held for sale	— 分類為持作出售之現金及現金等值物	28,489	—
— Restricted bank deposits classified as held for sale	— 分類為持作出售之受限制銀行存款	3,434	—
Total cash and bank balances	現金及銀行結餘總額	2,453,880	2,746,298
Net debts (debts and borrowings minus cash and bank balances)	債務淨額(債務及借款減現金及銀行結餘)	2,707,177	955,961
Total equity	總權益	2,643,310	3,207,391
Gearing ratio (net debts over aggregate of net debts and total equity)	資本負債比率(債務淨額除以債務淨額與總權益之和)	50.6%	23%

The gearing ratio, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 50.6% as at 31 December 2019 as compared with 23% as at 31 December 2018. The rise in gearing ratio is mainly due to increase of loans from an intermediate holding company.

As at 31 December 2019, the Group's contracted commitment for capital expenditure is approximately HK\$2,735.8 million (As at 31 December 2018: HK\$3,855.1 million).

於二零一九年十二月三十一日，資本負債比率(即債務淨額除以債務淨額與總權益之和所得商數)為50.6%，而於二零一八年十二月三十一日則為23%。資產負債比率上升乃主要由於增加一間中間控股公司之貸款所致。

於二零一九年十二月三十一日，本集團資本支出之已訂約承擔約為2,735,800,000港元(於二零一八年十二月三十一日：3,855,100,000港元)。



Financial Review

財務回顧

Foreign currency and interest rate exposure

The Group's business is principally conducted in RMB and USD. The functional currency of the Group's subsidiaries in the PRC and the United States of America (the "USA"), are RMB and USD respectively and these subsidiaries do not have significant monetary assets or liabilities denominated in currencies other than their respective functional currencies. The functional currency of the Group's other subsidiaries is Hong Kong Dollar. The Group is exposed to currency risk primarily through loans that are denominated in USD. The Group maintains a conservative approach on foreign exchange exposure management. During the year, the Group did not use any financial instruments to hedge against foreign currency exposure and the Group did not have any hedging instruments outstanding as at 31 December 2019.

During the year, the Group had interest-bearing loans from a financial institution and an intermediate holding company. As at 31 December 2019, interest-bearing borrowings of HK\$3,613.6 million, being approximately 80.5% of the total interest-bearing borrowings, were on a floating rate basis. The remaining interest-bearing borrowings of HK\$873 million were on fixed interest rate basis. Accordingly, the Group's cost of borrowing was affected by fluctuations in interest rates. During the year, the Group had monitored the suitability and cost efficiency of hedging instruments and had considered a mix of fixed and floating rate loans in order to manage interest rate risks. The Group will prudently consider entering into currency and interest rate hedging arrangements to minimise such exposures if and when appropriate.

PLEDGE OF ASSETS

As at 31 December 2019, the Group pledged certain of its assets to a financial institution in the PRC to secure the loan of approximately HK\$973.5 million granted by that financial institution. The aggregate carrying value of these construction in progress, freehold land and properties under development as at 31 December 2019 amounted to approximately HK\$864.1 million, HK\$158.2 million and HK\$3,878.8 million respectively.

外匯及利率風險

本集團之業務主要以人民幣及美元進行。本集團於中國及美利堅合眾國(「美國」)之附屬公司之功能貨幣分別為人民幣及美元，且該等附屬公司並未持有以彼等各自功能貨幣以外之貨幣計值之重大貨幣資產或負債。本集團其他附屬公司之功能貨幣為港元。本集團主要承受以美元計值之貸款之貨幣風險。本集團維持保守之外匯風險管理方法。本年度內，本集團並無使用任何金融工具對沖外匯風險，而於二零一九年十二月三十一日，本集團亦無任何未平倉之對沖工具。

本年度內，本集團有計息之一家金融機構及一間中間控股公司貸款。於二零一九年十二月三十一日，計息借款3,613,600,000港元(估計息借款總額約80.5%)按浮動利率基準計息，其餘873,000,000港元之計息借款則按固定利率基準計息，故本集團之借款成本受利率波動影響。本年度內，本集團已監察對沖工具之合適性及成本效益，並考慮混合固定及浮動利率貸款，以管理利率風險。本集團將審慎考慮於適當時候訂立貨幣及利率對沖安排以將該等風險降至最低。

資產抵押

於二零一九年十二月三十一日，本集團將其若干資產抵押予中國一家金融機構，以獲得該金融機構給予之貸款約973,500,000港元。該等在建工程、永久業權土地及在建物業於二零一九年十二月三十一日之賬面總值分別約為864,100,000港元、158,200,000港元及3,878,800,000港元。

CHANGES IN SHARE CAPITAL

There are no changes in the Company's share capital during the year ended 31 December 2019.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group had provided guarantees in an aggregate amount of approximately HK\$25.8 million (2018: HK\$413.7 million) to banks in favour of its customers in respect of mortgaged loans provided by the banks to these customers for their purchase of the Group's properties. Each of these guarantees would be released upon the execution of individual purchasers' collateral agreements.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANY

On 27 December 2019, the Group completed the disposal of its remaining 53% equity interest in Amazing Wise for a cash consideration of HK\$2,000,000 ("the Disposal"). Further details of the Disposal have been set out in the Company's announcements dated 13 December 2019, 27 December 2019 and 25 March 2020.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, the Group had around 534 full time employees, who are located in the PRC, Hong Kong and the USA.

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

股本變動

截至二零一九年十二月三十一日止年度，本公司之股本並無任何變動。

或然負債

於二零一九年十二月三十一日，本集團就數家銀行提供予客戶以購買本集團物業之按揭貸款以該等客戶為受益人向該等銀行提供總額約25,800,000港元(二零一八年：413,700,000港元)之擔保。該等擔保各自將於個別買家的抵押品協議獲執行後予以解除。

附屬公司及聯營公司之重大收購及出售

於二零一九年十二月二十七日，本集團完成出售其於Amazing Wise的餘下53%股權，現金代價為2,000,000港元(「出售事項」)。有關出售事項的詳情已載於本公司日期為二零一九年十二月十三日、二零一九年十二月二十七日及二零二零年三月二十五日的公告內。

董事收購股份或債權證之權利

概無董事有任何權利收購本公司或其附屬公司之股份或債權證。

員工及薪酬政策

於二零一九年十二月三十一日，本集團於中國、香港及美國共聘用約534名全職僱員。

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



Financial Review

財務回顧

DIVIDEND

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

EVENTS AFTER THE REPORTING PERIOD

The outbreak of the novel coronavirus (COVID-19) is having significant impact on the business operations of the Group, in particular on the leasing of commercial properties as well as the hotel management operations. The exact extent of the impact depends on the situation and the duration of the pandemic and the impact on the macroeconomy.

Given the dynamic nature of these circumstances, the impact on the financial position and operating results of the Group could not be reasonably estimated at this stage and will be reflected in the Group's 2020 interim and annual financial statements.

股息

董事不建議派發截至二零一九年十二月三十一日止年度之末期股息(二零一八年：無)。

報告期後事項

冠狀病毒(COVID-19)之爆發已對本集團之業務營運造成相當影響，特別是商業物業租賃以及酒店管理營運業務，而確切受影響程度視乎疫情狀況及維持時間以及對宏觀經濟之影響而定。

鑑於該等形勢瞬息萬變，現階段仍無法合理估計對本集團財務狀況及經營業績之影響，並將反映在本集團之二零二零年中期及年度財務報表中。

Directors and Senior Management

董事及高級管理層

NON-EXECUTIVE DIRECTORS

Mr. Ding Benxi, aged 65, has been a Non-executive Director and Chairman of the Board since July 2013. He was also an executive director of DWCM and served in various positions of DWCM Group from December 2009 to February 2020. He is also a director of Dalian Wanda Group Co., Ltd. (“Dalian Wanda Group”). Before joining DWCM in December 2009, Mr. Ding served in various positions of Dalian Wanda Group, including president, chief executive officer and vice president.

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

Mr. Zhang Lin, aged 48, has been a Non-executive Director since November 2017. He has also been serving as the director of Dalian Wanda Group since February 2011. Mr. Zhang has concurrently been acting as the chairman and a director of Wanda Film Holding Co. Ltd (萬達電影股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code : 002739.SZ) since November 2006; the chairman and a director of AMC Entertainment Holdings, Inc. (a company listed on the New York Stock Exchange, stock code: AMC) from August 2012 to 12 March 2018 and from December 2019 onward; the chief executive officer of Wanda Culture since December 2012; the president of Wanda Culture since January 2014; the chairman of the board of Infront Holding AG since July 2015; the chairman of World Triathlon Corporation since November 2015; and the chairman of Wanda Sport Group Company Limited (a company listed on the NASDAQ in the form of American Depositary Receipts) since November 2018. In addition, Mr. Zhang had also been a non-executive director of DWCM since December 2009 to 29 January 2016. He joined Dalian Wanda Group in March 2000 and formerly held various positions, including but not limited to the vice president of Dalian Wanda Group and the finance director of Dalian Wanda Group and general manager of project companies in Chengdu, Shenyang and Nanjing respectively. Mr. Zhang has extensive experience in financial management and operation management of large property development, property management, and entertainment corporations, especially in corporate strategy and investment.

非執行董事

丁本錫先生，65歲，自二零一三年七月起擔任非執行董事及董事會主席。自二零零九年十二月至二零二零年二月，彼同時擔任大連萬達商業管理執行董事及大連萬達商業管理集團多個職務。彼亦擔任大連萬達集團股份有限公司(「大連萬達集團」)董事。於二零零九年十二月加入大連萬達商業管理前，丁先生曾擔任大連萬達集團多個職務，包括總裁、執行總裁及副總裁。

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

張霖先生，48歲，自二零一七年十一月起擔任非執行董事。自二零一一年二月起，彼亦擔任大連萬達集團董事。自二零零六年十一月起，張先生同時擔任萬達電影股份有限公司(一間於深圳證券交易所上市的公司，股份代號：002739.SZ)之董事長兼董事；自二零一二年八月至二零一八年三月十二日及自二零一九年十二月起，擔任美國AMC娛樂控股公司(AMC Entertainment Holdings, Inc.) (一間於紐約證券交易所上市的公司，股份代號：AMC)董事長兼董事；自二零一二年十二月起，擔任萬達文化執行總裁；自二零一四年一月起，擔任萬達文化總裁；自二零一五年七月起，擔任Infront Holding AG董事會主席；及二零一五年十一月起，擔任World Triathlon Corporation董事長；及自二零一八年十一月起，擔任萬達體育集團有限公司(一家在美國納斯達克以美國預託證券形式上市的公司)。此外，自二零零九年十二月至二零一六年一月二十九日，張先生亦擔任大連萬達商業管理的非執行董事。彼於二零零零年三月加入大連萬達集團，先前曾擔任多個職位，包括但不限於大連萬達集團副總裁及大連萬達集團財務總監以及分別在成都、瀋陽及南京的項目公司擔任總經理。張先生於大型物業開發、物業管理及娛樂企業的財務管理及營運管理，特別是企業策略及投資領域擁有豐富經驗。

Directors and Senior Management

董事及高級管理層

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

Mr. Han Xu, aged 49, has been a Non-executive Director since March 2019, has extensive experience in finance and general management. From February 2020, Mr. Han has been serving as the Senior Vice President of Dalian Wanda Group, a joint stock company incorporated in the PRC with limited liability, and a controlling shareholder of the Company and is responsible for overseeing all financial operations of Dalian Wanda Group. Prior to that, since his joining of the Dalian Wanda Group in 2002, Mr. Han served in various roles including General Manager of Finance Department of DWCM (formerly known as Dalian Wanda Commercial Properties Co. Ltd.), General Manager of the Group Financial Management Center, President Assistant, Senior President Assistant, and Vice President within the Dalian Wanda Group. He holds a Master degree in Business Administration in Dongbei University of Finance and Economics.

EXECUTIVE DIRECTOR

Mr. Ning Qifeng, aged 54, has been an Executive Director since November 2017. Mr. Ning is also a first vice president of DWCM and the president of Wanda Hotel Management (Shanghai) Co. Limited (萬達酒店管理(上海)有限公司). Mr. Ning had been a vice president of DWCM from December 2009 to June 2015 and had been a senior vice president of DWCM from June 2015 to July 2017. Mr. Ning formerly also served as a first vice president of DWCM; a vice president and an assistant to the president of Dalian Wanda Group; the general manager of Wanda Hotel Construction Ltd. (萬達酒店建設有限公司) and the dean of Wanda Commercial Planning and Research Institute (萬達商業規劃研究院). Mr. Ning has extensive experience in property development and property management (including hotel development and hotel construction management).

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

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

韓旭先生，49歲，自二零一九年三月起擔任非執行董事，於財務及綜合管理方面擁有豐富經驗。自二零二零年二月起，韓先生擔任大連萬達集團（一間於中國註冊成立之股份有限公司，為本公司的控股股東）高級副總裁，負責管理大連萬達集團所有財務營運。在此之前，自二零零二年加入大連萬達集團以來，韓先生曾於大連萬達集團旗下擔任多個職位，包括大連萬達商業管理（前稱大連萬達商業地產股份有限公司）財務部總經理、大連萬達集團財務管理中心總經理、總裁助理，高級總裁助理及副總裁。彼持有東北財經大學之工商管理碩士學位。

執行董事

寧奇峰先生，54歲，自二零一七年十一月起擔任執行董事。寧先生現時亦擔任大連萬達商業管理首席副總裁及萬達酒店管理(上海)有限公司總裁。自二零零九年十二月至二零一五年六月，寧先生曾擔任大連萬達商業管理之副總裁，並自二零一五年六月至二零一七年七月曾擔任大連萬達商業管理之高級副總裁。寧先生先前亦曾擔任大連萬達商業管理首席副總裁；大連萬達集團副總裁及總裁助理；萬達酒店建設有限公司總經理及萬達商業規劃研究院院長。寧先生於物業開發及物業管理領域（包括酒店發展及酒店建設管理）擁有豐富經驗。

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

Directors and Senior Management

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. He Zhiping, aged 56, has been an Independent Non-executive Director since March 2018. He studied at the China Textile University (currently known as Donghua University) in Mechanical Engineering in 1979 and graduated with a master degree in engineering in 1986. Since 1987, Mr. He has previously served as the assistant to the general manager of the United Rail Ltd, Shenzhen Branch of China Nonferrous Metals Company (中國有色金屬深圳聯合公司科力鐵有限公司), the assistant to the general manager and vice general manager of Hainan Sanya Huaya Enterprise Group Corporation (海南三亞華亞企業集團公司) and a director of China Great Wall Securities, LLC (長城證券有限責任公司). He was a non-executive director of AviChina Industry & Technology Company Limited (a company listed on the Hong Kong Stock Exchange, stock code: 2357) from August 2016 to May 2019. He is currently the chairman of the board of directors of China Wall King Holding Co., Ltd (中國華建投資控股有限公司). From December 2019 onward, Mr. He has also been serving as a director and a vice chairman of JA Solar Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002459). Mr. He also serves social positions such as executive vice president of Gan General Chamber of Commerce, executive president of Shenzhen Jiangxi Chamber of Commerce and the Council of Donghua University.

Dr. Teng Bing Sheng, aged 49, has been an Independent Non-executive Director since March 2019. He is experienced in mergers and acquisitions and strategic management. From January 2017, Dr. Teng has been serving as an independent non-executive director in Haisco Pharmaceutical Group Co., Ltd. (海思科醫藥集團股份有限公司), a company whose shares are listed on The Shenzhen Stock Exchange (stock code: 002653). He has been an independent non-executive director of Aoshikang Technology Co. Ltd. (奧士康科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002913) since November 2018. He has been an independent non-executive director in Yangtze Optical Fibre and Cable Joint Stock Limited Company, a company whose shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 6869) since January 2020. Prior to that, he was an independent non-executive director of (i) Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司), a company whose shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 1787) in 2018 and The Shanghai Stock Exchange (stock code: 600547) in 2003, from 2014 to 2017; and (ii) ZTE Corporation (中興通訊股份有限公司), a company whose shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 763) and The Shenzhen Stock Exchange (stock code: 000063), from 2015 to 2018. Dr. Teng served as an assistant professor and then associate professor of strategic management at The George Washington University from August 1998 to December 2006. He then joined Cheung Kong Graduate School of Business (長江商學院) in January 2007 as an associate professor and was promoted as a professor in February 2017 and has been the associate dean there since April 2009. Dr. Teng holds a doctorate of strategic management degree from City University of New York.

獨立非執行董事

何志平先生，56歲，自二零一八年三月起擔任獨立非執行董事。彼於一九七九年就讀於中國紡織大學(現稱東華大學)機械工程專業，並於一九八六年畢業及獲頒工學碩士學位。自一九八七年起，何先生曾任中國有色金屬深圳聯合公司科力鐵有限公司總經理助理、海南三亞華亞企業集團公司總經理助理及副總經理，以及長城證券有限責任公司董事。彼曾於二零一六年八月至二零一九年五月擔任中國航空科技工業股份有限公司(一家於香港聯交所上市的公司，股份代號：2357)的非執行董事。現任中國華建投資控股有限公司董事長。何先生亦於二零一九年十二月起擔任晶澳太陽能科技股份有限公司(一家於深圳證券交易所上市的公司，股份代號：002459)董事及副董事長。何先生亦擔任贛商總會常務副會長、深圳江西商會執行會長、東華大學校董等社會職務。

Dr. Teng Bing Sheng (滕斌聖博士)，49歲，自二零一九年三月起擔任獨立非執行董事。彼在併購及戰略管理方面擁有豐富的經驗。自二零一七年一月起，滕博士一直擔任海思科醫藥集團股份有限公司(其股份於深圳證券交易所上市(股份代號：002653))之獨立非執行董事。自二零一八年十一月起，彼擔任奧士康科技股份有限公司(其股份於深圳證券交易所上市(股份代號：002913))之獨立非執行董事。自二零二零年一月起，彼擔任長飛光纖光纜股份有限公司(其股份於香港聯合交易所有限公司上市(股份代號：6869))之獨立非執行董事。在此之前，彼曾(i)於二零一四年至二零一七年擔任山東黃金礦業股份有限公司(其股份於二零一八年在香港聯合交易所有限公司上市(股份代號：1787)及於二零零三年在上海證券交易所上市(股份代號：600547))之獨立非執行董事；及(ii)於二零一五年至二零一八年擔任中興通訊股份有限公司(其股份於香港聯合交易所有限公司上市(股份代號：763)及於深圳證券交易所上市(股份代號：000063))之獨立非執行董事。於一九九八年八月至二零零六年十二月，滕博士曾先後擔任喬治華盛頓大學戰略管理學之助理教授及副教授。彼其後於二零零七年一月加盟長江商學院及擔任副教授，並於二零一七年二月獲晉升為教授，並自二零零九年四月起擔任副院長。滕博士持有紐約市立大學戰略管理學博士學位。

Directors and Senior Management

董事及高級管理層

Dr. Chen Yan, aged 58, has been an independent Non-executive Director since March 2019. She has extensive experience in accounting. From July 2005, Dr. Chen has been a professor in accounting at the Dongbei University of Finance and Economics (東北財經大學). She is also an evaluation expert in financial accounting of the China Scholarship Council (國家留學基金委員會) since 2015, and an internal control specialist and financial advisor at Dalian Fang Yuan CPA Co., Ltd (大連方圓會計師事務所有限公司) since 2017. From 2014 to 2017, she was involved in the risk assessment and review of the internal control systems of various research institutes and organizations for and on behalf of the Dongbei University of Finance and Economics. She was a deputy director of the Accounting Department from 2003 to 2007 of the same university. From March 2018, Dr. Chen has been serving as the independent director of Liaoning SC Technology Co., Limited (遼寧思凱科技股份有限公司), a company incorporated in the PRC with limited liability. Dr. Chen holds a Doctor of Business Administration degree in Accounting from the Dongbei University of Finance and Economics (東北財經大學) and is a non-practising member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) and a senior member of the Accounting Society of China (中國會計學會). She was also a former member of the American Accounting Association and the Association of Certified Fraud Examiners, respectively.

SENIOR MANAGEMENT

Ms. Hui Wai Man, Shirley, aged 52, joined the Group in December 2000. She is the Company Secretary of the Company. She is responsible for the company secretarial affairs of the Group. Ms. Hui has over 20 years of professional experience in public accounting and corporate finance. She is a fellow member of The Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She is also a member of the Society of Chinese Accountants and Auditors and the Hong Kong Securities Institute.

Mr. Chan Wan Woon, aged 35, joined the Group in June 2016. He is the Deputy Chief Financial Officer of the Company. Mr. Chan holds a Master of Corporate Governance degree from The Hong Kong Polytechnic University. He is a member of Hong Kong Institute of Certified Public Accountants. He is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He has more than 10 years of professional experience in accounting and auditing.

陳艷博士，58歲，自二零一九年三月起擔任獨立非執行董事。彼在會計方面擁有豐富的經驗。自二零零五年七月起，陳博士一直擔任東北財經大學之會計學教授。彼亦自二零一五年起擔任國家留學基金委員會財務會計之評審專家，並自二零一七年起擔任大連方圓會計師事務所有限公司之內部監控專家及財務顧問。自二零一四年起至二零一七年，彼代表東北財經大學參與各研究機構及組織之內部監控系統之風險評估及審查。彼於二零零三年至二零零七年在同一間大學之會計部擔任副主管。自二零一八年三月起，陳博士一直擔任遼寧思凱科技股份有限公司(一間於中國註冊成立之有限公司)之獨立董事。陳博士持有東北財經大學工商管理(會計)博士學位，並為中國註冊會計師協會之非執業會員及中國會計學會之高級會員。此外，彼分別為美國會計學會及註冊舞弊檢查師協會之前會員。

高級管理層

許惠敏女士，52歲，於二零零零年十二月加入本集團。彼為本公司之公司秘書。彼負責本集團之公司秘書工作。許女士在執業會計及企業融資方面擁有逾20年專業經驗。彼為英國特許公認會計師公會、香港會計師公會、英國特許秘書及行政人員公會以及香港特許秘書公會資深會員，亦為香港華人會計師公會及香港證券專業學會會員。

陳宏煥先生，35歲，於二零一六年六月加入本集團。彼為本公司之財務副總監。陳先生持有香港理工大學之企業管治碩士學位。彼為香港會計師公會會員。彼為香港特許秘書公會及特許秘書及行政人員公會會員。彼在會計及審計方面擁有逾10年專業經驗。

Directors' Report

董事會報告書

The Directors are pleased to submit the annual report and the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company and the Group are property development, property investment and management, hotel operation and management, hotel design and construction management services. The principal activities and other particulars of the subsidiaries are set out in note 1 to the financial statements.

BUSINESS REVIEW

A review of the Group's business for the year ended 31 December 2019 is presented in Chairman's Statement, Business Review and Financial Review on page 4, pages 5 to 9 and pages 10 to 20 respectively. The Financial Review also includes an analysis of the Group's performance during the financial year ended 31 December 2019 in terms of financial key performance indicators on page 15. Likely future developments in the Group's business are disclosed in Chairman's Statement and Outlook section of Business Review which forms part of this Directors' Report on page 4 and page 9 respectively. The geographical analysis of the Group's revenue and operating profit is set out in note 4 to the financial statements. The particulars of important events affecting the Group that have occurred since 31 December 2019 (including but not limited to transactions in relation to subsidiaries) are set out in Financial Review on page 20.

Principal risks and uncertainties facing the Group can be found in Business Review and note 40 to the financial statements on pages 5 to 9 and pages 254 to 263 respectively, with financial risk management policies and practices of the Group covered under the aforesaid note 40 to the financial statements.

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

董事欣然提呈本公司及其附屬公司(「本集團」)截至二零一九年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司及本集團之主要業務為物業發展、物業投資及管理、酒店營運及管理、酒店設計及建設管理服務。附屬公司之主要業務及其他詳情載於財務報表附註1。

業務回顧

本集團截至二零一九年十二月三十一日止年度之業務之回顧分別於第4頁、第5頁至第9頁及第10頁至第20頁之主席致辭、業務回顧及財務回顧呈列。財務回顧亦包括第15頁本集團於截至二零一九年十二月三十一日止財政年度按主要財務表現指標計之表現分析。本集團業務之未來可能發展分別於第4頁及第9頁之主席致辭及業務回顧(構成本董事會報告書之一部分)之展望一節披露。本集團收益及經營溢利之地區分析載於財務報表附註4。自二零一九年十二月三十一日後所發生對本集團有影響的重大事件詳情(包括但不限於有關附屬公司的交易詳情)載於第20頁之財務回顧。

本集團面對之主要風險及不確定性分別載於第5頁至第9頁及第254頁至第263頁之業務回顧及財務報表附註40，而本集團財務風險管理政策及常規載於上述財務報表附註40。

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

Directors' Report

董事會報告書

have reduced our carbon emission by implementing green building and energy-saving measures. We have also reduced the potential impact of our business on the ecological environment through proper waste disposal. Further discussion of environmental, social and governance matters, covering the Group's environmental policies and performance is set out in Corporate Governance Report and Environmental, Social and Governance Report on pages 53 to 75 and pages 76 to 102 respectively.

The Group recognises the importance of compliance with rules and regulations and the impact of non-compliance with such rules and regulations on the business. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators through effective communications. During the year ended 31 December 2019, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Company.

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

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

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

態環境造成之潛在影響。環境、社會及管治事宜(涵蓋本集團之環境政策及表現)之進一步討論分別載於第53頁至第75頁及第76頁至第102頁之企業管治報告及環境、社會及管治報告。

本集團深明遵守規則及規例的重要性，以及違反有關規則及規例對業務的影響。本集團已分配系統及人力資源，確保持續遵守規則及規例，並通過有效溝通與監管部門保持良好工作關係。於截至二零一九年十二月三十一日止年度，盡我們所知，本集團已遵守所有對本公司有重大影響的相關規則及規例。

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

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

上文交叉提述之適用討論及分析構成本董事會報告書之組成部分。

Directors' Report

董事會報告書

RESULTS

The results of the Group for the year ended 31 December 2019 and the Group's financial position as at that date are set out in the financial statements on pages 110 to 113 of this annual report.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019.

DIVIDEND POLICY

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

DONATIONS

During the year, the Group has made donations of approximately HK\$160,000 in total.

業績

本集團截至二零一九年十二月三十一日止年度之業績以及本集團於該日之財務狀況載於本年報第110頁至第113頁之財務報表。

股息

董事不建議派發截至二零一九年十二月三十一日止年度之末期股息。

股息政策

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

捐款

於本年度，本集團已作出合共約160,000港元的捐款。



Directors' Report 董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers accounted for 74.0% of the Group's total sales in 2019 while the sales attributable to the Group's largest customer was approximately 37.5% of the Group's total sales in 2019.

The aggregate purchases during the year attributable to the Group's five largest suppliers comprised approximately 90.5% of the Group's total purchases while the purchases attributable to the Group's largest supplier was approximately 57.2% of the Group's total purchases.

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

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 266 to 267. This summary does not form part of the audited financial statements.

INVESTMENT PROPERTIES

Details of the movements in investment properties of the Group during the year are set out in note 17 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

Particulars of the major properties and property interests of the Group are shown on page 268 of the annual report.

主要客戶及供應商

於本年度，本集團五大客戶所佔銷售額共計佔本集團二零一九年總銷售額74.0%，而本集團最大客戶所佔銷售額為本集團二零一九年總銷售額之約37.5%。

於本年度，本集團五大供應商所佔採購額共計約為本集團總採購額之約90.5%，本集團最大供應商所佔之採購額約佔本集團總採購額之約57.2%。

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

財務概要

本集團最近五個財政年度之業績、資產及負債概要，摘自經審核財務報表並載於第266頁至267頁。此概要並不構成經審核財務報表之一部分。

投資物業

本集團投資物業於本年度之變動詳情載於財務報表附註17。

物業、廠房及設備

本集團物業、廠房及設備於本年度之變動詳情載於財務報表附註15。

本集團之主要物業及物業權益詳情於本年報第268頁呈列。

Directors' Report

董事會報告書

RETIREMENT SCHEMES

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

SHARE CAPITAL

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

RESERVES

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

DIRECTORS AND SERVICE CONTRACTS

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

Executive Director:

Mr. Ning Qifeng

Non-executive Directors:

Mr. Ding Benxi (*Chairman*)

Mr. Zhang Lin

Mr. Han Xu

(appointed with effect from 14 March 2019)

Mr. Hui Yung, Chris

(resigned with effect from 13 February 2019)

Independent Non-executive Directors ("INED"):

Mr. He Zhiping

Dr. Teng Bing Sheng

(appointed with effect from 21 March 2019)

Dr. Chen Yan

(appointed with effect from 21 March 2019)

Mr. Liu Jipeng

(resigned with effect from 21 March 2019)

Dr. Xue Yunkui

(resigned with effect from 21 March 2019)

退休計劃

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

股本

本年度本公司之股本變動詳情載於財務報表附註29。

儲備

本集團儲備於本年度之變動載於財務報表之綜合股權變動表。

董事及服務合約

年內及直至本報告日期之本公司董事如下：

執行董事：

寧奇峰先生

非執行董事：

丁本錫先生(*主席*)

張霖先生

韓旭先生

(自二零一九年三月十四日獲委任)

許勇先生

(自二零一九年二月十三日起辭任)

獨立非執行董事(「獨立非執行董事」)：

何志平先生

滕斌聖博士

(自二零一九年三月二十一日獲委任)

陳艷博士

(自二零一九年三月二十一日獲委任)

劉紀鵬先生

(自二零一九年三月二十一日起辭任)

薛雲奎博士

(自二零一九年三月二十一日起辭任)

Directors' Report

董事會報告書

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

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

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

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

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

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

Directors' Report

董事會報告書

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2019, the interests of the Directors and their associates in the ordinary shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and Hong Kong Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Interests in shares of DWCM (Note 1)

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

Notes:

(1) DWCM, being an indirect holding company of the Company, is an associated company of the Company under Part XV of the SFO. The calculation is based on the total number of 4,527,347,600 shares in issue as at 31 December 2019.

董事之證券權益

於二零一九年十二月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條之規定而存置之登記冊所記錄或根據上市公司董事進行證券交易的標準守則（「標準守則」）而知會本公司及香港聯交所，董事與彼等之聯繫人於本公司及其相聯法團（定義見證券及期貨條例第XV部）之普通股之權益如下：

於大連萬達商業管理股份中之權益（附註1）

Approximate percentage of the issued share capital of DWCM 佔大連萬達商業管理已發行股本之概約百分比
--

附註：

(1) 根據證券及期貨條例第XV部，本公司之間接控股公司大連萬達商業管理為本公司之聯繫公司。計算乃基於於二零一九年十二月三十一日已發行股份總數4,527,347,600股進行。



Directors' Report

董事會報告書

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); or which have been entered in the register maintained by the Company pursuant to Section 352 of the SFO; or which have been notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE OPTIONS SCHEME

The Company did not have any effective share option scheme during the year ended and as at 31 December 2019.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

除上文所披露者外，於二零一九年十二月三十一日，概無董事及本公司主要行政人員於本公司或其聯繫法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及第8分部已知會本公司及香港聯交所之任何權益或淡倉（包括董事及本公司主要行政人員根據證券及期貨條例之該等條文被當作或視為擁有之權益及淡倉）；或根據證券及期貨條例第352條記入本公司所存置登記冊之任何權益或淡倉；或根據標準守則已知會本公司及香港聯交所之任何權益或淡倉。

購股權計劃

本公司於截至二零一九年十二月三十一日止年度以及於二零一九年十二月三十一日並無任何仍然生效之購股權計劃。

董事收購股份或債權證之權利

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

Directors' Report

董事會報告書

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 December 2019, so far as was known to the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company pursuant to section 336 of Part XV of the SFO, or were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

根據證券及期貨條例股東須披露之權益及淡倉

於二零一九年十二月三十一日，就本公司所知，以下人士（董事及本公司主要行政人員除外）於股份及相關股份中擁有根據證券及期貨條例第XV部第336條須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可在任何情況下於本集團任何成員公司之股東大會上投票之任何類別股本面值5%或以上之權益或淡倉如下：

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

Directors' Report

董事會報告書

Name	Long position/ Short position	Capacity/Nature of interest	Interest in shares and underlying shares of the Company 於本公司股份及相關股份中之權益	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
姓名／名稱	好倉／淡倉	身份／權益性質		
Dalian Hexing Investment Co., Ltd. ("Dalian Hexing") 大連合興投資有限公司 〔大連合興〕	Long 好倉	Interest in controlled corporation (Note 5) 於受控制法團之權益 (附註5)	3,055,043,100	65.04%
Mr. Wang Jianlin 王健林先生	Long 好倉	Interest in controlled corporation (Note 6) 於受控制法團之權益 (附註6)	3,055,043,100	65.04%
Mr. Chen Chang Wei ("Mr. Chen") 陳長偉先生 〔陳先生〕	Long 好倉	Beneficial owner and held by controlled corporation (Note 7) 實益擁有人及 由受控制法團持有(附註7)	278,098,230	5.92%
	Long 好倉	Interest of spouse (Notes 7 and 8) 配偶權益 (附註7及8)	23,600,000	0.50%
Ms. Chan Sheung Ni 陳双妮女士	Long 好倉	Beneficial owner 實益擁有人	23,600,000	0.50%
	Long 好倉	Interest of spouse (Note 9) 配偶權益(附註9)	278,098,230	5.92%
Ever Good Luck Limited (Note 10) Ever Good Luck Limited (附註10)	Long 好倉	Beneficial owner 實益擁有人	73,860,230	1.57%
	Long 好倉	Trustee 受託人	204,237,800	4.35%

Directors' Report

董事會報告書

Notes:

- (1) Wanda Real Estate Investments Limited holds more than one-third of the issued shares of Wanda Overseas and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda Overseas is interested.
- (2) Wanda HK holds more than one-third of the issued shares of Wanda Real Estate Investments Limited and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda Real Estate Investments Limited is deemed to be interested. Mr. Ding Benxi, being a non-executive Director and Chairman of the Board, was a director of Wanda HK until 17 February 2020.
- (3) DWCM holds more than one-third of the issued shares of Wanda HK and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda HK is deemed to be interested. Mr. Ding Benxi, being a Non-executive Director and the Chairman of the Board, was an executive director and the chairman of the board of directors of DWCM until 10 February 2020. Mr. Ning Qifeng, being an Executive Director, is a chief vice president of DWCM.
- (4) Dalian Wanda Group holds more than one-third of the issued shares of DWCM and is therefore deemed to have an interest in the shares and underlying shares of the Company in which DWCM is deemed to be interested. Mr. Ding Benxi, being a Non-executive Director and the Chairman of the Board, is a director of Dalian Wanda Group. Mr. Zhang Lin, being a Non-executive Director, is a director of Dalian Wanda Group.
- (5) Dalian Hexing holds more than one-third of the issued shares of Dalian Wanda Group and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Dalian Wanda Group is deemed to be interested.
- (6) Mr. Wang Jianlin holds more than one-third of the issued shares of Dalian Hexing and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Dalian Hexing is deemed to be interested.
- (7) As at 31 December 2019, Mr. Chen was deemed to have a long position of 301,698,230 Shares, of which (i) 200 Shares were beneficially and legally owned by him, (ii) 204,237,800 Shares were held on trust for him by Ever Good Luck Limited ("Ever Good"), (iii) 73,860,230 Shares were beneficially owned by Ever Good, and (iv) 23,600,000 Shares were held by his spouse, Ms. Chan Sheung Ni, as beneficial owner.

附註：

- (1) 萬達地產投資有限公司持有超過三分之一萬達海外已發行股份，因此被視為於本公司(萬達海外在其中擁有權益)之股份及相關股份中擁有權益。
- (2) 萬達香港持有超過三分之一萬達地產投資有限公司已發行股份，因此被視為於本公司(萬達地產投資有限公司被視為在其中擁有權益)之股份及相關股份中擁有權益。非執行董事兼董事會主席丁本錫先生直至二零二零年二月十七日為萬達香港之董事。
- (3) 大連萬達商業管理持有超過三分之一萬達香港已發行股份，因此被視為於本公司(萬達香港被視為在其中擁有權益)之股份及相關股份中擁有權益。非執行董事兼董事會主席丁本錫先生直至二零二零年二月十日為大連萬達商業管理之執行董事兼董事會主席。執行董事寧奇峰先生為大連萬達商業管理之首席副總裁。
- (4) 大連萬達集團持有超過三分之一大連萬達商業管理已發行股份，因此被視為於本公司(大連萬達商業管理被視為在其中擁有權益)之股份及相關股份中擁有權益。非執行董事兼董事會主席丁本錫先生為大連萬達集團之董事。非執行董事張霖先生為大連萬達集團之董事。
- (5) 大連合興持有超過三分之一大連萬達集團已發行股份，因此被視為於本公司(大連萬達集團被視為在其中擁有權益)之股份及相關股份中擁有權益。
- (6) 王健林先生持有超過三分之一大連合興已發行股份，因此被視為於本公司(大連合興被視為在其中擁有權益)之股份及相關股份中擁有權益。
- (7) 於二零一九年十二月三十一日，陳先生被視為擁有301,698,230股股份之好倉，其中(i) 200股股份由彼實益合法擁有，(ii) 204,237,800股股份由Ever Good Luck Limited(「Ever Good」)以信託方式為彼持有，(iii) 73,860,230股股份由Ever Good實益擁有，及(iv) 23,600,000股股份由其配偶陳双妮女士作為實益擁有人持有。

Directors' Report

董事會報告書

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

CONNECTED TRANSACTION

The Group has conducted the following connected transactions during the year ended 31 December 2019.

Assignment of the London Project Receivables and Australia Projects Receivables

On 18 October 2019, the Company and Wanda HK entered into a deed of assignment pursuant to which the Company agreed to assign to Wanda HK and Wanda HK has agreed to accept the rights, title and benefits in and to and arising from the receivables in the aggregate amount of £24,000,000 (equivalent to approximately HK\$241,392,000) due to the Company owing to the Group's disposal of the London property project, details of which are disclosed in the Company's announcement dated 16 January 2018 ("London Project Receivables").

On the same date, Wanda Australia Real Estate Investment Co., Limited ("Wanda Australia RE") entered into a deed of assignment with Wanda HK pursuant to which Wanda Australia RE agreed to assign to Wanda HK and Wanda HK has agreed to accept the rights, title and benefits in and to and arising from the receivables in the aggregate amount of AU\$105,000,000 (equivalent to approximately HK\$556,773,000) due to Wanda Australia RE owing to the Group's disposal of the Australia property projects, details of which are disclosed in the Company's announcement dated 29 January 2018 ("Australia Projects Receivables").

The assignments of the London Project Receivables and the Australia Projects Receivables ("Assignments") were approved in the special general meeting convened on 17 December 2019 and completed on the same date.

Wanda Australia RE is a non-wholly owned subsidiary of the Company.

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

關連交易

本集團已於截至二零一九年十二月三十一日止年度進行以下關連交易。

轉讓倫敦項目應收款項及澳大利亞項目應收款項

於二零一九年十月十八日，本公司與萬達香港訂立轉讓契據，據此，本公司同意向萬達香港轉讓而萬達香港同意接納因本集團出售倫敦物業項目而須向本公司支付之應收款項所產生之權利、所有權及利益，總額為24,000,000英鎊(相當於約241,392,000港元)，有關詳情披露於本公司日期為二零一八年一月十六日之公告(「倫敦項目應收款項」)。

於同日，萬達澳洲地產投資有限公司(「萬達澳洲地產」)與萬達香港訂立轉讓契據，據此，萬達澳洲地產同意向萬達香港轉讓而萬達香港同意接納因本集團出售澳大利亞物業項目而須向萬達澳洲地產支付之應收款項所產生之權利、所有權及利益，總額為105,000,000澳元(相當於約556,773,000港元)，有關詳情披露於本公司日期為二零一八年一月二十九日之公告(「澳大利亞項目應收款項」)。

倫敦項目應收款項及澳大利亞項目應收款項之轉讓(「該等轉讓」)已於二零一九年十二月十七日召開之股東特別大會上獲得批准，並於同日完成。

萬達澳洲地產為本公司之非全資附屬公司。

Directors' Report

董事會報告書

Since Wanda HK is directly and wholly-owned by DWCM, an indirect holding company and a controlling shareholder and therefore a connected person of the Company, Wanda HK is an associate of DWCM and therefore a connected person of the Company under the Listing Rules.

Further details of the Assignments are set out in the announcement of the Company dated 18 October 2019.

Disposal of 53% interest in Amazing Wise

On 13 December 2019, the Company as vendor and Zhizun Holdings Limited ("Zhizun") as purchaser entered into a sale and purchase agreement, pursuant to which the Company agreed to sell, and Zhizun agreed to acquire the sale shares representing approximately 53% of the issued share capital of Amazing Wise for a total consideration of HK\$2,000,000. Mr. Chen Chang Wei ("Mr. Chen"), beneficial owner of the entire issued share capital of Zhizun, is a guarantor of the Zhizun's obligations under the sale and purchase agreement ("Disposal"). Amazing Wise was a subsidiary of the Company which indirectly held 100% interest in the Hengli City project. The Disposal was completed on 27 December 2019.

Immediately prior to completion of the Disposal, Amazing Wise was a 53% owned subsidiary of the Company and the remaining 47% equity interest in Amazing Wise was held by Zhizun. Therefore, Zhizun was a substantial shareholder of Amazing Wise and a connected person of the Company at the subsidiary level. Mr. Chen was a director of Amazing Wise and is therefore also a connected person of the Company at the subsidiary level.

Further details of the Disposal are set out in the announcement of the Company dated 13 December 2019.

由於萬達香港由本公司之間接控股公司及控股股東大連萬達商業管理直接全資擁有並因此為本公司之關連人士，故萬達香港為大連萬達商業管理之聯繫人並因此根據上市規則為本公司之關連人士。

該等轉讓之進一步詳情載於本公司日期為二零一九年十月十八日之公告。

出售於 Amazing Wise 之 53% 權益

於二零一九年十二月十三日，本公司（作為賣方）與 Zhizun Holdings Limited（「Zhizun」）（作為買方）訂立買賣協議，據此，本公司同意出售而 Zhizun 同意收購待售股份（佔 Amazing Wise 已發行股本約 53%），總代價為 2,000,000 港元。陳長偉先生（「陳先生」），Zhizun 全部已發行股本之實益擁有人為 Zhizun 於買賣協議項下責任之擔保人（「出售事項」）。Amazing Wise 為本公司之附屬公司，而 Amazing Wise 間接持有恒力城項目之 100% 權益。出售事項於二零一九年十二月二十七日完成。

緊接出售事項完成前，Amazing Wise 為本公司擁有 53% 之附屬公司，而於 Amazing Wise 之餘下 47% 股權則由 Zhizun 持有。因此，Zhizun 為 Amazing Wise 之主要股東並在附屬公司層面上屬本公司關連人士。陳先生為 Amazing Wise 之董事，故在附屬公司層面上亦屬本公司關連人士。

出售事項之進一步詳情載於本公司日期為二零一九年十二月十三日之公告。

Directors' Report

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

The Group has conducted the following continuing connected transactions during the year ended 31 December 2019.

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

Pursuant to the Kidsland Tenancy Agreement dated 8 June 2015 entered into between Guilin Gaoxin Wanda Plaza Co., Ltd. ("Guilin Project Company") as landlord and Wanda Kidsplace Group Co. Limited, formerly known as Wanda Kidsland Co. Limited ("Wanda Kidsland") as tenant, certain portions of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of five years commencing from 12 September 2015 to 11 September 2020 for the operation of children entertainment and playground business and other related business, including the sale of kids clothing and food and beverage. A supplemental deed dated 2 August 2019 was entered into by the same parties to amend the size of the area leased under the Kidsland Tenancy Agreement.

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

The annual cap of the total rent payable to the Guilin Project Company under the Kidsland Tenancy Agreement for the year ended 31 December 2019 was RMB1,519,000, and the actual amount incurred was approximately RMB1,341,000.

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

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

持續關連交易

本集團已於截至二零一九年十二月三十一日止年度進行以下各項持續關連交易。

租賃物業以經營兒童娛樂、遊樂場及相關業務 (「兒童娛樂租賃協議」)

根據桂林高新萬達廣場有限公司 (「桂林項目公司」, 作為業主) 與萬達寶貝王集團有限公司 (前稱萬達兒童娛樂有限公司) (「萬達兒童娛樂」, 作為租戶) 於二零一五年六月八日訂立之兒童娛樂租賃協議, 位於中國桂林市桂林高新廣場之若干部分乃被租賃用以經營兒童娛樂及遊樂場業務以及其他相關業務, 包括銷售童裝以及食品及飲料。租期由二零一五年九月十二日起至二零二零年九月十一日止, 為期五年。該等訂約方亦已訂立日期為二零一九年八月二日之補充契據以修訂兒童娛樂租賃協議項下租賃之面積規模。

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

截至二零一九年十二月三十一日止年度, 兒童娛樂租賃協議項下應付桂林項目公司租金總額之年度上限為人民幣1,519,000元, 而產生之實際金額為約人民幣1,341,000元。

租賃物業經營電影院線及相關業務 (「電影院線租賃協議」)

根據桂林項目公司 (作為業主) 與萬達電影股份有限公司 (前稱「萬達電影院線股份有限公司」) 及南寧萬達國際電影城有限公司 (作為租戶) 於二零一五年九月八日訂立之電影院線租賃協議, 中國桂林市桂林高新廣場之若干部分已被租賃用以經營電影院線業務及相關業務, 包括銷售食品及飲料。租期由二零一五年九月十二日起至二零三五年九月十一日止, 為期20年。

Directors' Report

董事會報告書

Pursuant to a deed of novation between Wanda Cinema, Nanning Wanda International Movie Mall Company Limited (“Nanning Wanda Cinema”) and Guilin Project Company dated 2 August 2019, Wanda Cinema agreed to transfer and Nanning Wanda Cinema agreed to assume all of Wanda Cinema’s rights and obligations in and under the Cinema Tenancy Agreement for the remaining term of the Cinema Tenancy Agreement as from 2 August 2019 and Guilin Project Company agreed to such novation.

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

The annual cap of the total rent payable to the Guilin Project Company under the Cinema Tenancy Agreement for the year ended 31 December 2019 was RMB3,954,000, and the actual amount incurred was approximately RMB1,034,000 and RMB1,104,000, respectively.

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

Pursuant to the Kidspace Tenancy Agreement dated 29 June 2018 entered into between Guilin Project Company as landlord and Guilin Gaoxin Wanda Kids Entertainment Co., Ltd (“Guilin Wanda Kids”) as tenant, certain portions of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of ten years commencing from 1 July 2018 to 30 June 2028 for the operation of children entertainment and playground business and other related business, including the sale of kids clothing and food and beverage, under the brand of “Wanda Kidspace * (萬達寶貝王)”. Supplemental deed dated 2 August 2019 was entered into by the same parties to amend the size of the area leased under the Kidspace Tenancy Agreement.

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

根據萬達電影院線、南寧萬達國際電影城有限公司(「南寧萬達電影城」)與桂林項目公司訂立日期為二零一九年八月二日之更替契據，萬達電影院線同意轉讓及南寧萬達電影城同意承擔萬達電影院線於電影院線租賃協議餘下年期內自二零一九年八月二日起於電影院線租賃協議項下之所有權利及責任，而桂林項目公司已同意有關更替。

桂林項目公司為本公司之間接非全資附屬公司。由於萬達電影院線及南寧萬達電影城由本公司之控股股東大連萬達集團間接全資擁有，故根據上市規則，萬達電影院線及南寧萬達電影城為本公司之關連人士。

截至二零一九年十二月三十一日止年度，電影院線租賃協議項下應付桂林項目公司租金總額之年度上限為人民幣3,954,000元，而產生之實際金額分別為約人民幣1,034,000元及人民幣1,104,000元。

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

根據桂林項目公司(作為業主)與桂林高新萬達兒童娛樂有限公司(「桂林兒童娛樂」，作為租戶)於二零一八年六月二十九日訂立之寶貝王租賃協議，位於中國桂林市桂林高新廣場之若干部分乃被租賃用以「萬達寶貝王」品牌經營兒童娛樂及遊樂場業務以及其他相關業務，包括銷售童裝以及食品及飲料。租期由二零一八年七月一日起至二零二八年六月三十日止，為期十年。該等訂約方已訂立日期為二零一九年八月二日之補充契據以修訂寶貝王租賃協議項下租賃之面積規模。

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

Directors' Report

董事會報告書

The annual cap of the total rent payable to the Guilin Project Company under the Kidsplace Tenancy Agreement for the year ended 31 December 2019 was RMB150,000, and the actual amount incurred was approximately RMB112,000.

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

Pursuant to the Early Education Tenancy Agreement dated 29 June 2018 entered into between Guilin Project Company as landlord and Horgos Wanda Education Technology Co., Ltd Guilin Branch ("Horgos Wanda Education") as tenant, certain portions of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of five years commencing from 1 July 2018 to 30 June 2022 for the operation of kids experience business under the brand of "Wanda Kidsplace International Early Education Club * (萬達寶貝王國際早教俱樂部)". A supplemental deed dated 2 August 2019 was entered into by the same parties to amend the size of the area leased under the Early Education Tenancy Agreement.

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

The annual cap of the total rent payable to the Guilin Project Company under the Early Education Tenancy Agreement for the year ended 31 December 2019 was RMB747,000, and the actual amount incurred was approximately RMB686,000.

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

Pursuant to the Carpark Tenancy Agreement dated 28 June 2019 entered into between Guilin Project Company as landlord and Guilin Wanda Shopping Plaza Business Management Co., Ltd ("Wanda Plaza Business Management") as tenant, certain carpark premises of the Guilin Gaoxin Plaza in Guilin City, the PRC, was leased for a term of three years commencing from 1 July 2019 to 30 June 2022 for the operation of carpark business.

截至二零一九年十二月三十一日止年度，寶貝王租賃協議項下應付桂林項目公司租金總額之年度上限為人民幣150,000元，而產生之實際金額為約人民幣112,000元。

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

根據桂林項目公司（作為業主）與霍爾果斯萬達教育科技有限公司桂林分公司（「霍爾果斯萬達教育」，作為租戶）於二零一八年六月二十九日訂立之早教租賃協議，位於中國桂林市桂林高新廣場之若干部分乃被租賃用以「萬達寶貝王國際早教俱樂部」品牌經營兒童體驗業務。租期由二零一八年七月一日起至二零二二年六月三十日止，為期五年。該等訂約方已訂立日期為二零一九年八月二日之補充契據修訂早教租賃協議項下租賃之面積規模。

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

截至二零一九年十二月三十一日止年度，早教租賃協議項下應付桂林項目公司租金總額之年度上限為人民幣747,000元，而產生之實際金額為約人民幣686,000元。

租賃物業經營停車場業務（「停車場租賃協議」）

根據桂林項目公司（作為業主）與桂林萬達廣場商業管理有限公司（「萬達廣場商業管理」）（作為租戶）所訂立日期為二零一九年六月二十八日之停車場租賃協議，位於中國桂林市桂林高新廣場之若干停車場物業乃被租賃用以經營停車場業務，租賃由二零一九年七月一日起至二零二二年六月三十日止為期三年。

Directors' Report

董事會報告書

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

The annual cap of the total amount payable to the Guilin Project Company under the Carpark Tenancy Agreement for the year ended 31 December 2019 was RMB2,780,000, and the actual amount incurred was approximately RMB2,484,000.

Provision of hotel management services to DWCM

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

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

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

截至二零一九年十二月三十一日止年度，停車場租賃協議項下應付桂林項目公司之總額之年度上限為人民幣2,780,000元，而產生之實際金額約為人民幣2,484,000元。

向大連萬達商業管理提供酒店管理服務

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

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

Directors' Report

董事會報告書

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

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

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

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

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

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

Directors' Report

董事會報告書

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

The aggregate amount payable by the DWCM Group to the Group for the Hotel Management Services under the Hotel Management Framework Agreement for the year ended 31 December 2019 amounted to approximately RMB59,767,000.

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

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

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

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

大連萬達商業管理集團根據酒店管理框架協議於截至二零一九年十二月三十一日止年度就酒店管理服務應付本集團款項之總額約為人民幣59,767,000元。

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

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

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

Directors' Report

董事會報告書

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

The aggregate amount payable by the Group to the DWCM Group for the Management Services under the Property Leasing Framework Agreement for the year ended 31 December 2019 amounted to approximately RMB13,876,000.

Provision of hotel design services to Dalian Wanda Group

On 18 October 2019, the Company entered into the hotel design framework agreement (the "Hotel Design Framework Agreement") with Dalian Wanda Group, pursuant to which Dalian Wanda Group and/or its subsidiaries may from time to time engage the Group including Wanda Hotel Management Group to provide hotel design services (the "Hotel Design Services") which may include, among others:

- interior, furniture, fixtures and equipment design and consulting services;
- back-of-house area design review services;
- outdoor direction signage and indoor lighting design consulting services; and
- kitchen and launderette area design services

for the hotel projects of Dalian Wanda Group for a term until 31 December 2021. Dalian Wanda Group and/or its subsidiaries and the Group shall enter into separate agreements (the "Individual Hotel Design Agreement(s)") in relation to the provision of Hotel Design Services for relevant projects, which shall be subject to the terms and conditions under the Hotel Design Framework Agreement and the annual caps thereunder. The duration of each Individual Hotel Design Agreement shall not exceed the term of the Hotel Design Framework Agreement and the terms of the Individual Hotel Design Agreements shall be made on normal commercial terms.

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

大連萬達商業管理集團根據物業租賃框架協議於截至二零一九年十二月三十一日止年度就管理服務應付本集團款項之總額約為人民幣13,876,000元。

向大連萬達集團提供酒店設計服務

於二零一九年十月十八日，本公司與大連萬達集團訂立酒店設計框架協議（「酒店設計框架協議」），據此大連萬達集團及／或其附屬公司可不時委聘本集團（包括萬達酒管集團）為大連萬達集團之酒店項目提供酒店設計服務（「酒店設計服務」），其中包括：

- 室內、傢俬、裝置及設備之設計及諮詢服務；
- 後勤區之設計審閱服務；
- 室外指示牌及室內照明設計諮詢服務；及
- 廚房及洗衣房之設計服務

年期直至二零二一年十二月三十一日。大連萬達集團及／或其附屬公司與本集團須就為相關項目提供酒店設計服務另行訂立協議（「個別酒店設計協議」），該等協議須受酒店設計框架協議項下之條款及條件以及年度上限所規限。各個別酒店設計協議之年期不得超過酒店設計框架協議之年期，而個別酒店設計協議之條款須按一般商業條款訂立。

Directors' Report

董事會報告書

The service fees payable by Dalian Wanda Group to the Group for the Hotel Design Services under each Individual Hotel Design Agreement shall be fair and reasonable and shall be determined with reference to the prevailing market prices by taking into account the quotations obtained by Dalian Wanda Group from at least two independent third party suppliers for the provision of equivalent or similar services in their ordinary course of business and which shall not, from the Group's perspective, be less favourable than the rates charged and terms for equivalent or similar services provided by the Group to independent third party in hotels of equivalent or similar grading.

The annual caps of the total amount payable by Dalian Wanda Group for each of the three years ending 31 December 2021 for the provision of hotel design services by the Group are approximately RMB52,340,000, RMB92,450,000 and RMB70,920,000 respectively.

The aggregate amount payable by the Dalian Wanda Group to the Group in respect of the provision of Hotel Design Services under the Hotel Design Framework Agreement for the year ended 31 December 2019 amounted to approximately RMB19,556,000.

Dalian Wanda Group is a controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules.

For details of the said transaction, please refer to the Company's announcement dated 18 October 2019 and circular dated 28 November 2019.

大連萬達集團就各個別酒店設計協議項下之酒店設計服務應付本集團之服務費用應屬公平合理，並應經參考現行市價後釐定，方法為考慮大連萬達集團從至少兩名獨立第三方供應商獲得之於其日常業務過程中就提供同等或相若服務而作出之報價，且其須對本集團而言不遜於本集團於同等或相若級別酒店向獨立第三方提供同等或相若服務所收取之費率及條款。

大連萬達集團於截至二零二一年十二月三十一日止三個年度各年就本集團所提供之酒店設計服務應付總額之年度上限分別約為人民幣52,340,000元、人民幣92,450,000元及人民幣70,920,000元。

大連萬達集團根據酒店設計框架協議於截至二零一九年十二月三十一日止年度就提供酒店設計服務應付本集團款項之總額約為人民幣19,556,000元。

大連萬達集團為本公司之控股股東，故根據上市規則為本公司之關連人士。

有關上述交易之詳情，請參閱本公司日期為二零一九年十月十八日之公告及日期為二零一九年十一月二十八日之通函。

Directors' Report

董事會報告書

Provision of hotel construction management services to Dalian Wanda Group

On 18 October 2019, the Company entered into the hotel construction management framework agreement (the “Hotel Construction Management Framework Agreement”) with Dalian Wanda Group, pursuant to which Dalian Wanda Group and/or its subsidiaries may from time to time engage the Group including Wanda Hotel Management Group to provide hotel construction management services (the “Hotel Construction Management Services”). For the avoidance of doubt, such services do not include project design, construction and supervision work, in respect of which Dalian Wanda Group should hire relevant professional advisory body(ies) and be responsible for such expenses. Dalian Wanda Group and/or its subsidiaries and the Group shall enter into separate agreements (the “Individual Hotel Construction Management Agreement(s)”) in relation to the provision of hotel construction management services for relevant projects, which shall be subject to the terms and conditions under the Hotel Construction Management Framework Agreement and the annual caps thereunder. The duration of each Individual Hotel Construction Management Agreement shall not exceed the term of the Hotel Construction Management Framework Agreement and the terms of the Individual Hotel Construction Management Agreements shall be made on normal commercial terms.

The service fees payable by Dalian Wanda Group to the pricing policy: Group for the hotel construction management services for each hotel shall be fair and reasonable and the consultation and hotel construction management service fees for each project shall be charged according to the project area and such fee shall not exceed RMB136 per square meter.

The annual caps of the total amount payable by Dalian Wanda Group for each of the three years ending 31 December 2021 for the provision of hotel construction management services by the Group are approximately RMB10,870,000, RMB31,690,000 and RMB25,120,000 respectively.

The aggregate amount payable by the Dalian Wanda Group to the Group in respect of the provision of Hotel Construction Management Services under the Hotel Construction Management Framework agreement for the year ended 31 December 2019 amounted to approximately RMB472,000.

向大連萬達集團提供酒店建設管理服務

於二零一九年十月十八日，本公司與大連萬達集團訂立酒店建設管理框架協議（「酒店建設管理框架協議」），據此大連萬達集團及／或其附屬公司可不時委聘本集團（包括萬達酒管集團）提供酒店建設管理服務（「酒店建設管理服務」）。為免生疑，該等服務並不包括項目設計、建築及監督工作，大連萬達集團須就該等服務聘用相關專業顧問人士，並須負責有關開支。大連萬達集團及／或其附屬公司與本集團須就為相關項目提供酒店建設管理服務另行訂立協議（「個別酒店建設管理協議」），該等協議須受酒店建設管理框架協議項下之條款及條件以及年度上限所規限。各個別酒店建設管理協議之年期不得超過酒店建設管理框架協議之年期，而個別酒店建設管理協議之條款須按一般商業條款訂立。

大連萬達集團就各酒店之酒店建設管理服務應付本集團之服務費用須屬公平合理，且各項目之諮詢及酒店建設管理服務費須根據項目面積收取，而該等費用不得超過每平方米人民幣136元。

大連萬達集團於截至二零二一年十二月三十一日止三個年度各年就本集團所提供之酒店建設管理服務應付總額之年度上限分別約為人民幣10,870,000元、人民幣31,690,000元及人民幣25,120,000元。

大連萬達集團根據酒店建設管理框架協議於截至二零一九年十二月三十一日止年度就提供酒店建設管理服務應付本集團款項之總額約人民幣472,000元。

Directors' Report

董事會報告書

Dalian Wanda Group is a controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules.

For details of the said transaction, please refer to the Company's announcement dated 18 October 2019 and circular dated 28 November 2019.

* English translation is directly translated from Chinese and is for illustrative purpose only.

Review by and Confirmation of INEDs

The INEDs have reviewed the continuing connected transactions conducted during the year ended 31 December 2019, and confirmed that such transactions were entered into:

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

Confirmation by the Auditors

Pursuant to Rule 14A.56 of the Listing Rules, the Directors engaged the auditors of the Company to perform certain work on continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. The auditors of the Company have confirmed by way of a letter to the Board that, for the year ended 31 December 2019:

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

大連萬達集團為本公司之控股股東，故根據上市規則為本公司之關連人士。

有關上述交易之詳情，請參閱本公司日期為二零一九年十月十八日之公告及日期為二零一九年十一月二十八日之通函。

* 英文翻譯為中文之直接翻譯僅供參考。

獨立非執行董事進行之審閱及確認

獨立非執行董事已審閱於截至二零一九年十二月三十一日止年度進行之持續關連交易，並確認有關交易乃：

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

核數師確認

根據上市規則第14A.56條，董事已根據香港會計師公會頒佈之香港核證委聘準則第3000號*歷史財務資料審核或審閱以外之核證委聘*，並參照《實務說明》第740號關於香港上市規則所述持續關連交易的核數師函件委聘本公司核數師進行有關本集團持續關連交易之工作。本公司核數師已致函董事會，確認於截至二零一九年十二月三十一日止年度：

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

Directors' Report

董事會報告書

- (3) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions set out in this annual report, nothing has come to their attention that causes them to believe that such continuing connected transactions have exceeded the annual cap set and disclosed by the Company.

During the year, the Group has not entered into any other significant connected transaction or continuing connected transaction which should be disclosed pursuant to the requirement under the Listing Rules. The Directors confirmed that the Company has complied with the applicable requirements under Chapter 14A of the Listing Rules with regard to the related party transactions set out in note 37 to the financial statements which were also connected transactions or continuing connected transactions.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance to which the Company, its holding company or any of their respective subsidiaries was a party, and in which a Director or any entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

MANAGEMENT CONTRACTS

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

EMOLUMENT POLICY

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

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

- (3) 彼等並不知悉任何致使彼等相信有關交易於所有重大方面均未根據規管該等交易之相關協議訂立之事項；及
- (4) 就本年報所載各項持續關連交易之總金額而言，彼等並不知悉任何致使彼等相信有關持續關連交易已超出本公司設定及披露之年度上限之事項。

本集團於年內並無訂立任何其他根據上市規則之規定須予披露之重大關連交易或持續關連交易。就財務報表附註37所載亦屬關連交易或持續關連交易之關連人士交易而言，董事確認本公司已遵守上市規則第十四A章項下之適用規定。

董事之重大合約權益

本公司、其控股公司或任何彼等各自之附屬公司概無訂有董事或任何與董事有關之實體於其中直接或間接擁有重大權益，而於年末或截至二零一九年十二月三十一日止年度內任何時間仍然有效之重大交易、安排或合約。

管理合約

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

酬金政策

本集團之僱員酬金政策由薪酬委員會按僱員之表現、資格及能力而釐定。

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

Directors' Report

董事會報告書

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID DIRECTORS/EMPLOYEES

Details of emoluments of the Directors and the five highest paid Directors/employees of the company are set out in notes 9 and 10 to the financial statements.

董事及五名最高薪董事／僱員之酬金

董事及本公司五名最高薪董事／僱員之酬金詳情載於財務報表附註9及10。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2019, the interest of Directors and their respective associates in businesses which compete or are likely to compete, either directly or indirectly, with business of the Group:

董事於競爭業務之權益

於二零一九年十二月三十一日，董事及其各自聯繫人於與本集團業務（不論直接或間接）構成競爭或可能構成競爭之業務中擁有權益如下：

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

Directors' Report

董事會報告書

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

As at 31 December 2019, save as disclosed above, none of the Directors or their respective associates was interested in any business which competes or is likely to compete either directly or indirectly, with business of the Group.

於二零一九年十二月三十一日，除上文所披露者外，概無董事或其各自之聯繫人於任何與本集團業務（不論直接或間接）構成競爭或可能構成競爭之業務中擁有權益。

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

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

購買、出售或贖回本公司之上市證券

於本年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

獨立非執行董事之確認書

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

Directors' Report

董事會報告書

PRE-EMPTIVE RIGHTS

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

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-Laws, subject to the relevant statutes, every Director of the Company shall be indemnified and secured harmless by the Company from and against all actions, costs, charges, losses, damages and expenses which they incur in the execution of their duty or supposed duty. Such provisions were in force during the course of the financial year ended 31 December 2019 and remained in force as of the date of this report.

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 December 2019.

AUDIT COMMITTEE

The consolidated financial statements for the year ended 31 December 2019 have been reviewed by the Audit Committee.

優先購買權

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

獲准許之彌償條文

根據本公司之公司細則，在有關法規規限下，本公司各董事於執行其職責或假定職責時招致之所有訴訟、費用、收費、損失、損害及開支，須由本公司作出彌償保證，使其免受任何損害。該等條文於截至二零一九年十二月三十一日止財政年度有效，並於截至本報告日期仍然有效。

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

充足公眾持股量

於本報告日期，根據本公司之公開資料及就本公司董事所知，本公司於截至二零一九年十二月三十一日止年度一直維持上市規則規定之公眾持股量。

審核委員會

截至二零一九年十二月三十一日止年度之綜合財務報表經由審核委員會審閱。



Directors' Report 董事會報告書

AUDITORS

During the year, Ernst & Young was re-appointed as the Company's auditors for the year ended 31 December 2019 at the Company's Annual General Meeting held on 29 May 2019 and to hold office until the conclusion of the next Annual General Meeting.

On behalf of the Board

Ning Qifeng

Executive Director

Hong Kong, 31 March 2020

核數師

年內，安永會計師事務所於二零一九年五月二十九日舉行之本公司股東週年大會上再次獲委任為本公司截至二零一九年十二月三十一日止年度之核數師，任期直至下屆股東週年大會結束為止。

代表董事會

寧奇峰

執行董事

香港，二零二零年三月三十一日

Corporate Governance Report

企業管治報告

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

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the “CG Code”) during the period from 1 January 2019 to 31 December 2019 as contained in Appendix 14 to the Listing Rules. Except for deviation from CG Code provision A.6.7 as explained in the relevant paragraphs on page 57 in this report, the Company has complied with the code provision set out in the CG Code throughout the year ended 31 December 2019.

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

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 December 2019.

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

企業管治守則

本公司已於二零一九年一月一日至二零一九年十二月三十一日期間採納上市規則附錄十四所載之企業管治守則（「企業管治守則」）。除本報告第57頁之相關段落所述偏離企業管治守則條文A.6.7條外，本公司於截至二零一九年十二月三十一日止整個年度已遵守企業管治守則所載之守則條文。

董事會將繼續監察及檢討本公司之企業管治常規以確保遵守該等常規。

董事之證券交易

本公司已採納上市規則附錄十所載之標準守則作為有關董事進行證券交易之行為守則。經本公司作出特定查詢後，全體董事均確認彼等於截至二零一九年十二月三十一日止年度已遵守標準守則所載之規定準則。

Corporate Governance Report

企業管治報告

THE BOARD OF DIRECTORS

The Board currently comprises seven Directors, including one Executive Director, three Non-executive Directors and three Independent Non-executive Directors. The Company has maintained three Independent Non-executive Directors which represent over one-third of the Board during the year ended 31 December 2019. The Board's composition during the year ended 31 December 2019 and up to the date of this report is set out as follows:

Executive Director:

Mr. Ning Qifeng

Non-executive Directors:

Mr. Ding Benxi (*Chairman*)

Mr. Zhang Lin

Mr. Han Xu

(appointed with effect from 14 March 2019)

Mr. Hui Yung, Chris

(resigned with effect from 13 February 2019)

Independent Non-executive Directors ("INED"):

Mr. He Zhiping

Dr. Teng Bing Sheng

(appointed with effect from 21 March 2019)

Dr. Chen Yan

(appointed with effect from 21 March 2019)

Mr. Liu Jipeng

(resigned with effect from 21 March 2019)

Dr. Xue Yunkui

(resigned with effect from 21 March 2019)

All Directors have distinguished themselves in their respective fields of expertise and have exhibited high standards of personal and professional ethics and integrity. The brief biographical details of the Directors are set out in the "Directors and Senior Management" section on pages 21 to 24. There are no financial, business, family or other material relationships amongst the Directors.

董事會

董事會目前由七名董事組成，包括一名執行董事、三名非執行董事及三名獨立非執行董事。本公司保持擁有三名獨立非執行董事，佔截至二零一九年十二月三十一日止年度內董事會成員人數逾三分之一。截至二零一九年十二月三十一日止年度及截至本報告日期止，董事會成員載列如下：

執行董事：

寧奇峰先生

非執行董事：

丁本錫先生(主席)

張霖先生

韓旭先生

(自二零一九年三月十四日獲委任)

許勇先生

(自二零一九年二月十三日起辭任)

獨立非執行董事(「獨立非執行董事」)：

何志平先生

滕斌聖博士

(自二零一九年三月二十一日獲委任)

陳艷博士

(自二零一九年三月二十一日獲委任)

劉紀鵬先生

(自二零一九年三月二十一日起辭任)

薛雲奎博士

(自二零一九年三月二十一日起辭任)

所有董事均為彼等專業範疇內之翹楚，以及具備高度的個人及專業道德誠信。董事之簡歷詳情載於第21頁至第24頁之「董事及高級管理層」一節內。董事之間概無任何財務、業務、家族或其他重大關係。

Corporate Governance Report

企業管治報告

BOARD PRACTICE

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

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

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

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

董事會常規

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

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

本集團之日常營運及董事會決定及策略之執行則授權本公司管理層處理。

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

Corporate Governance Report

企業管治報告

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

The Board held five meetings during the year ended 31 December 2019, to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. At least 14 days' notice is given for all regular Board meetings together with the meeting agenda such that all Directors are given the opportunity to include matters for discussion in the agenda. In addition, two general meetings were held during the year ended 31 December 2019 and attendance of each Director at these meetings is set out as follows:

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

截至二零一九年十二月三十一日止年度內，董事會已舉行五次會議，以討論本集團之整體策略以及營運及財務表現，並審閱及批准本集團之全年及中期業績。所有董事會常規會議均會於最少十四日前發出連同會議議程的通知，以令所有董事均有機會於議程內加入討論事項。此外，於截至二零一九年十二月三十一日止年度內已舉行兩次股東大會，各董事出席該等會議之情況載列如下：

		Number of Board meetings attended/held 董事會會議次數 出席/舉行	Number of general meetings attended/held 股東大會次數 出席/舉行
Executive Director:	執行董事：		
Mr. Ning Qifeng	寧奇峰先生	5/5	0/2
Non-executive Directors:	非執行董事：		
Mr. Ding Benxi (<i>Chairman</i>)	丁本錫先生 (<i>主席</i>)	5/5	0/2
Mr. Zhang Lin	張霖先生	5/5	0/2
Mr. Hui Yung, Chris (resigned with effect from 13 February 2019)	許勇先生 (自二零一九年二月十三日起辭任)	N/A 不適用	N/A 不適用
Mr. Han Xu (appointed with effect from 14 March 2019)	韓旭先生 (自二零一九年三月十四日起獲委任)	5/5	0/2
Independent Non-executive Directors:	獨立非執行董事：		
Mr. He Zhiping	何志平先生	5/5	0/2
Dr. Teng Bing Sheng (appointed with effect from 21 March 2019)	滕斌聖博士 (自二零一九年三月二十一日獲委任)	4/4	0/2
Dr. Chen Yan (appointed with effect from 21 March 2019)	陳艷博士 (自二零一九年三月二十一日獲委任)	4/4	0/2
Mr. Liu Jiping (resigned with effect from 21 March 2019)	劉紀鵬先生 (自二零一九年三月二十一日起辭任)	1/1	N/A 不適用
Dr. Xue Yunkui (resigned with effect from 21 March 2019)	薛雲奎博士 (自二零一九年三月二十一日起辭任)	1/1	N/A 不適用

Corporate Governance Report

企業管治報告

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

CG Code provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. Due to other business engagements, the Chairman did not attend the Company's annual general meeting on 29 May 2019. Please refer to the preceding table for details of attendance of the Chairman.

General meeting is one of the channels for communication between the Board and the Company's shareholders. The Company's auditors, were available to answer questions at the annual general meeting held on 29 May 2019. Other than the general meetings, the shareholders may also communicate with the Company through the contact information listed on the Company's website. Measures for effective communication between the Board and the shareholders are described in the paragraphs under "Communication with Shareholders" and "Shareholders' Rights" in this report.

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

NON-EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

企業管治守則條文E.1.2條訂明董事會主席應出席股東週年大會。由於其他公務在身，主席未能於二零一九年五月二十九日出席本公司之股東週年大會。有關主席出席情況之詳情，請參閱上文列表。

股東大會乃董事會及本公司股東之溝通渠道之一。本公司核數師出席於二零一九年五月二十九日舉行之股東週年大會上解答提問。除股東大會外，股東亦可透過本公司網站所載之聯絡資料與本公司溝通。董事會與股東有效進行溝通之方法載於本報告「與股東之溝通」及「股東權利」各段。

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

非執行董事及獨立非執行董事

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

Corporate Governance Report

企業管治報告

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

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

According to the service contracts, terms of appointment of the Independent Non-executive Directors are three years, from 29 March 2018 to 28 March 2021 for Mr. He Zhiping and from 12 March 2019 to 20 March 2022 for Dr. Teng Bing Sheng and Dr. Chen Yan. The terms of appointment for all Independent Non-executive Directors Mr. He Zhiping, Dr. Teng Bing Sheng and Dr. Chen Yan, are renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term, unless terminated by not less than three months' notice in writing served by either the Independent Non-executive Director or the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

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

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

根據服務合約，獨立非執行董事之委任期限為期三年，何志平先生之任期自二零一八年三月二十九日起至二零二一年三月二十八日止，而滕斌聖博士及陳艷博士之任期則由二零一九年三月十二日起至二零二二年三月二十日止。全體獨立非執行董事（何志平先生、滕斌聖博士及陳艷博士）之任期可於當時任期屆滿後翌日起計自動續任一年，惟獨立非執行董事或本公司可透過發出不少於三個月的書面通知予以終止。

董事之委任及重選

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

Corporate Governance Report

企業管治報告

Selection criteria

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

Nomination procedures

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

甄選準則

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

提名程序

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



Corporate Governance Report

企業管治報告

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

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

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

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

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

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

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

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

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

The Board has established various committees, including a Remuneration Committee, an Audit Committee and a Nomination Committee, each of which has its specific written terms of reference, which are available on the websites of the Hong Kong Stock Exchange and the Company. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned on pages 55 to 57 in the section headed “Board Practice” above, have been adopted for the committee meetings so far as practicable.

Remuneration Committee

The Remuneration Committee meet at least once a year. One committee meeting was held in 2019 to, among other things, assess the performance of Executive Director, review and discuss the existing policy and structure for the remuneration of Directors, and the remuneration packages of the Directors. The members of the Remuneration Committee and the attendance of each member at the committee meeting are set out as follows:

Committee member	委員會成員	Number of Committee meetings attended/held 委員會會議次數 出席/舉行
Mr. Liu Jipeng (<i>Chairman</i>) (resigned with effect from 21 March 2019)	劉紀鵬先生 (<i>主席</i>) (自二零一九年三月二十一日起辭任)	1/1
Dr. Teng Bing Sheng (<i>Chairman</i>) (appointed with effect from 21 March 2019)	滕斌聖博士 (<i>主席</i>) (自二零一九年三月二十一日起獲委任)	N/A 不適用
Mr. He Zhiping	何志平先生	1/1
Mr. Hui Yung, Chris (resigned with effect from 13 February 2019)	許勇先生 (自二零一九年二月十三日起辭任)	N/A 不適用
Dr. Chen Yan (appointed with effect from 21 March 2019)	陳艷博士 (自二零一九年三月二十一日起獲委任)	N/A 不適用

Details of the Directors' remuneration are set out in note 9 to the financial statements.

董事委員會

董事會已成立多個委員會，包括薪酬委員會、審核委員會及提名委員會，各委員會均以書面具體列明其職權範圍(載於香港聯交所及本公司網站)。委員會之所有會議記錄及決議案由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需向董事會匯報其決定及建議(倘適用)。董事會會議之程序及安排(上文第55頁至第57頁之「董事會常規」一節所述)在可行情況下已獲委員會會議所採納。

薪酬委員會

薪酬委員會每年至少召開一次會議。於二零一九年已舉行一次委員會會議，以(其中包括)評估執行董事之表現，檢討及討論董事現時之薪酬政策及架構，以及董事之薪酬待遇。薪酬委員會之成員以及各成員出席委員會會議之情況載列如下：

董事薪酬之詳情載於財務報表附註9。

Corporate Governance Report

企業管治報告

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

The major roles and functions of the Remuneration Committee are:

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

本公司自二零零五年六月成立薪酬委員會，以遵守上市規則第3.25條。薪酬委員會現時由三名成員組成，全部均為獨立非執行董事。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司之政策在認為有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能為：

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

Corporate Governance Report

企業管治報告

For the year ended 31 December 2019, the remuneration of the members of the senior management who are not Directors are within the following band:

截至二零一九年十二月三十一日止年度，並非董事之高級管理層成員之薪酬介乎以下範圍：

Total remuneration band (HK\$)	薪酬總額範圍(港元)	Number of individuals 人數
HK\$1 million or below	1,000,000 港元或以下	2

Audit Committee

The Audit Committee meet at least twice each year. In 2019, the Audit Committee met two times to, among other things, consider the annual results of the Group for the financial year ended 31 December 2018 and the interim results of the Group for the 6 months ended 30 June 2019, discuss with the auditors of the Company on internal control, risk management, compliance with rules and regulations, auditors' independence, auditors' remuneration and the scope of work in relation to the annual audit. The members of the Audit Committee and the attendance records of each member at the committee meetings in 2019 are set out as follows:

審核委員會

審核委員會每年至少召開兩次會議。審核委員會於二零一九年已舉行兩次會議，以(其中包括)考慮本集團截至二零一八年十二月三十一日止財政年度之年度業績及本集團截至二零一九年六月三十日止六個月之中期業績，與本公司核數師討論內部監控、風險管理、遵守規則及規例的情況、核數師獨立性、核數師薪酬及年度核數工作範圍。於二零一九年，審核委員會成員以及各成員出席委員會會議之情況載列如下：

Committee member	委員會成員	Number of Committee meetings attended/held 委員會會議次數 出席/舉行
Dr. Xue Yunkui (<i>Chairman</i>) (resigned with effect from 21 March 2019)	薛雲奎博士(主席) (自二零一九年三月二十一日起辭任)	1/1
Dr. Chen Yan (<i>Chairwoman</i>) (appointed with effect from 21 March 2019)	陳艷博士(主席) (自二零一九年三月二十一日起獲委任)	1/1
Mr. He Zhiping	何志平先生	2/2
Mr. Hui Yung, Chris (resigned with effect from 13 February 2019)	許勇先生 (自二零一九年二月十三日起辭任)	N/A 不適用
Dr. Teng Bing Sheng (appointed with effect from 21 March 2019)	滕斌聖博士 (自二零一九年三月二十一日起獲委任)	1/1

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

本公司已成立審核委員會，根據企業管治守則之規定以書面具體列明其職權範圍，並經董事會修訂及重新採納，自二零一九年一月一日起生效，以檢討及監督本集團之財務報告程序及內部監控。於本報告日期，審核委員會由三名獨立非執行董事陳艷博士、何志平先生及滕斌聖博士組成。

Corporate Governance Report

企業管治報告

The major roles and functions of the Audit Committee are:

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

審核委員會之主要角色及職能為：

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

Corporate Governance Report

企業管治報告

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

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

Nomination Committee

The Nomination Committee shall meet at least once a year. One committee meeting was held in 2019 to, among other things, review the composition of the Board, consider the independence of the Independent Non-executive Directors and the retirement and re-election of directors. The members of the Nomination Committee and the attendance of each member at the committee meeting are set out as follows:

提名委員會

提名委員會每年須至少召開一次會議。於二零一九年已舉行一次委員會會議，以(其中包括)檢討董事會之組成、考慮獨立非執行董事之獨立性以及董事之退任及重選。提名委員會成員以及各成員出席委員會會議之情況載列如下：

Committee member	委員會成員	Number of Committee meetings attended/held 委員會會議次數 出席/舉行
Mr. Ding Benxi (<i>Chairman</i>)	丁本錫先生(主席)	1/1
Mr. Liu Jipeng (resigned with effect from 21 March 2019)	劉紀鵬先生 (自二零一九年三月二十一日起辭任)	1/1
Dr. Xue Yunkui (resigned with effect from 21 March 2019)	薛雲奎博士 (自二零一九年三月二十一日起辭任)	1/1
Dr. Teng Bing Sheng (appointed with effect from 21 March 2019)	滕斌聖博士 (自二零一九年三月二十一日獲委任)	N/A 不適用
Dr. Chen Yan (appointed with effect from 21 March 2019)	陳艷博士 (自二零一九年三月二十一日獲委任)	N/A 不適用

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

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

Corporate Governance Report

企業管治報告

The major roles and functions of the Nomination Committee are:

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

提名委員會之主要角色及職能為：

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

Corporate Governance Report

企業管治報告

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

Corporate Governance Report

企業管治報告

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

Board Diversity

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

董事會成員多元化

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

Corporate Governance Report

企業管治報告

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

The report of the Company's external auditors, Ernst & Young, and their reporting responsibilities on the financial statements of the Group are set out in the Independent Auditor's Report from pages 103 to 109.

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

問責及審核

財務匯報

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

本公司外聘核數師安永會計師事務所之報告及其對本集團財務報表之匯報責任載於第 103 頁至第 109 頁之獨立核數師報告。

Corporate Governance Report

企業管治報告

External Auditors' Independence and Remuneration

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

Services rendered for the Group	向本集團提供之服務	Fee paid/payable 已付／應付費用 HK\$'000 千港元
Annual audit services	年度核數服務	1,061
Non-audit services:	非核數服務：	
Review of interim report	審閱中期報告	332
Special projects	特別項目	568

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibilities for maintaining sound and effective risk management and internal control systems of the Group. The Group's system of risk management and internal control includes a defined management structure with limited authority, and is designed to achieve business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provisions of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is put in place to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives. The Board has conducted review of the Group's risk management and internal control systems during the year ended 31 December 2019 including financial, operational controls and risk management functions and ensured the adequacy of resources, staff qualifications and experience, training programmes and budget for the Group's accounting and financial reporting functions at least annually. The Board has also reviewed the effectiveness of the risk management and internal control systems and considered them to be effective and adequate.

外聘核數師之獨立性及酬金

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

風險管理及內部監控

董事會全面負責維持本集團良好有效之風險管理及內部監控系統。本集團之風險管理及內部監控系統包括界定管理層架構之權力範圍，並旨在達致業務目標、保護資產以防未經授權使用或處置、確保適當之會計記錄得以保存以便提供可靠之財務資料供內部使用或對外發放，並保證遵守有關法例及規例。上述已制訂之系統合理（但並非絕對）保證並無重大失實陳述或損失，及管理（但並非完全消除）營運系統失誤及本集團未能達標之風險。董事會於截至二零一九年十二月三十一日止年度內對本集團風險管理及內部監控系統進行至少每年一次之檢討，包括財務、營運監控及風險管理職能，並確保本集團在會計及財務匯報職能方面的資源、員工資歷及經驗、培訓以及預算均為足夠。董事會亦已檢討風險管理及內部監控系統的有效性，認為該等系統均為有效、充足。

Corporate Governance Report

企業管治報告

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

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

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

Directors' Training

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

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

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

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

董事培訓

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

Corporate Governance Report

企業管治報告

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

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

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

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

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

Company Secretary's Training

Pursuant to Rule 3.29 of the Listing Rules, the Company Secretary must take no less than 15 hours of relevant professional training in each financial year. The Company Secretary provided her training records to the Company indicating more than 15 hours of relevant professional development by means of attending in-house briefings, attending seminars and reading relevant guideline materials for the financial year ended 31 December 2019.

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

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

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

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

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

公司秘書培訓

根據上市規則第3.29條，公司秘書必須於每個財政年度接受不少於15小時的相關專業培訓。截至二零一九年十二月三十一日止財政年度，公司秘書向本公司提供其培訓記錄，顯示其透過出席內部簡介會、出席講座及閱讀相關指引材料的方式接受超過15小時的相關專業培訓。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

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

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

SHAREHOLDERS' RIGHTS

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

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

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

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

與股東之溝通

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

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

股東權利

以下為本公司股東根據企業管治守則須予披露之若干權利之概要。

召開股東特別大會及股東於股東大會上提呈建議之程序

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

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

Corporate Governance Report

企業管治報告

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

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

Enquiries from shareholders to the Board

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

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

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

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

股東向董事會作出查詢

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

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

Corporate Governance Report

企業管治報告

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

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

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

CONSTITUTIONAL DOCUMENTS

There are no significant changes in the Company's constitutional documents during the year ended 31 December 2019.

CORPORATE GOVERNANCE ENHANCEMENT

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

股東可隨時以書面形式向董事會提出查詢及關注事項，董事會的聯絡資料如下：

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

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

章程文件

截至二零一九年十二月三十一日止年度，本公司之章程文件並無重大改變。

提升企業管治水平

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



Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

This Environmental, Social and Governance Report (the “Report”) highlights the Group’s environmental, social and governance (“ESG”) strategy, measures and achievements for the period from 1 January to 31 December 2019, which is consistent with our financial year. We strive to apply the established principle of materiality, quantitative, balance and consistency in the Report and are dedicated to further enhance stakeholders’ interests by our commitment to sustainability.

The Report is prepared in accordance with all applicable provisions of the ESG Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. An independent consulting firm was appointed to provide professional advice for the preparation of the Report.

Unless otherwise stated, the policy documents, statements and data described in the Report cover the ESG performance of the Group’s business in Hong Kong, the PRC and the USA. As a result of the acquisition of Wanda Hotel Management Group on 31 December 2018, the scope of this Report has been expanded to cover the aforementioned business.

The Report has been approved by the Board before publication.

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

As a socially responsible corporate, the Group actively manages its ESG matters. In addition to pursuing prosperous business development, the Group undertakes its social responsibility and pays attention to the environment, employees, business partners, customers and the wider community, making continuous contributions to building a harmonious society.

關於本報告

本環境、社會及管治報告(下稱「本報告」)重點列出本集團由二零一九年一月一日至十二月三十一日期間(與我們的財政年度一致)的環境、社會及管治(「ESG」)策略、措施及成果。我們努力實踐既定的重要性、量化、平衡及一致性原則，並致力透過可持續發展方法追求持份者的利益最大化。

本報告根據香港聯交所有限公司頒佈之《證券上市規則》附錄二十七《環境、社會及管治報告指引》所有適用規定進行編製。就編製本報告而言，本集團委任獨立顧問機構提供專業意見。

除另有說明外，本報告中公佈的政策文件、聲明、數據等覆蓋本集團在香港、中國及美國的ESG表現。由於我們於二零一八年十二月三十一日收購萬達酒管集團，故本年度的報告範圍已擴展至涵蓋上述業務。

本報告於發佈前已經過董事會批核通過。

我們的可持續發展理念

作為具社會責任感的企業，本集團積極管理ESG事宜。除追求蓬勃的業務發展，本集團還承擔其社會責任，並透過關注環境、員工、業務夥伴、客戶及更廣泛社區，為建構和諧社會持續貢獻。

Environmental, Social and Governance Report

環境、社會及管治報告

Sustainability Governance

Sound and stable ESG governance practices are critical for the sustainable development of the Group. The Board takes full responsibility for the development of our ESG-related strategies, assessing and monitoring of ESG-related risks, and ensuring the effectiveness of the Group's ESG measures. Our regional operations are responsible for managing day-to-day implementation of ESG measures, reporting to the Board in due course, and ensuring compliance with all applicable ESG laws and regulations. The Group regularly reviews and evaluates our ESG performance, and discloses relevant progress and achievements to stakeholders through our annual ESG report.

In order to maintain a fair and efficient working environment, the Group reinforces our anti-corruption commitment by implementing a set of anti-corruption policies and measures that prohibits the offer and acceptance of advantages. Members and employees of the Group are bound by such policies and measures, with clear expectations that no form of corruption will be tolerated by the Group. In the reporting year, no legal cases associated with corruption were brought against the Group and its employees.

Stakeholder Engagement

The Group has identified a diverse group of stakeholders, including employees, shareholders, investors, suppliers, customers, tenants and community partners, and is keen to listen to and understand their opinions. Over the years, the Group maintains close relationship with different stakeholder groups through daily communications and general meetings in all levels of the business, as well as periodic ESG-related engagements.

可持續發展的管治

良好和穩健的ESG管治常規對本集團至關重要。董事會對制定與ESG相關的策略、評估及監視與ESG相關的風險以及確認本集團的ESG措施的有效性承擔全面責任。我們的區域營運管理人員負責管理ESG措施的日常實施，並在適當時候向董事會匯報，以確保遵守所有適用的ESG法規及條例。本集團就ESG表現定期進行審核及評估，並於年度的ESG報告中向持份者披露相關進展和成就。

為了維持公平高效的工作環境，本集團透過實施一系列禁止提供及收受利益的反貪污政策及措施，加強我們對反貪污工作的承擔。本集團成員公司及員工均受該等政策及措施的約束，彼等亦深明本集團絕不姑息任何形式的貪污。本集團及其員工於報告年度內未有涉及任何貪污訴訟的案件。

與持份者溝通

本集團所識別的持份者涉及廣泛層面，包括員工、股東、投資者、供應商、顧客、租戶及社區合作夥伴等，並致力聆聽及理解各持份者的意見。多年來，本集團透過日常溝通、不同業務層面的股東大會及ESG事宜的定期溝通，與不同持份者維持緊密聯繫。



Environmental, Social and Governance Report

環境、社會及管治報告

Materiality Analysis

The Group has taken an approach to conduct extensive engagement on ESG issues every five years, unless there are fundamental changes in the Group's business, to ensure comments, advices and expectations from stakeholders are communicated effectively to our senior management. Feedback gathered from the engagement will help us better understand and evaluate the Group's ESG strategies and performance by identifying ESG issues that are material to the Group's operations and our stakeholders. Based on the results of the most recent stakeholder survey conducted in 2017, we have undertaken a review of key issues faced by peer companies in 2019 to understand whether there are any other issues that should be taken into consideration in our long-term ESG strategies and for disclosure in the Report this year. Following the review, a total of 14 ESG issues are identified as material to the Group in 2019, of which eight material topics are adopted from the list of ESG issues in 2018. The additions are "Energy", "Employment relations and retention", "Training and education", "Compliance", "Supply chain management", and "Community investment". The topic "No child/forced labour" is removed from the material list, given its low occurrence in our business in the past. The increase of material topics is mainly due to the expanded reporting scope this year as a result of the acquisition of Wanda Hotel Management Group at the end of 2018. The results, which have been confirmed by senior management of the Group, are used as a guide in the preparation of this report.

重要範疇評估

本集團已採取每五年就ESG事宜進行廣泛調查的方法(除非本集團業務發生主要變動)，以確保持份者的意見、建議及期望能有效傳達予我們的高級管理層，於調查收集的回饋有助我們透過識別對本集團營運及持份者而言屬重大的ESG事宜，更加了解及評估集團的ESG策略及表現。建基於二零一七年進行的最新持份者調查結果，我們在二零一九年對同行公司面臨的關鍵事宜進行檢閱，以瞭解在我們的長遠ESG策略中是否應考慮其他任何事宜並於今年的報告中披露。於檢閱後，我們在二零一九年已識別總共十四個對本集團而言屬重大的ESG議題，其中採納了二零一八年ESG議題清單中的八個重大議題。新增議題包括「能源」、「僱傭關係及留聘」、「培訓及教育」、「合規」、「供應鏈管理」及「社區投資」。鑒於「不存在童工及強迫勞動」的議題在我們過往的業務不常出現，因此從重大議題清單中刪除。重大議題增加主要由於在二零一八年年底收購了萬達酒管集團令本年度的報告範圍擴大所致。經本集團高級管理層確認的結果於編製本報告時用作指引。

Environmental, Social and Governance Report

環境、社會及管治報告

Key Areas 主要範疇	Material ESG Issues Identified 已識別的重大 ESG 議題
Environmental protection 環境保護	<ul style="list-style-type: none"> • Energy 能源 • Waste management 廢棄物管理
Employment and labour practices 僱傭及勞工常規	<ul style="list-style-type: none"> • Diversity and non-discrimination 多元化與不歧視 • Employment relations and retention 僱傭關係及留聘 • Equal opportunity 平等機會 • Safe working environment 安全的工作環境 • Training and education 培訓及教育
Operating practices 營運慣例	<ul style="list-style-type: none"> • Anti-corruption 反貪污 • Compliance 合規 • Customer data privacy 客戶資訊隱私 • Customer satisfaction 顧客滿意度 • Health and safety of products and services 產品及服務的健康與安全 • Supply chain management 供應鏈管理
Community 社區	<ul style="list-style-type: none"> • Community investment 社區投資

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENTAL PROTECTION

The Group endeavours to promote sustainable development and minimise negative environmental impact by incorporating green elements into our daily operation and management. Recognising the possible environmental footprint brought by our businesses, the Group has implemented multiple energy and water saving measures, as well as effective resources and waste management practices to reduce unnecessary use of resources and waste generation. The Group strives to ensure the compliance of all business units and operations with relevant local environmental regulations, such as the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) and the Solid Waste Pollution Prevention and Control Law of the People's Republic of China. During the reporting year, there were no violations, complaints, fines or sanctions caused by breach of environmental regulations.

Using Resources Efficiently

The Group implements appropriate and effective measures in our daily operations to enhance efficient resource use and potentially minimise greenhouse gas emissions generated from our business operations.

Regarding energy efficiency enhancement and greenhouse gas emissions reduction, our Hong Kong offices, hotel management units and property management unit all adopted a large variety of measures. In Hong Kong offices, we prioritise the use of energy saving appliances that are certified with Grade 1 energy labels and set timer to automatically turn off air-conditioners during non-office hours. Air-conditioners are also regularly cleaned and inspected to maintain the highest energy efficiency level. Whereas in most of our leased offices, we have introduced smart building management system to monitor electricity consumption within the properties, avoiding any unnecessary energy usage. In our hotel management units, employees are required to turn off unused appliances during lunch breaks and non-office hours. Beginning in this reporting year, lighting system of a carpark in Hengli City has gradually been replaced with LED lights to improve energy efficiency.

環境保護

本集團於日常營運及管理的業務中注入綠色元素，致力促進可持續發展及減少對環境的影響。本集團意識到我們的業務營運可能產生環境足跡，因此已實施多項節能節水措施以及有效的資源及廢棄物管理措施，務求減少使用不必要的資源及產生廢棄物。本集團致力確保所有業務單位及營運點遵守當地相關的環境保護法規，例如《廢物處置條例》（香港法例第354章）和《中華人民共和國固體廢物污染環境防治法》。於本報告年內，概無因違反環境保護法規而引起的違規投訴、罰款或制裁。

善用資源

本集團於日常營運中採取適當有效的措施，提高資源使用效率，並盡可能將我們業務營運所產生的溫室氣體排放降至最低。

為加強能源效益並減少溫室氣體排放，我們的香港辦公室、酒店管理業務單位及物業管理業務單位均已採取多項措施。在香港辦公室，我們優先採用獲得一級能源標籤的節能電器，並設定時間掣在非辦公時間自動關掉冷氣機。冷氣機定期進行清潔和檢查，以維持最高能源效益水平。同時，在我們大部分租用的辦公室，已引入智能建築管理系統監控物業內用電量，避免不必要的能源使用。就我們的酒店管理業務單位而言，我們要求員工在午膳時間及非辦公時間關掉閒置的電器。由本報告年度開始，恒力城其中一個停車場的照明系統已逐步由LED燈取代以改善能源效益。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group promotes paperless working environment in our offices in order to conserve resources. We recommend our employees to archive drawings, reports, contract and other documents onto the online system whenever possible. Our hotel management units also advocate green office practices among employees. For instances, employees are encouraged to use waste paper and choose double-sided printing when printing internal documents. Employees are also suggested to bring their own water bottles when attending meetings instead of using disposable paper cups.

本集團在辦公室推行無紙化工作環境，以節省資源。倘要把圖紙、報告、合約及其他文件歸檔，我們建議員工盡量採用網上系統進行。我們的酒店管理業務單位亦向員工推廣綠色辦公室措施。例如，我們鼓勵員工重用紙張並在列印內部文件時採用雙面印刷。我們亦建議員工在開會時自備水壺，避免使用即棄紙杯。

Water-saving actions have been taken in the Group to reduce water use. Water-saving equipment such as automatic sensor faucet and siphonic toilets are installed at a number of our properties.

本集團已為節省用水採取相應行動。我們亦已於若干物業內安裝自動感應水龍頭及虹吸式座廁等節水設備。

	Unit 單位	2019 ¹ 二零一九年 ¹
Total Greenhouse Gas Emissions and Intensity^{2,3} 溫室氣體總排放量及密度 ^{2,3}		
Total greenhouse gas emissions (Scope 2) 溫室氣體總排放量(範圍2)	Tonnes (carbon dioxide equivalent) 公噸(二氧化碳當量)	8,797
Total greenhouse gas emissions intensity 溫室氣體總排放密度	Tonnes (carbon dioxide equivalent)/ square meter 公噸(二氧化碳當量)/平方米	0.2

¹ As a result of the acquisition of Wanda Hotel Management Group, hotel management units are newly included in the data. The comparative figures of 2018 are therefore not provided here.

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

³ The data includes greenhouse gas emissions from eight offices in Hong Kong and the PRC and Guilin Gaoxin Wanda Plaza.

¹ 由於收購萬達酒管集團，酒店管理單位已新計入數據。故二零一八年的比較數字不在此提供。

² 由於本年度的直接(範圍一)溫室氣體排放量並不顯著，數據只涉及間接(範圍二)溫室氣體排放。

³ 數據包括位於香港及中國8個辦事處以及桂林高新萬達廣場的溫室氣體排放量。

Environmental, Social and Governance Report

環境、社會及管治報告

	Unit 單位	2019 ¹ 二零一九年 ¹
Total Energy Consumption and Intensity⁴ 能源總耗量及密度 ⁴		
Total energy consumption — electricity 總能源消耗量 — 電力	kWh 千瓦時	14,107,476
Total energy consumption intensity 總能源消耗密度	kWh/square meter 千瓦時／平方米	312
Total Water Consumption and Intensity⁵ 總耗水量及密度 ⁵		
Total water consumption 總耗水量	Cubic meter 立方米	221,324
Total water consumption intensity 總耗水量密度	Cubic meter/square meter 立方米／平方米	5.3

Managing Waste Responsibly

The Group continues to regard waste management as one of the material issues and has been determined to reduce waste generation through the implementation of effective waste management measures. To achieve sustainable solid waste management in all operation units, a three-tiered approach has been adopted by the Group to prioritise waste avoidance over waste reduction and recovery, and consider waste disposals at last. The Group has also appointed qualified waste management companies to handle the waste in a proper and legal manner.

We also explore the opportunities to sort and recycle waste such as paper so as to divert them from landfills whenever possible. During the reporting year, approximately 1,825 tonnes of non-hazardous waste was generated, while 2,111 kg of waste paper, 395 kg of plastics and 208 kg of wood were recycled respectively. In addition, the Group did not produce significant amount of hazardous waste.

⁴ The data includes energy consumption from eight offices in Hong Kong and the PRC and Guilin Gaoxin Wanda Plaza.
⁵ The data includes water consumption from four offices in Hong Kong and the PRC and Guilin Gaoxin Wanda Plaza.

可靠的廢棄物管理

本集團繼續視廢棄物管理為重大議題之一，並決心透過落實有效廢棄物管理措施以減少產生廢棄物。為了在所有業務單位實現可持續固體廢棄物管理，本集團已採用三級策略，以避免產生廢棄物為上策，其次減少並回收廢棄物，最後才考慮棄置廢棄物。本集團亦已委聘合資格廢棄物管理公司以妥善和合法的方式來處理廢棄物。

我們亦想方設法，盡量將紙張等廢棄物分類循環再用，而非送到堆填區棄置。於本報告年度，所產生無害廢棄物為1,825公噸，而我們分別循環再用2,111公斤廢紙、395公斤塑膠及208公斤木材。此外，本集團並無大量產生有害廢棄物。

⁴ 數據包括位於香港及中國8個辦事處以及桂林高新萬達廣場的能源耗量。
⁵ 數據包括位於香港及中國4個辦事處以及桂林高新萬達廣場的耗水量。

Environmental, Social and Governance Report

環境、社會及管治報告

Promoting Green Buildings

To reduce the use of energy, materials, water and waste generated in the life cycle of the buildings, the Group proactively integrates green building elements into the design and construction stage of the projects. The Guilin Gaoxin Wanda Plaza is one of the best practices of the Group, reinforcing our commitment in promoting green buildings.

To minimise negative impact on the environment, the Guilin Gaoxin Wanda Plaza adopts the “Huiyun Smart Management System”, an intelligent building management system developed by our parent company DWCM, and applies a number of green design features within the premise. The “Huiyun Smart Management System” allows the Guilin Gaoxin Wanda Plaza to operate in a safe, green and smart way by combining five independent management systems into one single platform. Energy consumption, fire alarm, security, operation and equipment are centrally monitored, controlled and managed with this system, ultimately lowering operating costs while ensuring service quality and enhancing energy efficiency through improved electrical and mechanical systems. Such practice has earned the Guilin Gaoxin Wanda Plaza “1-star” level criteria of the China Green Building Label.

Green building features of the Guilin Gaoxin Wanda Plaza are as follows:

推動綠色建築

本集團積極將綠色建築元素融入項目的設計及施工階段，在建築物的生命週期內盡量節能、節材及節水，並減少廢棄物。桂林高新萬達廣場是本集團推廣綠色建築的最佳實踐之一，進一步加強我們在推廣綠色建築方面的承諾。

為了將對環境的負面影響減至最低，桂林高新萬達廣場採用了我們母公司大連萬達商業管理研發的智能大廈管理系統——「慧雲智慧化管理系統」，並於物業內應用多項綠色設計功能。「慧雲智慧化管理系統」將五個獨立管理體系結合成單一平台，讓桂林高新萬達廣場的營運既安全又環保而且智慧化。在這個系統之下，能源消耗、消防警報、保安、營運及設備均由中央監測、控制並管理，透過提升機電系統確保服務質素並且改善能源效益，最終收到降低營運成本之效，更讓桂林高新萬達廣場獲得中國綠色建築的「一星」標準認證。

桂林高新萬達廣場的綠色建築特色如下：

Green Building Features 綠色建築特色	Functions 功能
Energy conservation device — electric sunshade 節能裝置 — 電動遮陽板	Shields ceilings and windows from direct sun rays to lower indoor temperature in daytime, reducing energy consumption from air-conditioners 遮擋陽光直射的天花板及窗戶，以降低日間室內溫度，從而減少空調造成的能源消耗。
Natural lighting design — dome skylights 自然採光設計 — 圓頂天窗	Provide natural daylight for indoor areas to minimise the use of lightings 為室內地方提供自然光以減少使用照明系統。
Water saving system — rainwater catchment system 節水系統 — 雨水收集系統	Collects and reuses rainwater for landscaping 收集及重用雨水以灌溉園林景觀。

Environmental, Social and Governance Report

環境、社會及管治報告

WALK ALONG WITH EMPLOYEES

Our employees contribute to the sustainable development of the Group. They help maintain good business operations and play important roles in providing quality services and products. The Group continues to invest resources to increase staff benefits, thereby enhancing morale and attracting and retaining talents. The Group provides our employees with diversified trainings to equip them with essential skills to perform their duties, and creates a friendly and safe working environment. We introduced a series of fair, open and comprehensive employment policies to support management and ensure compliance with employment-related regulations and laws. We comply with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) in Hong Kong, as well as the Labour Law and Labour Contract Law of the People's Republic of China. In the reporting year, the Group did not identify any major violations related to the labour and dismissal rule and legislation.

Talents Acquisition and Retention

The Group promotes transparent and fair recruitment procedures, provides fair career development opportunities, creates a workplace free from discrimination, and cares for our employees. Our employment policy complies with the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) and the Provisions on the Prohibition of Using Child Labour. Employment of child and forced labour is strictly prohibited. We conduct background checks on all job applicants and review the employment policy where necessary. If the existence of child or forced labour is discovered, management will take reasonable actions in the interest of the individual.

The Group offers competitive remuneration package to employees based on their performance, experience and market salary level, and distributes bonus depending on the Group's financial performance and employees' job performance. The Group pays provident funds and social insurance for employees, and provides them with education subsidy, personal accident insurance, annual health check, and medical welfare. Medical insurance and retirement plans are also provided to employees. Eligible employees are also entitled to maternity or paternity leave in accordance with local laws and regulations, while housing allowance are granted to employees with inconsistent working places before and after employment and to expatriates. Free working meals or meal allowances are provided to employees in the PRC and Hong Kong respectively. Meal subsidies and special arrangements are provided to ethnic minority employees.

與員工同行

員工推動本集團的可持續發展，並維持良好的業務營運，為客戶提供優質服務和產品。本集團持續投放資源，增加員工福利，藉此提高員工士氣，吸納及保留人才。本集團提供多元化培訓，裝備員工關鍵技能以履行職務及創建一個友善、安全的工作環境。我們亦實施一系列公平、公開及全面的僱傭政策，以支持內部管理及確保所有事項均符合與僱傭相關的規例及法律。我們遵守《僱傭條例》（香港法例第57章）、《中華人民共和國勞動法》和《中華人民共和國勞動合同法》。於本報告年度，本集團並無識別與勞動及解聘法規法例相關的任何重大違規事件。

人才吸納及保留

本集團提倡透明、公平的招聘流程為全體員工提供平等的職業發展機會、建設一個沒有歧視的工作場所，並關愛員工。我們的僱傭政策遵守《僱用兒童規例》（香港法例第57B章）及《禁止使用童工規定》，嚴禁聘用童工及強迫勞動。我們對所有求職者進行背景調查，並適時檢討我們的僱傭政策。若發現童工或強迫勞動的存在，管理層將採取合理行動，以保障當事人的權益。

本集團按員工表現、經驗及市場薪酬水平給予具有競爭力的薪酬，而表現掛鉤花紅分派則視乎公司盈利能力及員工表現而定。本集團提供公積金及社會保險予員工，並為他們提供教育補貼、人身意外傷害保險、年度體檢及醫療福利。我們亦為員工提供醫療保險及退休計劃。合資格員工可根據當地法律法規享有產假或待產假。我們亦向聘用前後工作地點變動的員工及外籍員工提供住屋津貼。我們分別為於中國及香港工作的員工提供免費工作膳食或用膳補貼，並向少數族裔員工提供膳食津貼及特別安排。

Environmental, Social and Governance Report

環境、社會及管治報告

To retain talents, the Group provides our employees with clear promotion ladder, training opportunities and regularly recognizes contributions. Employee performance appraisal is carried out every year accordingly, with appeal channels available to ensure fairness of the review process. The Group acknowledges the importance to cultivate a stable and reliable talent pool to avoid talent gap, hence recommends internal promotions from the talent pool in addition to external recruitment to fill in job vacancies.

The Group is committed to providing a caring and diversified working environment for employees that is free from any form of discrimination. We encourage employees to organise team-building activities such as birthday parties and gatherings to increase team unity. During the reporting year, a number of initiatives were taken in different business units to engage employees and improve communication, such as providing free monthly movie tickets, organising festive events, sports day and establishing various sports clubs.

As a result of the acquisition of Wanda Hotel Management Group, the Group has increased its talent pool to 534 employees in Hong Kong, the PRC and the USA as of the end of the reporting year.⁶

本集團重視員工的貢獻，並為員工提供明確的晉升階梯和培訓機會，從而保留人才。本集團每年對員工進行考核，亦提供申訴渠道，確保考核過程公平。本集團建立穩定可靠的人才庫以避免人才缺口，在外部招聘的同時，亦會推薦員工進行內部調升，以填補職位空缺。

本集團提倡關愛及多元化的工作環境，並反對任何形式的歧視。我們鼓勵員工組織團隊建立活動，如慶生會及聚會，從而培養團隊精神。於報告年度內，不同業務單位採取了多項舉措，務求增強員工歸屬感並改善溝通，例如每月提供免費電影戲票、舉行節慶活動、運動日以及成立多個體育俱樂部。

由於收購萬達酒管集團，本集團於香港、中國及美國之人才庫於報告年度末共有534名員工。⁶

⁶ The data excludes Amazing Wise Limited and its subsidiaries, which were disposed by the Group in December 2019.

⁶ 該數據不包括本集團於二零一九年出售的 Amazing Wise Limited 及其附屬公司。

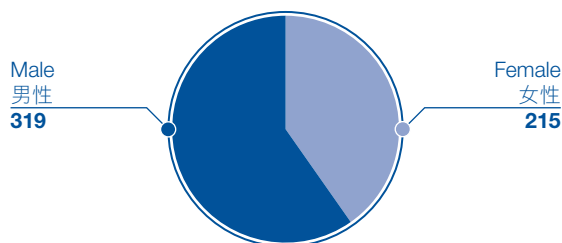
Environmental, Social and Governance Report

環境、社會及管治報告

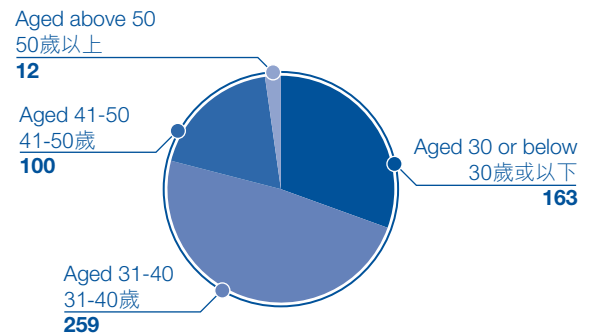
Employee Distribution 員工分佈

As of 31 December 2019⁷
於二零一九年十二月三十一日⁷

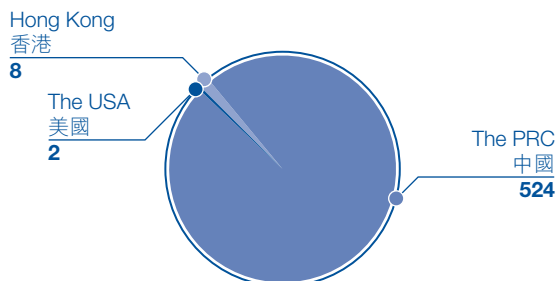
Number of employees by gender
按性別劃分的僱員數目



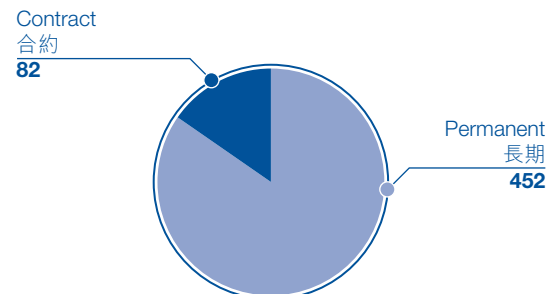
Number of employees by age group
按年齡組別劃分的僱員數目



Number of employees by geographical location
按地區劃分的僱員數目



Number of employees by employees type
按僱員類別劃分的僱員數目



Training and Development

The Group fosters employees' career development by providing them with various on-the-job training and continuous learning programs that focus on improving job-related skills and knowledge. The total training hours in the reporting year has reached 8,510 hours, with an average of 16 hours per employee.

培訓及發展

本集團透過提供員工各類在職培訓及持續學習計劃，以培育他們的職業發展。於報告年度內，總受訓時數達8,510小時，每名僱員受訓的平均時數為16小時。

⁷ The data excludes Amazing Wise Limited and its subsidiaries, which were disposed by the Group in December 2019.

⁷ 該數據不包括本集團於二零一九年出售的 Amazing Wise Limited 及其附屬公司。

Environmental, Social and Governance Report

環境、社會及管治報告

During the reporting year, the Group continues to arrange various training for employees from different business units. Corporate management courses are provided to employees at the headquarter to enhance their awareness on good corporate governance. Employees working in property management are encouraged to take part in various training certificates including elevator safety administrator, fire facility operator, fire control room supervisor and heating ventilating and air conditioning (HVAC) engineer. Employees are also provided with training courses focusing on soft skills development, such as sales negotiation and planning courses to improve sales skills, and regular group branding and marketing courses to deepen their understanding of brand management and market promotion. In addition, the Group provides the “Talent Scheme” and “Quality Talent Scheme” to prepare employees and managers for promotion to higher positions.

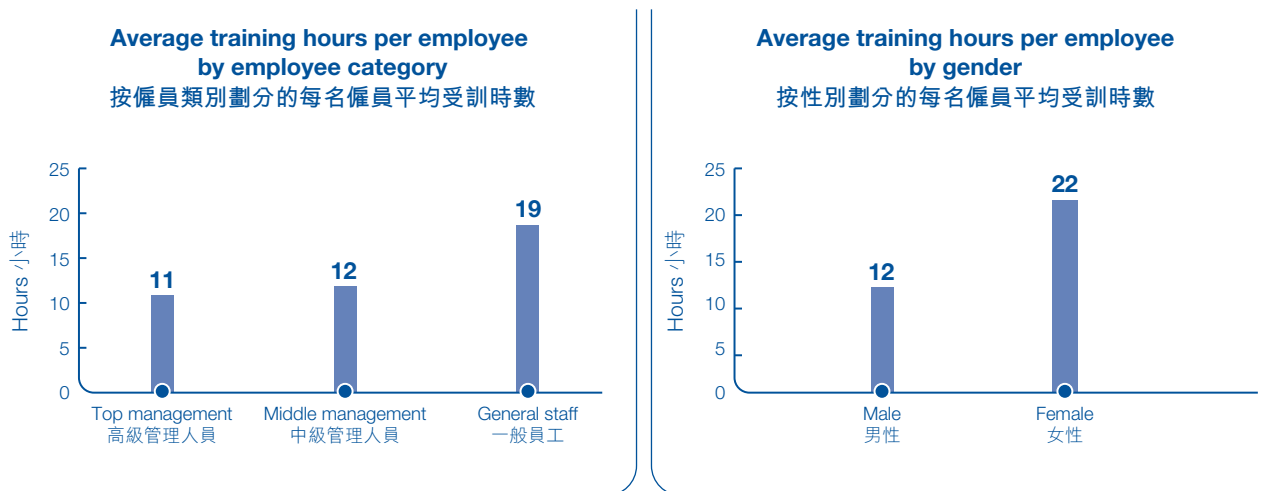
To provide employees incentives to receive training, employees are encouraged to reimburse expenses, such as course fees, transportation expenses, accommodation expenses, and are offered salaries during in-service training, to maintain professional qualifications.

於報告年度內，本集團繼續為不同業務單位之員工安排各種培訓。我們為在總部工作的員工提供企業管理課程，增強他們對良好企業管治的意識。我們鼓勵從事物業管理的員工修讀不同的訓練證書課程，包括升降機安全管理员、消防設施操作人、消防控制室主管及暖通空調工程師。我們亦向員工提供軟技能發展的訓練課程，例如銷售談判及計劃課程助他們改善銷售技巧，和有關建立品牌及營銷的定期集體課程以加深他們對品牌管理及市場推廣的認識。此外，本集團提供「英才計劃」及「優才計劃」，以便僱員及經理晉升高職。

為令員工更積極參加培訓，我們鼓勵員工報銷培訓費用，如課程費、交通費及住宿費，並向他們提供在職培訓期間的工資，以維持專業資格。

Average Training Hours Completed per Employee⁸

每名僱員完成受訓的平均時數⁸



⁸ The data excludes Amazing Wise Limited and its subsidiaries, which were disposed by the Group in December 2019.

⁸ 該數據不包括本集團於二零一九年出售的 Amazing Wise Limited 及其附屬公司。

Environmental, Social and Governance Report

環境、社會及管治報告

	Unit 單位	2019 ⁹ 二零一九年 ⁹
Percentage of employees trained by employee category		
按僱員類別劃分的受訓員工百分比		
Top management 高級管理人員	%	100
Middle management 中級管理人員	%	100
General staff 一般員工	%	99.3
Percentage of employees trained by gender		
按性別劃分的受訓員工百分比		
Female 女性	%	99.5
Male 男性	%	99.7

Taking Care of Employees' Health and Safety

Employees are the most important assets of the Group. The Group invests a lot of resources to create a safe, healthy and comfortable working environment. We comply with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the legal requirements on occupational health and safety outlined in the Labour Law of the People's Republic of China.

During induction, we arrange safety education and training for employees to raise their awareness and knowledge in occupational safety. To protect employees from high potential hazard activities including entering construction sites and performing maintenance work, we provide adequate personal protective equipment to avoid occupational accidents. Our hotel management units have formulated the "Safety Mandatory Provision" and required all employees to strictly implement the safety initiatives at work. The said provision clearly outline responsibilities of safety personnel, daily safety measures, and safety-related policies.

重視員工健康與安全

員工為本集團最重要的資產。因此，我們投放大量資源，建設一個安全、健康與舒適的工作環境。我們遵守《職業安全及健康條例》（香港法例第509章）和《中華人民共和國勞動法》中有關職業健康及安全的法定要求。

我們已為員工於入職時安排安全教育和培訓，以提高他們的職業安全意識及知識。我們亦為需要進行潛在高危活動（包括進入工地和進行維修工作）的員工提供足夠的個人防護裝備，從而減少發生職業事故。我們的酒店管理業務單位已制定《安全強制性條文》，規定所有員工在工作時嚴格落實安全舉措。有關條文清晰規範了安全人員的職責、日常安全措施以及與安全相關的政策。

⁹ The data excludes Amazing Wise Limited and its subsidiaries, which were disposed by the Group in December 2019.

⁹ 該數據不包括本集團於二零一九年出售的 Amazing Wise Limited 及其附屬公司。

Environmental, Social and Governance Report

環境、社會及管治報告

Besides, we provide employees various staff benefits related to health and safety, including pre-employment body check and annual body check to give them health guidance, regular health education and training to improve employees' physical quality, as well as insurance and medical cover to protect our employees.

Our continuous effort in promoting a safe and healthy workplace is reflected in our performance record. In particular, there was no lost day due to work injuries and zero work related fatal incidents during the reporting year.

RESPONSIBLE OPERATIONS

Operating responsibly and with integrity drives the long-term success of the Group. We continuously communicate and collaborate with our business partners, customers and the broader community to ensure our expectations are aligned and met. The Group also maintains close relationships with suppliers to establish an open, honest and responsible supply chain.

We have zero tolerance on corrupt practices along the supply chain or in any tendering projects. If anyone or entity is suspected to be engaged in misconduct, malpractice or unethical behaviour, we encourage our employees to report through our established whistle-blowing channels. All reported cases are handled promptly by department managers and will be escalated to the Group's management where necessary. We continue to arrange regular anti-corruption refresher training for all employees. The Hong Kong Independent Commission Against Corruption (ICAC) provides courses to ensure that our employees' behaviour comply with relevant laws and regulations, including the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and the Anti-money Laundering Law of the People's Republic of China.

Apart from anti-corruption practices, we also adopt measures to protect intellectual property in our daily operations. We regularly review relevant internal policies and procedures and continuously monitor activities related to intellectual property such as using genuine software to avoid any infringement. Guided by the Group's policies and initiatives, we continue to act ethically and lawfully with the support from our employees. During the reporting year, there is no breach of laws and regulations relating to health and safety, advertisement and privacy matters.

此外，我們向員工提供多項有關健康及安全的福利，包括受僱前身體檢查及每年身體檢查為他們提供健康指引，定期健康教育及訓練以改善員工的體能，以及保險及醫保以保障員工。

我們在績效記錄中反映出我們為促進安全健康的工作場所而不斷努力。特別在報告年度內，並無因工傷損失的工作日數且與工作有關的致命事件為零。

負責任的營運

集團以負責任和具誠信的方式營運，達致長遠成功。我們不斷與商業夥伴、客戶和社區溝通及合作，確保我們達成一致的期望。本集團亦與供應商保持緊密關係，旨在建立公開、廉潔及負責任的供應鏈。

我們對供應鏈或任何招標項目中的貪污行為持零容忍的態度。倘任何人或任何個體涉嫌行為不當、舞弊或作出不道德行為，我們鼓勵員工通過既定的舉報渠道向我們呈報。一經舉報，所有案件均由部門經理迅速處理，並在必要時提交至集團管理層。我們持續為員工定期安排反貪污複修訓練。香港廉政公署(ICAC)向員工提供課程，以確保員工遵守相關法律法規(包括《防止賄賂條例》(香港法例第201章)及《中華人民共和國反洗錢法》)。

除反貪污慣例外，我們亦在日常營運中採納措施以保障知識產權。我們定期審閱相關內部政策及程序，並持續監察與知識產權有關的活動，例如使用正版電腦軟件以避免任何侵權行為。我們跟隨本集團的政策及舉措的指引，在員工的支持下堅持合乎道德與法律的營運。於報告年度內，並無違反與健康及安全、廣告以及私隱事宜有關的法律法規。

Environmental, Social and Governance Report

環境、社會及管治報告

Managing Our Supply Chain

The Group is committed to providing quality products and services, for this the support from suppliers is the foundation of our success. In the reporting year, we worked closely with over 1,200 suppliers to ensure the stable operation of the supply chain. We also avoid over-reliance on specific suppliers and keep our suppliers well diversified. Our business spans multiple regions, and we prioritise local suppliers in the selection process to promote the local economy and reduce carbon footprint from transportation.

The Group adopts a standardised tendering procedure to comprehensively manage the selection process of suppliers and contractors. Suppliers are subject to primary selection, audit and public tendering processes to be included in the Group's suppliers list. If a procurement value exceeds a predetermined amount, multiple suppliers will be invited to participate in a tendering process to screen out potential suppliers with unsatisfactory performance, high prices or poor quality. The standardised process also avoids the possibility of any corruption, bribery, blackmail, fraud and money laundering. Further, employees are reminded to stay alert on potential conflicts of interest during the tendering process. Multiple personnel from different departments are involved in the selection processes to ensure fairness and reasonableness of the results. A scoring mechanism is in place to monitor and evaluate suppliers' performance. Penalty will be imposed when suppliers fail to meet our standard. Contracts will be terminated when suppliers perform unsatisfactorily or provide false information. Suppliers which create a huge negative impact on society are prohibited from tendering for three years. In addition, suppliers with record of corruption and bid-rigging will be blacklisted and will not be invited for future tenders.

管理我們的供應鏈

本公司致力於提供優質的產品和服務，而獲得供應商的支持是公司成功的基礎。於本報告年度，集團與超過1,200個供應商緊密合作，努力確保供應鏈保持穩定運作。本集團的業務遍佈多個地區。於物色供應商的過程中，我們將優先選擇本地供應商，以推動本地經濟發展並減少運輸過程中產生的碳足跡。

本集團採用標準化的招標流程，全面管理供應商及承建商的甄選過程，供應商需經過初選、審計及公開招標等流程，才能納入集團的供應商清單。倘採購價值超過預定金額，多個供應商將獲邀請參與甄選流程，以淘汰表現不理想，定價過高或質素欠佳的潛在供應商。標準化的招標流程還避免任何貪污、行賄、勒索、欺詐及洗黑錢行為。此外，我們亦會提醒員工對招標流程中引致的潛在利益衝突保持警惕。甄選過程會涉及多個部門的員工，確保結果的公平性和合理性。我們已設立評分機制以監控並評核供應商表現。倘供應商未能符合我們的標準，會向他們施以罰款。倘供應商表現欠佳或虛報資料，會與他們終止合約。對社會造成重大負面影響的供應商，三年內不得參與投標。此外，有貪污及圍標前科的供應商會列入黑名單，永不獲邀參與投標。

Number of Suppliers by Geographical Region 按地理區域劃分的供應商數目	Unit 單位	2019 二零一九年
The PRC 中國	Number 數目	746
Overseas 海外	Number 數目	510

Environmental, Social and Governance Report

環境、社會及管治報告

Improving Quality of Products and Services

“Customer First” is the key to achieving our business success. We strive to enhance customer satisfaction through the promotion of customer-based services. For example, a dedicated customer support service team was established in the Guilin Gaoxin Wanda Plaza to meet customer needs. Customer feedback channels are in place to handle enquires and complaints timely and properly. Formal customer satisfaction surveys are conducted twice a year and a customer complaint telephone is set up at the concierge of the mall. All complaints received are directed to our Operations Department for review. Once the complaint is accepted, it will be immediately forwarded to relevant departments for follow up, which will further be discussed with the Operations Department to ensure compliance with our internal policies. All complaints are responded within 24 hours. During the reporting year, we did not receive any major complaints regarding our products and services from external parties or regulatory authorities.

Safeguarding customer safety is critical across our business operations. For instance, our hotel management units have formulated a series of hotel management safety instructions and policies to ensure our customers enjoy services with the highest safety standard. During the design phase of the hotels, an independent fire service consultant is hired to conduct a safety audit by reviewing the construction drawings and firefighting systems. All hotels must comply with the relevant national fire protection codes and standards, as well as design guideline, and safety and quality standards of our hotel management units. During the operation phase, safety and quality review and audits are regularly conducted for all managed hotels. Fire drills are carried out quarterly to ensure a smooth and effective evacuation under emergency.

We respect customers’ data privacy, and thereby adhere to the privacy and confidentiality requirements stated in our internal policies. All personal data collected in business operations is handled and used in accordance to relevant laws and regulations to safeguard confidentiality. Our operation adheres to local regulations related to the collection, holding and use, disclosure and transfer of personal data, in particular the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and the Protection of Consumer Rights and Interests of the People’s Republic of China.

提升產品及服務質素

我們深明「顧客至上」是業務成功的關鍵，故此我們努力提高客戶滿意度。例如，桂林高新萬達廣場成立專責客戶服務團隊，以滿足客戶需求。我們歡迎客戶透過已有渠道提供反饋，以便及時並妥善處理查詢和投訴。我們每年會進行兩次正式客戶滿意度調查以及於商場禮賓部設置客戶投訴電話。收到的所有投訴均會發送至我們的營運部門作出審核。一旦投訴被接納，個案將立即被轉達至相關部門進行跟進，並會與營運部門討論，以確保遵守我們的內部程序。我們會於24小時內跟進所有投訴。於本報告年度，我們並無接獲外界或監管機構對本集團的產品和服務的任何重大投訴。

保障客戶安全在我們業務營運中至為關鍵。例如，我們的酒店管理業務單位已制定一系列酒店管理安全指示及政策，以確保客戶能在最高的安全標準下享用服務。在酒店的設計階段，我們會聘請獨立消防服務顧問進行安全審查，檢視建築圖則及消防系統。所有酒店必須遵守國家相關消防規範及標準以及我們酒店管理業務單位的設計導則及安全質量標準。於營運階段，我們會對所有旗下管理的酒店定期進行安全質量檢視及審查。為確保能在緊急事故時順利有效疏散，我們會每季舉行防火演習。

我們尊重客戶的資訊私隱，因此恪守我們內部政策所規定的私隱及保密規定。所有於業務過程中收集到的資料均按照相關法律及法規處理及使用，以作保密。我們的營運恪守與收集、持有及使用、披露及轉移個人資料相關的當地法規，特別是《個人資料(私隱)條例》(香港法例第486章)及《中華人民共和國消費者權益保護法》。

Environmental, Social and Governance Report

環境、社會及管治報告

CARING FOR THE COMMUNITY

To give back to the community, the Group actively engages with local communities in regions where it operates and delivers impactful community investment activities targeted to the underprivileged groups.

In 2019, we have donated HK\$160,000 to support activities in facilitating environmental protection, volunteering and business activities. Besides, we encourage our employees to volunteer in the local communities. In 2019, we contributed 340 volunteer hours to support the underprivileged groups through a wide range of events.

"Charity at Campus" Volunteering Event

In May 2019, the head office of our hotel management units initiated a "Corporate Responsibility Week" along with a large variety of voluntary activities to create positive energy in the society.

"Charity at Campus" volunteer event was one of the highlight events organised at Beijing GuangAi School, a non-profit charitable non-governmental educational institution. Over 50 employees from our Beijing and Shanghai offices volunteered more than 204 man-hours to serve the underprivileged children by cleaning up the classrooms, dormitories and canteen to ensure the children have a more pleasant learning and living environment. Our designers further provided children with learning opportunities such as interactive art, crafting and calligraphy lessons, helping the students to enhance their art skills.



Our volunteers organised art workshops for children at Beijing GuangAi School. 我們的義工在北京光愛學校為孩子舉辦美術工作坊。

致力關懷社區

為了回饋社區，本集團積極與營運所在地的當地社區合作，並針對弱勢社群展開具影響力的社區投資活動。

於二零一九年，我們共捐出 160,000 港元以支持環保活動、義工服務及商業活動。此外，我們鼓勵員工參與當地社區的義工服務。於二零一九年，我們透過參與各種義工活動以支持弱勢社群，涉及的時數達 340 小時。

「愛心暖校園」義工活動

於二零一九年五月，我們酒店管理業務單位的總部開展了「企業責任週」，當中包括多項旨在為社會帶來正能量的義工活動。

亮點之一是在一所非牟利的民間教育慈善機構——北京光愛學校舉辦的「愛心暖校園」義工活動。超過 50 名來自我們在北京及上海辦公室的員工參與超過 204 個工時的義工活動，為弱勢兒童打掃課室、宿舍及飯堂以確保他們有舒適的學習與生活環境。另外，我們的設計師為學生帶來美術、手工藝及書法的互動學習機會，增強他們的美術技巧。



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

Waste Collection and Separation Volunteering Event

To protect the environment and educate the participants to practise waste reduction at source and clean recycling in the community, 30 employees from our hotel management units participated in a waste collection and separation volunteering event in 2019 to clean up the Nanchang Kowloon Lake in the PRC.



Our volunteers collecting waste along the Nanchang Kowloon Lake in the PRC.
我們的義工在中國南昌九龍湖收集廢棄物。

廢棄物收集及分類義工活動

為保護環境並教育參與者在社區實行源頭減廢及乾淨回收，我們酒店管理業務單位的30名員工於二零一九年參與了廢棄物收集及分類義工活動，協助清理中國的南昌九龍湖。



Distributing Food to the Homeless

In January 2019, employees in Chicago, the USA participated in the food packaging and distributing event organised by the Greater Chicago Food Depository. The volunteers first visited the food depository to understand its daily operation and then assisted in packing and distributing food to the homeless who are struggling with hunger in Chicago, the USA.

向露宿者派發食物

於二零一九年一月，美國芝加哥的員工參與了大芝加哥地區食品儲備中心(Greater Chicago Food Depository)舉辦的食物包裝及分派活動。義工先到食品儲備中心了解其日常運作，其後協助包裝食物並向美國芝加哥地區受飢餓煎熬的露宿者派發食物。

Environmental, Social and Governance Report

環境、社會及管治報告

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

香港交易及結算所有限公司 《環境、社會及管治指引》內 容索引

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

Environmental, Social and Governance Report

環境、社會及管治報告

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

Environmental, Social and Governance Report

環境、社會及管治報告

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

Environmental, Social and Governance Report

環境、社會及管治報告

General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
B. Social – Employment and Labour Practices		
B. 社會		
Aspect B1: Employment		
層面 B1：僱傭		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：	Walk Along with Employees 與員工同行
KPI B1.1 關鍵績效指標 B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Walk Along with Employees – Talents Acquisition and Retention 與員工同行 — 人才吸納及保留
KPI B1.2 關鍵績效指標 B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	Not reported — The Group is preparing to disclose the related data in the future. 未有披露 — 本集團正在準備在未來披露相關數據。

Environmental, Social and Governance Report

環境、社會及管治報告

General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
Aspect B2: Health and Safety		
層面 B2：健康與安全		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Walk Along with Employees — Taking Care of Employees' Health and Safety 與員工同行 — 重視員工健康與安全
KPI B2.1 關鍵績效指標 B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	Walk Along with Employees — Taking Care of Employees' Health and Safety 與員工同行 — 重視員工健康與安全
KPI B2.2 關鍵績效指標 B2.2	Lost days due to work injury. 因工傷損失工作日數。	Walk Along with Employees — Taking Care of Employees' Health and Safety 與員工同行 — 重視員工健康與安全
KPI B2.3 關鍵績效指標 B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Walk Along with Employees — Taking Care of Employees' Health and Safety 與員工同行 — 重視員工健康與安全
Aspect B3: Development and Training		
層面 B3：發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Walk Along with Employees — Training and Development 與員工同行 — 培訓及發展
KPI B3.1 關鍵績效指標 B3.1	The percentage of employees trained by gender and employee category. 按性別及僱員類別劃分的受訓僱員百分比。	Walk Along with Employees — Training and Development 與員工同行 — 培訓及發展

Environmental, Social and Governance Report

環境、社會及管治報告

General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
KPI B3.2 關鍵績效指標 B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	Walk Along with Employees – Training and Development 與員工同行 — 培訓及發展
Aspect B4: Labour Standards 層面 B4：勞工準則		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Walk Along with Employees – Talents Acquisition and Retention 與員工同行 — 人才吸納及保留
KPI B4.1 關鍵績效指標 B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Walk Along with Employees – Talents Acquisition and Retention 與員工同行 — 人才吸納及保留
KPI B4.2 關鍵績效指標 B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	Walk Along with Employees – Talents Acquisition and Retention 與員工同行 — 人才吸納及保留
Operating Practices 營運慣例		
Aspect B5: Supply Chain Management 層面 B5：供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Responsible Operations – Managing Our Supply Chain 負責任的營運 — 管理我們的供應鏈
KPI B5.1 關鍵績效指標 B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Responsible Operations – Managing Our Supply Chain 負責任的營運 — 管理我們的供應鏈

Environmental, Social and Governance Report

環境、社會及管治報告

General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
KPI B5.2 關鍵績效指標 B5.2	<p>Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.</p> <p>描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。</p>	Responsible Operations — Managing Our Supply Chain 負責任的營運 — 管理我們的供應鏈
Aspect B6: Product Responsibility		
層面 B6：產品責任		
General Disclosure 一般披露	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p> <p>有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	Responsible Operations 負責任的營運
KPI B6.1 關鍵績效指標 B6.1	<p>Percentage of total products sold or shipped subject to recalls for safety and health reasons.</p> <p>已售或已運送產品總數中因安全與健康理由而須回收的百分比。</p>	There were no recalls concerning the provision and use of the Group's products and services that have a significant impact on our operations. 本集團提供的產品及服務並無導致對我們營運具重大影響的回收事件。
KPI B6.2 關鍵績效指標 B6.2	<p>Number of products and service related complaints received and how they are dealt with.</p> <p>接獲關於產品及服務的投訴數目以及應對方法。</p>	Responsible Operations — Improving Quality of Products and Services 負責任的營運 — 提升產品及服務質素

Environmental, Social and Governance Report

環境、社會及管治報告

General Disclosures and KPIs 一般披露及關鍵績效指標	Disclosure 披露內容	Reference 參考
KPI B6.3 關鍵績效指標 B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Responsible Operations 負責任的營運
KPI B6.4 關鍵績效指標 B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	Recall procedures are not material to the Group's operation. 回收程序對本集團之業務不屬重大。
KPI B6.5 關鍵績效指標 B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費資料保障及隱私政策，以及相關執行及監察方法。	Responsible Operations- Improving Quality of Products and Services 負責任的營運 — 提升產品及服務質素
Aspect B7: Anti-corruption		
層面 B7：反貪污		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Sustainability Governance; Responsible Operation 可持續發展的管治；負責任的營運
KPI B7.1 關鍵績效指標 B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	Sustainability Governance 可持續發展的管治
KPI B7.2 關鍵績效指標 B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	Responsible Operations 負責任的營運

Environmental, Social and Governance Report

環境、社會及管治報告

General Disclosures and KPIs	Disclosure	Reference
一般披露及關鍵績效指標	披露內容	參考
Social – Community		
社會 — 社區		
Aspect B8: Community Investment		
層面 B8：社區投資		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Caring for the Community 致力關懷社區
KPI B8.1 關鍵績效指標 B8.1	Focus areas of contribution. 專注貢獻範疇。	Caring for the Community 致力關懷社區
KPI B8.2 關鍵績效指標 B8.2	Resources contributed to the focus area. 在專注範疇所動用資源。	Caring for the Community 致力關懷社區

Independent Auditor's Report 獨立核數師報告



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

OPINION

We have audited the consolidated financial statements of Wanda Hotel Development Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 110 to 265, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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

意見

本核數師(以下簡稱「我們」)已審計列載於第110頁至第265頁萬達酒店發展有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益表、綜合全面收入表、綜合股權變動表和綜合現金流量表以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一九年十二月三十一日的綜合財務狀況，及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為編製。



Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

意見的基礎

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

關鍵審計事項

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

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

Independent Auditor's Report

獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p><i>Fair value of investment properties</i> 投資物業之公允價值</p>	
<p>As at 31 December 2019, the carrying amount of investment properties, which were stated at fair value, was approximately HK\$1,509.2 million. Management engages an external valuer to support its determination of the fair value of the investment properties. The valuation of the investment properties is highly dependent on estimates and assumptions, such as prevailing monthly market rents, prevailing market prices, the reversionary yield, capitalisation rates, occupancy rates and market knowledge. The use of different estimates and assumptions could result in significantly different fair values.</p> <p>The disclosures about investment properties are included in note 2.4 “summary of significant accounting policies”, note 3 “significant accounting judgements and estimates” and note 17 “investment properties” to the consolidated financial statements.</p> <p>於二零一九年十二月三十一日，按公允價值列賬之投資物業賬面值約為1,509,200,000港元。管理層委聘一名外部估值師幫助釐定投資物業之公允價值。投資物業之估值主要取決於各種估計及假設，如現行每月市場租金、現行市場價格、復歸收益率、資本化比率、租用率及市場知識。採用不同的估計及假設可導致公允價值出現重大差異。</p> <p>有關投資物業的披露載於綜合財務報表附註2.4「主要會計政策概要」、附註3「重大會計判斷及估計」以及附註17「投資物業」。</p>	<p>Our audit procedures included, among others, assessing the competence, capabilities and objectivity of the external valuer; reviewing the valuation report and holding discussion with management and the valuer to understand and assess the relevance and appropriateness of the valuation basis, methodology used and underlying assumptions applied; and obtaining and verifying the underlying data including comparable market transactions used by the valuer. We also involved our internal valuation specialists to assist us in evaluating the assumptions and methodologies used and assessing the reasonableness of data used in the valuation report, by comparing the prevailing monthly market rents, prevailing market prices, reversionary yield, capitalisation rates, occupancy rates with comparative cases in active markets.</p> <p>Moreover, we assessed the adequacy of the related disclosures in the consolidated financial statements.</p> <p>我們的審計程序包括(其中包括)評估外部估值師之資歷、能力及客觀性；審閱估值報告並與管理層及估值師討論，以了解及評估估值基準、所採用之方法及所應用之相關假設之相關性及適當性；及取得並核實相關數據(包括估值師所採用之可資比較市場交易)。我們亦委聘內部估值專家協助我們評估所採用之假設及方法，並透過將現行每月市場租金、現行市場價格、復歸收益率、資本化比率及租用率與活躍市場之比較案例進行比較，評估估值報告所採用數據之合理性。</p> <p>此外，我們已評估綜合財務報表中相關披露資料之充足性。</p>



Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

年報所載的其他資料

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

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

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

董事就綜合財務報表須承擔的責任

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

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

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

Independent Auditor's Report

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是根據百慕達一九八一年公司法第90條的規定，僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

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

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

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



Independent Auditor's Report

獨立核數師報告

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

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

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

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

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

Independent Auditor's Report

獨立核數師報告

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

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

Ernst & Young
Certified Public Accountants

Hong Kong

31 March 2020

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

本獨立核數師報告的審計項目合夥人為余仲文。

安永會計師事務所
執業會計師

香港

二零二零年三月三十一日



Consolidated Statement of Profit or Loss

綜合損益表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

	Notes 附註	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
CONTINUING OPERATIONS			
Revenue	5	812,948	812,320
Cost of sales		(274,210)	(167,013)
Gross profit		538,738	645,307
Other revenue	6	13,547	7,508
Other income/(loss), net	6	1,262	(39,556)
Net valuation loss on investment properties	17	(787,975)	(423,327)
Selling expenses		(33,763)	(33,899)
Administrative expenses		(175,587)	(147,899)
Finance costs	8	(152,933)	(99,168)
Loss before tax from continuing operations	7	(596,711)	(91,034)
Income tax credit/(expense)	11	78,643	(301)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(518,068)	(91,335)
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	12	129,444	923,677
(LOSS)/PROFIT FOR THE YEAR		(388,624)	832,342
Attributable to:			
Owners of the parent		(150,387)	766,716
Non-controlling interests		(238,237)	65,626
		(388,624)	832,342
(Loss)/earnings per share attributable to ordinary equity holders of the parent (HK cents)	14		
Basic and diluted			
— For (loss)/profit for the year		(3.2)	16.3
— For (loss)/profit from continuing operations		(5.3)	0.3

Consolidated Statement of Comprehensive Income

綜合全面收入表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

	Notes 附註	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
(Loss)/profit for the year	本年度(虧損)/溢利	(388,624)	832,342
Other comprehensive (loss)/income	其他全面(虧損)/收入		
Other comprehensive loss item to be reclassified to profit or loss in subsequent periods:	其後期間將可重新分類計入損益賬之其他全面虧損：		
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	(45,892)	(241,902)
Reclassification adjustments for a foreign operation disposed of during the year	本年度出售海外業務之重新分類調整	(117,909)	5,130
	32		
Other comprehensive loss for the year, net of tax	本年度其他全面虧損(扣除稅項)	(163,801)	(236,772)
Total comprehensive (loss)/income for the year	本年度全面(虧損)/收入總額	(552,425)	595,570
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	(298,611)	612,187
Non-controlling interests	非控股權益	(253,814)	(16,617)
		(552,425)	595,570

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

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

		Notes 附註	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	99,692	640,214
Freehold land	永久業權土地	16	—	159,119
Investment properties	投資物業	17	1,509,238	3,345,150
Right-of-use assets	使用權資產	18(b)	289,231	—
Prepaid land lease payments	預付土地租賃款項	18(a)	—	16,737
Goodwill	商譽		—	3,079
Deferred tax assets	遞延稅項資產	19	16,157	16,459
Total non-current assets	非流動資產總值		1,914,318	4,180,758
CURRENT ASSETS	流動資產			
Properties under development	在建物業		—	3,113,666
Completed properties held for sale	待售已竣工物業		—	137,898
Trade and bills receivables	貿易應收款項及應收票據	20	220,124	319,721
Prepayments, other receivables and other assets	預付款項、其他應收款項及 其他資產	21	26,848	1,775,316
Contract assets	合約資產	22	14,500	—
Contract incremental costs	合約增量成本		—	54,067
Other current assets	其他流動資產		—	5,707
Restricted bank deposits	受限制銀行存款	23	—	5,002
Cash and cash equivalents	現金及現金等值物	23	2,421,957	2,741,296
			2,683,429	8,152,673
Assets classified as held for sale	分類為持作出售之資產	12	4,995,232	—
Total current assets	流動資產總值		7,678,661	8,152,673
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	24	729,708	4,575,797
Contract liabilities	合約負債	25	35,463	118,218
Receipts in advance	預收款項		20,940	63,974
Loans from financial institutions	金融機構貸款	26	—	46,088
Loans from an intermediate holding company	一間中間控股公司貸款	27	4,187,582	1,445,489
Other borrowings	其他借款		—	12,821
Lease liabilities	租賃負債	18(c)	8,281	—
Tax payable	應付稅項	28	25,022	185,135
			5,006,996	6,447,522
Liabilities directly associated with the assets classified as held for sale	與分類為持作出售之 資產直接相關之負債	12	1,459,703	—
Total current liabilities	流動負債總值		6,466,699	6,447,522
NET CURRENT ASSETS	流動資產淨值		1,211,962	1,705,151
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		3,126,280	5,885,909

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

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

			2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
	Notes 附註			
NON-CURRENT LIABILITIES	非流動負債			
Loans from financial institutions	金融機構貸款	26	—	1,146,769
Loans from an intermediate holding company	一間中間控股公司貸款	27	—	678,321
Other borrowings	其他借款		—	372,771
Contract liabilities	合約負債	25	26,667	—
Lease liabilities	租賃負債	18(c)	286,908	—
Deferred tax liabilities	遞延稅項負債	19	169,395	480,657
Total non-current liabilities	非流動負債總值		482,970	2,678,518
Net assets	資產淨值		2,643,310	3,207,391
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	29	469,735	469,735
Retained earnings	保留溢利		205,279	290,498
Other reserves	其他儲備	30	1,246,465	1,459,857
			1,921,479	2,220,090
Non-controlling interests	非控股權益		721,831	987,301
Total equity	總權益		2,643,310	3,207,391

Ding Benxi
丁本錫
Chairman
主席

Ning Qifeng
寧奇峰
Executive Director
執行董事

Consolidated Statement of Changes in Equity

綜合股權變動表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

		Attributable to owners of the parent 母公司擁有人應佔						(Accumulated losses)/ retained earnings (累計虧損)/ 保留溢利	Total	Non-controlling interests	Total equity
		Share capital	Share premium	Special reserve	Exchange reserve	Statutory reserve	Merger reserve				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	千元	千元	千元	千元	
		(note 29)	(note 30)	(note 30)	(note 30)	(note 30)	(note 30)	(note 30)			
		(附註29)	(附註30)	(附註30)	(附註30)	(附註30)	(附註30)	(附註30)			
As at 1 January 2018	於二零一八年一月一日	469,735	1,935,266	53,544	304,806	107,422	78,053	(474,739)	2,474,087	975,125	3,449,212
Profit for the year	本年度溢利	—	—	—	—	—	—	766,716	766,716	65,626	832,342
Other comprehensive income for the year:	本年度其他全面收入：										
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	—	—	—	(157,606)	—	—	—	(157,606)	(84,296)	(241,902)
Reclassification adjustments for a foreign operation disposed of during the year	本年度出售海外業務之重新分類調整	—	—	—	3,077	—	—	—	3,077	2,053	5,130
Total comprehensive income for the year	本年度全面收入總額	—	—	—	(154,529)	—	—	766,716	612,187	(16,617)	595,570
Consideration for the business combination under common control	共同控制下業務合併之代價	—	—	—	—	—	(878,000)	—	(878,000)	—	(878,000)
Capital contributions from non-controlling shareholders	非控股股東之出資	—	—	—	—	—	—	—	—	10,078	10,078
Acquisition of non-controlling interests	收購非控股權益	—	11,816	—	—	—	—	—	11,816	(19,517)	(7,701)
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	—	—	—	53,961	53,961
Dividends paid to non-controlling shareholders	已付非控股股東股息	—	—	—	—	—	—	—	—	(15,729)	(15,729)
Appropriation to statutory reserve fund	轉撥至法定儲備金	—	—	—	—	1,479	—	(1,479)	—	—	—
As at 31 December 2018	於二零一八年十二月三十一日	469,735	1,947,082*	53,544*	150,277*	108,901*	(799,947)*	290,498	2,220,090	987,301	3,207,391

Consolidated Statement of Changes in Equity

綜合股權變動表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

		Attributable to owners of the parent 母公司擁有人應佔							Non-controlling interests	Total equity	
		Share capital	Share premium	Special reserve	Exchange reserve	Statutory reserve	Merger reserve	Retained earnings	Total		
		股本	股份溢價	特別儲備	匯兌儲備	法定儲備	合併儲備	保留溢利	總計	非控股權益	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	千元	千元	千元	千元	
		(note 29)	(note 30)	(note 30)	(note 30)	(note 30)	(note 30)				
		(附註29)	(附註30)	(附註30)	(附註30)	(附註30)	(附註30)				
As at 1 January 2019	於二零一九年一月一日	469,735	1,947,082	53,544	150,277	108,901	(799,947)	290,498	2,220,090	987,301	3,207,391
Loss for the year	本年度虧損	-	-	-	-	-	-	(150,387)	(150,387)	(238,237)	(388,624)
Other comprehensive loss for the year:	本年度其他全面虧損：										
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	(30,315)	-	-	-	(30,315)	(15,577)	(45,892)
Reclassification adjustments for a foreign operation disposed of during the year	本年度出售海外業務之重新分類調整	-	-	165,265	(283,174)	-	-	-	(117,909)	-	(117,909)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	165,265	(313,489)	-	-	(150,387)	(298,611)	(253,814)	(552,425)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	(68,726)	-	68,726	-	(11,656)	(11,656)
Appropriation to statutory reserve fund	轉撥至法定儲備金	-	-	-	-	3,558	-	(3,558)	-	-	-
As at 31 December 2019	於二零一九年十二月三十一日	469,735	1,947,082*	218,809*	(163,212)*	43,733*	(799,947)*	205,279	1,921,479	721,831	2,643,310

* The consolidated other reserves of \$1,246,465,000 (2018: \$1,459,857,000) in the consolidated statement of financial position comprise these reserve accounts.

* 綜合財務狀況表所列示的綜合其他儲備1,246,465,000元(二零一八年: 1,459,857,000元)由該等儲備賬戶組成。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

	Notes 附註	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Cash flows from operating activities			
經營活動產生之現金流量			
(Loss)/profit before tax			
除稅前(虧損)/溢利			
From continuing operations		(596,711)	(91,034)
來自持續經營業務			
From discontinued operations		166,181	937,480
來自終止經營業務			
Adjustments for:			
按下列各項調整：			
Finance costs	8,12	190,424	145,126
融資成本			
Interest income from financial assets at fair value through profit or loss	6	(7,395)	(4,141)
按公允價值計入損益賬 之金融資產之利息收入			
Bank interest income	6	(6,152)	(3,367)
銀行利息收入			
Depreciation	15	15,437	13,575
折舊			
Depreciation of right-of-use assets/amortisation of prepaid land lease payments	18	20,767	481
使用權資產折舊/ 預付土地租賃款項攤銷			
Impairment of trade receivables and other receivables	20,21	43,596	442
貿易應收款項及 其他應收款項減值			
Impairment of contract assets	22	54	—
合約資產減值			
Gain on disposal of subsidiaries	12,32	(136,793)	(915,696)
出售附屬公司之收益			
Loss on disposal on investment properties		—	3,820
出售投資物業之虧損			
Net valuation loss of investment properties	17	787,975	423,327
投資物業估值虧損淨額			
Loss on disposal of items of property, plant and equipment		—	250
出售物業、廠房及設備項目 之虧損			
Impairment of goodwill		3,079	1,377
商譽減值			
		480,462	511,640
Increase in properties under development		(843,004)	(1,290,850)
在建物業增加			
Decrease in completed properties held for sale		116,532	105,090
持作出售之已竣工物業減少			
Decrease/(increase) in trade receivables and bills receivables		96,999	(148,695)
貿易應收款項及 應收票據減少/(增加)			
Decrease in prepayments, other receivables and other assets		714,605	516,629
預付款項、其他應收款項及 其他資產減少			
Increase in contract incremental cost		—	(11,506)
合約增量成本增加			
Decrease in receipts in advance		(23,873)	(2,429)
預收款項減少			
Decrease in trade payables and other payables		(1,205,221)	(185,261)
貿易應付款項及 其他應付款項減少			
(Decrease)/increase in contract liabilities		(54,727)	123,654
合約負債(減少)/增加			
Cash used in operations		(718,227)	(381,728)
經營活動所用之現金			
Interest portion of the lease payments	18	(9,112)	—
租賃付款之利息部分			
Taxes paid		(90,711)	(104,869)
已付稅項			
Net cash flows used in operating activities		(818,050)	(486,597)
經營活動所用之 現金流量淨額			

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

	Notes 附註	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Net cash flows used in operating activities	經營活動所用之現金流量淨額	(818,050)	(486,597)
Cash flows from investing activities	投資活動產生之現金流量		
Purchase of items of property, plant and equipment	購置物業、廠房及設備項目	(343,508)	(347,235)
Expenditure on investment properties	投資物業支出	—	(20,263)
Bank interest received	已收銀行利息	6,152	3,367
Interest income from financial assets at fair value through profit or loss	按公允價值計入損益賬之金融資產之利息收入	7,395	4,141
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目之所得款項	—	5
Increase in time deposits with original maturity of more than three months when acquired	於購入時原到期日超過三個月之定期存款增加	(223,260)	—
(Increase)/decrease in restricted bank deposits	受限制銀行存款(增加)/減少	(5,458)	197,686
Decrease in other current assets	其他流動資產減少	2,488	—
Acquisition of a subsidiary under common control	收購一間共同控制下之附屬公司	—	(5,000)
Overseas taxes paid on investing activities	投資活動之已付海外稅項	—	(31,957)
Proceeds received on debt from disposal of subsidiaries	出售附屬公司產生之債務之已收所得款項	740,495	4,761,988
Disposal of subsidiaries	出售附屬公司	(8,104)	1,387,444
	32		
Net cash flows from investing activities	投資活動所得之現金流量淨額	176,200	5,950,176
Cash flows from financing activities	融資活動產生之現金流量		
Proceeds from new loans from financial institutions	金融機構新借貸款所得款項	225,760	—
Repayment of loans from financial institutions	償還金融機構貸款	(99,088)	(609,992)
New loans from an intermediate holding company	一間中間控股公司之新貸款	1,034,097	—
Repayment of loans to an intermediate holding company	向一間中間控股公司償還貸款	(905,254)	(4,460,251)
Increase in amount due to an intermediate holding company	應付一間中間控股公司款項增加	—	633,431
Proceeds from other borrowings	其他借款所得款項	9,500	167,494
Repayment of other borrowings	償還其他借款	—	(70,174)
Principal portion of lease payments	租賃付款之本金部分	(14,286)	—
Interest paid	已付利息	(105,777)	(623,000)
Capital injection from non-controlling shareholder	非控股股東注資	—	10,078
Net cash flows from/(used in) financing activities	融資活動所得/(所用)之現金流量淨額	144,952	(4,952,414)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	(496,898)	511,165
Cash and cash equivalents at beginning of year	年初之現金及現金等值物	2,741,296	2,398,099
Cash and cash equivalents included in assets held for sale	計入持作出售資產之現金及現金等值物	(28,489)	—
Effect of foreign exchange rate changes	匯率變動之影響	(17,212)	(167,968)
Cash and cash equivalents at end of year	年終之現金及現金等值物	2,198,697	2,741,296

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

		Notes 附註	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Analysis of balances of cash and cash equivalents	現金及現金等值物結餘分析			
Cash and bank balances	現金及銀行結餘	23	2,198,697	2,742,303
Time deposits	定期存款	23	223,260	3,995
Less: Restricted bank deposits	減：受限制銀行存款	23	—	(5,002)
Cash and cash equivalents as stated in the consolidated statement of financial position	列賬於綜合財務狀況表之現金及現金等值物		2,421,957	2,741,296
Less: time deposits with original maturity of more than three months when acquired	減：於購入時原到期日超過三個月之定期存款		(223,260)	—
Cash and cash equivalents as stated in the consolidated statement of cash flows	列賬於綜合現金流量表之現金及現金等值物		2,198,697	2,741,296

Notes to Financial Statements

財務報表附註

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

1. CORPORATE AND GROUP INFORMATION

Wanda Hotel Development Company Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda.

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

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

Information about principal subsidiaries

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

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Wanda Commercial Properties Investment Limited (note ii)	Hong Kong	\$1	—	51%	Investment holding
萬達商業地產 投資有限公司(附註ii)	香港	1元			投資控股

1. 公司及集團資料

萬達酒店發展有限公司(「本公司」)為於百慕達註冊成立之有限公司。本公司之註冊辦事處位於Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda。

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

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

主要附屬公司資料

本公司主要附屬公司之詳情如下：

Notes to Financial Statements

財務報表附註

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

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

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

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Guilin Gaoxin Wanda Plaza Co., Ltd. (note i) 桂林高新萬達廣場有限公司(附註i)	PRC 中國	US\$180,000,000 180,000,000 美元	—	51%	Property development 物業發展
Wanda Americas Real Estate Investment Co., Ltd. ("Wanda Americas RE") (note ii) 萬達美洲地產投資有限公司 (「萬達美洲地產」)(附註ii)	Hong Kong 香港	\$1 1 元	60%	—	Investment holding 投資控股
Parcel C LLC	USA 美國	US\$300,000,000 300,000,000 美元	—	54%	Property development 物業發展
Wanda Australia Real Estate Investment Co., Ltd. ("Wanda Australia RE") (note ii) 萬達澳洲地產投資有限公司 (「萬達澳洲地產」)(附註ii)	Hong Kong 香港	\$1 1 元	60%	—	Investment holding 投資控股
Wanda Hotel Management (Hong Kong) Co. Limited (note ii) 萬達酒店管理(香港)有限公司 (附註ii)	Hong Kong 香港	US\$1 1 美元	100%	—	Investment holding 投資控股
Wanda Hotel Management (Shanghai) Co., Ltd.* (note i) 萬達酒店管理(上海)有限公司 (附註i)	PRC 中國	US\$10,000,000 10,000,000 美元	—	100%	Hotel management 酒店管理

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司之詳情如下(續)：

Notes to Financial Statements

財務報表附註

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

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

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

1. 公司及集團資料(續)

附屬公司資料(續)

本公司主要附屬公司之詳情如下(續)：

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Horgos Wanda Engineering Construction Management Consulting Company Limited*	PRC	RMB10,000,000	—	100%	Construction consulting
霍爾果斯萬達工程建設管理 諮詢有限公司	中國	人民幣 10,000,000 元			建築顧問
Wanda Moment Shanghai Hotel Management Co., Ltd.*	PRC	RMB10,000,000	—	100%	Hotel operation
上海美鉞華爵萬達酒店管理 有限公司	中國	人民幣 10,000,000 元			酒店營運
Wanda Moment Nanchang Hotel Management Co., Ltd.*	PRC	RMB10,000,000	—	100%	Hotel operation
南昌萬達美華酒店管理有限公司	中國	人民幣 10,000,000 元			酒店營運
Wanda Moment Ningbo Hotel Management Co., Ltd.*	PRC	RMB10,000,000	—	100%	Hotel operation
寧波美鉞華爵萬達酒店管理 有限公司	中國	人民幣 10,000,000 元			酒店營運
Shanghai Wantao Trading Co., Ltd.*	PRC	RMB10,000,000	—	100%	Sale of goods
上海萬淘商貿有限公司	中國	人民幣 10,000,000 元			產品銷售
Xiamen Wandefu Catering Management Co., Ltd.*	PRC	RMB10,000,000	—	100%	Sale of goods
廈門萬德福餐飲管理有限公司	中國	人民幣 10,000,000 元			產品銷售

* For identification purpose only

Notes to Financial Statements

財務報表附註

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

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Notes:

- i These entities are wholly-foreign-owned enterprises established in the PRC.
- ii Except for the statutory financial statements of Wanda Commercial Properties Investment Limited, Wanda Americas RE, Wanda Australia RE and Wanda Hotel Management (Hong Kong) Co. Limited for the year ended 31 December 2019, the statutory financial statements of the subsidiaries of the Group for the year ended 31 December 2019 were not audited by Ernst & Young or another member firm of the Ernst & Young global network.

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

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

1. 公司及集團資料 (續)

附屬公司資料 (續)

附註：

- i 該等實體為於中國成立之外商獨資企業。
- ii 除萬達商業地產投資有限公司、萬達美洲地產、萬達澳洲地產及萬達酒店管理(香港)有限公司於截至二零一九年十二月三十一日止年度之法定財務報表外，本集團之附屬公司於截至二零一九年十二月三十一日止年度並未經安永會計師事務所或安永全球網絡其他成員公司審計。

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

2. 編製基準及會計政策

2.1 編製基準

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

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Hong Kong dollars (“\$”) and all values are rounded to the nearest thousand (“\$’000”) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

2. 編製基準及會計政策(續)

2.1 編製基準(續)

除按公允價值計量之投資物業外，財務報表已根據歷史成本法編製。誠如附註2.4進一步說明，持作出售之出售組別乃按彼等賬面值及公允價值減出售成本兩者之較低者呈列。該等財務報表以港元(「元」)呈列，除另有註明外，所有價值均調整至最接近之千元(「千元」)。

綜合基準

截至二零一九年十二月三十一日止年度，綜合財務報表包括本公司及其附屬公司之財務報表。附屬公司為本公司所直接或間接控制的實體(包括結構性實體)。當本集團就參與被投資公司所產生浮動回報而承受風險或享有權利，且有能力透過對其行使權力(即讓本集團現時能夠支配被投資公司相關活動的現有權利)而影響有關回報時，則本集團已控制該被投資公司。

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

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

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

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

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

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

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

2. 編製基準及會計政策 (續)

2.1 編製基準 (續)

綜合基準 (續)

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

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

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

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

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures

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

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
HKFRS 16	<i>Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements to HKFRSs 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

2. 編製基準及會計政策 (續)

2.2 會計政策及披露之變動

本集團已於本年度財務報表首次採納下列經修訂香港財務報告準則：

香港財務報告準則第9號 (修訂本)	具有負補償之預付款項特性
香港財務報告準則第16號	租賃
香港會計準則第19號 (修訂本)	計劃修訂、縮減或結清
香港會計準則第28號 (修訂本)	於聯營公司及合營企業之長期權益
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理之不確定性
香港財務報告準則二零一五年至二零一七年循環之年度改進	香港財務報告準則第3號、第11號、香港會計準則第12號及香港會計準則第23號之修訂

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

Except for the amendments to HKFRS 9 and HKAS 19, amendments to HKAS 28, and *Annual Improvements to HKFRSs 2015-2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRS is described below:

- (a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases - Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. HKFRS16 did not have any significant impact on lease where the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively and the comparative information for 2018 was not restated and continues to be reported under HKAS 17 and related interpretations.

2. 編製基準及會計政策 (續)

2.2 會計政策及披露之變動 (續)

除了與編製本集團財務報表無關之香港財務報告準則第9號(修訂本)、香港會計準則第19號(修訂本)、香港會計準則第28號(修訂本)及香港財務報告準則二零一五年至二零一七年循環之年度改進外，該等新訂及經修訂香港財務報告準則之性質及影響說明如下：

- (a) 香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會) — 詮釋第4號釐定安排是否包括租賃、香港(準則詮釋委員會) — 詮釋第15號經營租賃 — 優惠及香港(準則詮釋委員會) — 詮釋第27號評估涉及租賃法律形式交易之內容。該準則載列確認、計量、呈列及披露租賃之原則，並要求承租人以單一資產負債表模式將全部租賃入賬以確認及計量使用權資產及租賃負債，惟若干確認豁免除外。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人繼續使用與香港會計準則第17號類似的原則，將租賃分類為經營或融資租賃。當本集團為出租人時，香港財務報告準則第16號對租賃並無任何重大影響。

本集團已使用經修訂追溯法採納香港財務報告準則第16號，首次應用日期為二零一九年一月一日。根據該方法，本集團已追溯應用該準則，而二零一八年之比較資料未予重列，繼續根據香港會計準則第17號及相關詮釋呈報。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

(a) (continued)

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

2. 編製基準及會計政策(續)

2.2 會計政策及披露之變動(續)

(a) (續)

租賃之新定義

根據香港財務報告準則第16號，倘合約為換取代價而轉移在一段時間內已識別資產使用之控制權，則該合約為租賃或包含租賃。倘客戶有權從使用已識別資產獲得絕大部分經濟利益並有權指示已識別資產之使用，則控制權已轉移。本集團選擇使用過渡性實際權宜處理方法，於首次應用日期僅將該準則應用於先前已根據香港會計準則第17號及香港（國際財務報告詮釋委員會）－詮釋第4號識別為租賃之合約。根據香港會計準則第17號及香港（國際財務報告詮釋委員會）－詮釋第4號未獲識別為租賃之合約不予重新評估。因此，香港財務報告準則第16號項下之租賃定義僅適用於在二零一九年一月一日或之後訂立或變更之合約。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

(a) (continued)

As a lessee - Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of office, hotel buildings and warehouses. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

2. 編製基準及會計政策 (續)

2.2 會計政策及披露之變動 (續)

(a) (續)

作為承租人 — 先前分類為經營租賃之租賃

採納香港財務報告準則第16號之影響性質

本集團擁有多個辦公室、酒店樓宇及倉庫項目之租賃合約。作為承租人，本集團先前根據對租賃是否將資產所有權之絕大部分回報及風險轉移至本集團之評估，將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團採用單一方法就所有租賃確認並計量使用權資產及租賃負債，惟低價值資產租賃（按個別租賃情況選擇）及租期為12個月或以下之租賃（「短期租賃」）（按相關資產類別選擇）之兩項選擇性豁免除外。本集團確認使用權資產之折舊（及減值（如有））以及未償還租賃負債產生之利息（作為融資成本），而並非於二零一九年一月一日開始之租期內按直線法於經營租賃項下確認租金開支。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

(a) (continued)

As a lessee - Leases previously classified as operating leases (continued)

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and presented separately in the statement of financial position. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease

2. 編製基準及會計政策(續)

2.2 會計政策及披露之變動(續)

(a) (續)

作為承租人 — 先前分類為經營租賃之租賃(續)

過渡影響

於二零一九年一月一日之租賃負債按剩餘租賃付款之現值確認(使用二零一九年一月一日之增量借貸利率折現)，並於財務狀況表分開呈列。使用權資產按租賃負債金額計量，並以與緊接二零一九年一月一日前於財務狀況表確認之租賃相關之任何預付或應計租賃付款金額予以調整。

所有該等資產於該日均根據香港會計準則第36號就任何減值作出評估。本集團選擇於財務狀況表中單獨呈列使用權資產。

於二零一九年一月一日應用香港財務報告準則第16號時，本集團使用以下選擇性實際權宜處理方法：

- 對租期自首次應用日期起12個月內終止之租賃應用短期租賃豁免
- 倘合約包含延期/終止租賃之選擇權，則使用事後方式釐定租期

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

(a) (continued)

The impact arising from the adoption of HKFRS 16 at 1 January 2019 was as follows:

2. 編製基準及會計政策 (續)

2.2 會計政策及披露之變動 (續)

(a) (續)

於二零一九年一月一日採納香港財務報告準則第16號所產生之影響如下：

		Increase/ (decrease) 增加/ (減少) \$'000 千元
Assets	資產	
Increase in right-of-use assets	使用權資產增加	27,352
Decrease in prepaid land lease payments	預付土地租賃款項減少	(16,737)
Decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少	(98)
Increase in total assets	總資產增加	10,517
Liabilities	負債	
Increase in lease liabilities	租賃負債增加	10,517
Increase in total liabilities	總負債增加	10,517

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2. 編製基準及會計政策 (續)

2.2 Changes in accounting policies and disclosures (Continued)

2.2 會計政策及披露之變動 (續)

(a) (continued)

(a) (續)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

於二零一九年一月一日之租賃負債與二零一八年十二月三十一日之經營租賃承擔之對賬如下：

		\$'000 千元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日之經營租賃承擔	23,469
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	減：與短期租賃及剩餘租期於二零一九年十二月三十一日或之前屆滿之租賃相關之承擔	(18,172)
Add: Payments for optional extension periods not recognised as at 31 December 2018	加：於二零一八年十二月三十一日尚未確認之可選擇延長期限付款	5,745
		11,042
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日之加權平均增量借貸利率	4.99%
Lease liabilities as at 1 January 2019	於二零一九年一月一日之租賃負債	10,517

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

- (b) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group’s tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

2. 編製基準及會計政策(續)

2.2 會計政策及披露之變動(續)

- (b) 香港(國際財務報告詮釋委員會) — 詮釋第23號針對涉及可影響應用香港會計準則第12號之不確定因素(常稱為「不確定稅務狀況」)之所得稅(即期及遞延)會計處理。該詮釋不適用於香港會計準則第12號範圍以外之稅項或徵費，亦未明確包括與不確定稅項處理相關之利息及罰款規定。該詮釋具體針對(i)實體是否分開考慮不確定之稅務處理；(ii)實體就稅務機關對稅務處理之審查所作之假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況之變動。於採納該詮釋後，本集團已考慮其有否因集團公司間銷售轉讓定價而產生之任何不確定稅務狀況。根據本集團之稅務合規情況及轉讓定價研究，本集團認為其轉讓定價政策將很大機會獲稅務機關接受。因此，該詮釋對本集團之財務狀況或表現並無任何影響。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

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

Amendments to HKFRS 3	<i>Definition of a Business</i> ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
HKFRS 17	<i>Insurance Contracts</i> ²
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ¹

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

2. 編製基準及會計政策 (續)

2.3 已頒佈但尚未生效之香港財務報告準則

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

香港財務報告準則第3號(修訂本)	<i>業務之定義</i> ¹
香港財務報告準則第9號(修訂本)、香港會計準則第39號(修訂本)及香港財務報告準則第7號(修訂本)	<i>利率基準改革</i> ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)	<i>投資者與其聯營公司或合營企業之間的資產出售或注資</i> ³
香港財務報告準則第17號	<i>保險合約</i> ²
香港會計準則第1號及香港會計準則第8號(修訂本)	<i>重大之定義</i> ¹

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

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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

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

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

2. 編製基準及會計政策 (續)

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

預期將適用於本集團的該等香港財務報告準則的進一步資料如下：

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

Notes to Financial Statements

財務報表附註

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

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

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

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

2. 編製基準及會計政策 *(續)*

2.3 已頒佈但尚未生效之香港財務報告準則 *(續)*

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



Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies

Fair value measurement

The Group measures its investment properties at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要

公允價值計量

本集團於各報告期末對其投資物業按公允價值進行計量。公允價值乃於計量日期市場參與者於有秩序交易中出售一項資產將收取或轉讓一項負債將支付的價格。公允價值計量假設出售資產或轉讓負債的交易於該資產或負債的主要市場，或在無主要市場的情況下，於對該資產或負債最有利的市場進行。本集團必須可於該主要市場或最有利市場進行交易。資產或負債的公允價值乃採用市場參與者為資產或負債定價時所用的假設計量，即假設市場參與者按其最佳經濟利益行事。

非金融資產公允價值之計量則參考市場參與者可從使用該資產得到之最高及最佳效用，或把該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者所產生之經濟效益。

本集團採納合乎時宜且具備充分數據以供計量公允價值的估值方法，盡量使用相關可觀察輸入參數及盡量減少使用不可觀察輸入參數。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | | |
|---------|---|---|
| Level 1 | — | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | — | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | — | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

公允價值計量(續)

所有公允價值於本財務報表計量或披露的資產及負債乃基於對公允價值計量整體而言屬重大的最低層輸入參數按以下公允價值等級分類：

- | | | |
|-----|---|---------------------------------------|
| 第一級 | — | 基於相同資產或負債於活躍市場的報價(未經調整) |
| 第二級 | — | 基於對公允價值計量而言屬重大的可觀察(直接或間接)最低層輸入參數的估值方法 |
| 第三級 | — | 基於對公允價值計量而言屬重大的不可觀察最低層輸入參數的估值方法 |

就按經常性基準於本財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大的最低層輸入參數)確定是否發生不同等級轉移。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, completed properties held for sale, properties under development, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

非金融資產減值

倘存在減值跡象，或須每年對資產(存貨、遞延稅項資產、金融資產、已竣工持作出售物業、開發中物業、投資物業及非流動資產／分類為持作出售的出售組別除外)作減值測試時，資產的可收回金額會予以估計。資產的可收回金額乃資產或現金產生單位的使用價值，以及其公允價值減出售成本較高者，並就個別資產進行釐定，除非資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額按資產所屬的現金產生單位予以釐定。

減值虧損僅於資產的賬面金額超過其可收回金額時確認。在評估使用價值時，估計日後現金流量按能反映當時市場對貨幣時值及該項資產特定風險之評估的除稅前貼現率折算成現值。減值虧損計入其產生期間的損益表內與已減值資產功能一致之開支類別中，除非該資產乃以重估價值列示，在這種情況下，減值虧損將根據相關的重估資產會計政策處理。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Impairment of non-financial assets (Continued)

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

非金融資產減值(續)

於各報告期末，將評估是否有跡象顯示之前確認的減值虧損或已不存在或可能已減少。倘存在該等跡象，可收回金額會予以估計。倘用以釐定資產的可收回金額的估計出現變動時，先前確認的資產(商譽除外)減值虧損方可撥回，惟該數額不得超過有關資產於過往年度並未有確認減值虧損而予以釐定的賬面金額(扣除任何折舊／攤銷)。該減值虧損的撥回於產生期間計入損益表，除非該資產乃以重估價值列示，在這種情況下，減值虧損的回撥將根據相關的重估資產會計政策處理。

關連人士

一方將被視為與本集團有關聯，條件為：

- (a) 該方為某一人士或該人士家屬及該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本集團或本集團母公司之主要管理人員；

或

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

關連人士 (續)

- (b) 倘該方為符合以下任何條件的實體：
- (i) 該實體及本集團為同一集團成員；
 - (ii) 一個實體為另一個實體之聯營公司或合營企業（或另一個實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 實體及本集團為同一第三方之合營企業；
 - (iv) 一個實體為第三方實體之合營企業，而另一個實體為第三方實體之聯營公司；
 - (v) 實體為本集團或與本集團有關聯之實體為其僱員福利而設立之退休福利計劃；
 - (vi) 實體受(a)項所述之人士控制或共同控制；
 - (vii) (a)(i)項所述之人士對實體擁有重大影響力或為實體（或其母公司）之主要管理人員；及
 - (viii) 向本集團或本集團之母公司提供主要管理人員服務之實體或所屬集團之任何成員公司。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊

除在建工程以外，物業、廠房及設備按成本減累計折舊及任何減值虧損呈列。倘一項物業、廠房及設備分類為待售資產或倘其作為分類為待售資產出售組別之一部分，則該物業、廠房及設備將不計提折舊，惟會根據香港財務報告準則第5號入賬（進一步說明見有關「非流動資產及待售出售組別」之會計政策）。物業、廠房及設備項目之成本包括其購買價，及促使有關資產達致其營運狀況及地點作擬定用途所產生之任何直接應佔成本。

物業、廠房及設備項目投產後所產生之支出，例如維修及保養，通常於產生支出期間計入損益表。在符合確認準則的情況下，主要檢查的支出會作為重置，於資產賬面金額中資本化。倘物業、廠房及設備的主要部分須不時重置，則本集團會將有關部分確認為個別資產，具有指明的可使用年期及據此折舊。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies

(Continued)

Property, plant and equipment and depreciation

(Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated residual values and useful lives for this purpose are as follows:

		Useful lives 可使用年期	Residual values 殘值
Freehold land	永久業權土地	Not depreciated 並無折舊	Not depreciated 並無折舊
Buildings	樓宇	30 years 30年	5%
Leasehold improvements	租賃物業裝修	Over the shorter of the lease terms and 5 years 租期及5年之較短者	Nil 無
Furniture, fixtures and equipment	傢俬、裝置及設備	3-5 years 3-5年	0-10%
Motor vehicles	汽車	5 years 5年	0-10%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

折舊乃按其估計可使用年期以直線法撇銷各物業、廠房及設備項目之成本至其殘值計算。為此而採用之估計殘值及可使用年期如下：

倘物業、廠房及設備項目之各部分有不同可使用年期，則有關項目之成本將按各部分之合理基礎分配，而每部分將作個別折舊。殘值、可使用年期及折舊法至少須於各財政年度年結日予以檢討，並作調整（如適用）。

物業、廠房及設備項目（包括初始確認的任何重大部分）於出售或預期不會從其使用或出售獲取未來經濟利益時終止確認。於終止確認資產之年度在損益表確認之任何出售或報廢損益，為有關資產出售所得款項淨額與賬面金額之差額。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Property, plant and equipment and depreciation (Continued)

Construction in progress represents renovation works in progress and is stated at cost less any impairment losses, and is not depreciated. Cost mainly comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

在建工程指進行中的裝修工程，按成本減任何減值虧損呈列且不計提折舊。成本主要包括建築期內的直接建設成本及資本化的相關借款的借款成本。在建工程竣工且可供使用時，將重新分類至物業、廠房及設備的恰當類別。

投資物業

投資物業為持作賺取租金收入及／或資本增值(而非用於生產或供應貨品或服務或行政目的)，或在日常業務過程中出售之土地及樓宇之權益。該等物業初始以成本(包括交易成本)計量。初始確認後，投資物業按公允價值呈列，反映報告期末的市況。

投資物業公允價值之變動所產生之盈利或虧損，計入所產生年度之損益表。

報廢或出售投資物業之任何損益均於報廢或出售年度之損益表中予以確認。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

非流動資產及待售出售組別

倘非流動資產及出售組別之賬面值主要透過一項出售交易而非透過持續使用之方式收回，則非流動資產及出售組別分類為待售資產。就此而言，有關資產或出售組別須可即時以其現狀出售，惟須符合出售該等資產或出售組別常用及慣用之條款；且須非常可能出售有關資產或出售組別。一間附屬公司分類為出售組別之所有資產及負債乃重新分類為待售資產，不論本集團是否於出售後保留其前附屬公司之非控股權益。

分類為待售之非流動資產及出售組別(投資物業及金融資產除外)乃按其賬面值及公允價值減出售成本的較低者計量。分類為待售之物業、廠房及設備以及無形資產不計提折舊或進行攤銷。

租賃(自二零一九年一月一日起適用)

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用之權利，則該合約為租賃或包含租賃。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office	2 to 6 years
Hotel buildings	15 to 20 years
Warehouses	1 to 2 years

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人

本集團就所有租賃應用一項單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產之權利。

於包含租賃部分及非租賃部分之合約開始或獲重新評估時，本集團採納實際權宜法，不將非租賃部分分開，而將租賃部分及相關非租賃部分(如物業租賃之物業管理服務)入賬為一個獨立租賃部分。

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債款額、已產生初始直接成本及於開始日期或之前作出之租賃付款減任何已收取租賃獎勵。使用權資產於其租賃期及估計可使用年期按直線法折舊如下：

辦公室	2至6年
酒店樓宇	15至20年
倉庫	1至2年

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債乃於租賃開始日期按於租賃期內將予作出之租賃付款之現值確認。租賃付款包括固定付款(包括實質固定付款)減所收取之任何應收租賃優惠、取決於指數或利率之可變租賃付款，以及預期根據剩餘價值擔保將予支付的金額。租賃付款亦包括合理確定將予行使購買選擇權之行使價，及倘租賃期反映本集團行使終止選擇權，則包括就終止租賃支付之罰款。並非取決於指數或利率的可變租賃付款將於觸發付款之事件或條件發生之期間確認為開支。

於計算租賃付款之現值時，由於租賃所隱含之利率不易釐定，故本集團使用其於租賃開始日期之增量借貸利率。於開始日期後，租賃負債金額增加，以反映利息增加及已作出租賃付款減少。此外，如有修改、租賃期變動、固定租賃付款變動(如因指數或利率變動而導致未來租賃付款變動)或購買相關資產之選擇權之評估變動，則租賃負債之賬面值將重新計量。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee (Continued)

(b) (Continued)

The Group's lease liabilities are presented separately from other liabilities in the statement of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of offices and warehouses (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and plant that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為承租人(續)

(b) (續)

本集團之租賃負債於財務狀況表中與其他負債分開呈列。

(c) 短期租賃及低價值資產租賃

本集團對其辦公室及倉庫之短期租賃(即該等於開始日期之租賃期為12個月或以下且不包含購買權之租賃)應用短期租賃確認豁免。其亦對視作低價值之辦公設備租賃應用低價值資產租賃確認豁免。

短期租賃及低價值資產租賃之租賃款項於租賃期內按直線法確認為開支。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)(續)

本集團作為出租人

本集團並無將實質上轉移資產所有權隨附之所有風險及回報之租賃分類為經營租賃。倘合約包括租賃及非租賃部分，本集團根據相對獨立之售價基準將合約代價分配予各部分。租金收入根據其經營性質於租賃期內按直線法入賬並計入損益表之收益。協商及安排經營租賃時發生之初始直接費用計入租賃資產之賬面值，並按與租金收入相同之基準於租賃期內確認為租金費用。或然租金乃於所賺取期間確認為收益。

資產擁有權之絕大部分回報與風險仍歸於出租人之租賃入賬列作經營租賃。倘本集團為出租人，本集團根據經營租賃所出租之資產乃計入非流動資產，且經營租賃之應收租金乃於租期內以直線法計入損益表。倘本集團為承租人，經營租賃之應付租金乃於租期內以直線法於損益表扣除。

經營租賃項下之預付土地租賃款項首次按成本列賬，其後於租期內按直線法確認。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為其後按攤銷成本、按公允價值計入其他全面收益及按公允價值計入損益計量。

於初始確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用不調整重大融資成分影響之可行權宜方法的貿易應收款項外，本集團初始按公允價值加上（倘金融資產並非按公允價值計入損益）交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項根據下文「收益確認」所載之政策按香港財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公允價值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息（「SPPI」）的現金流量。現金流量之並非SPPI之金融資產分類為按公允價值計入損益計量，而不論業務模式。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

初始確認及計量 (續)

本集團管理金融資產的業務模式指其如何管理金融資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量之金融資產乃於以持有金融資產以收取合約現金流量為目的之業務模式中持有，而按公允價值計入其他全面收益分類及計量之金融資產則於以持有以收取合約現金流量及銷售為目的之業務模式中持有。不在上述業務模式中持有之金融資產乃按公允價值計入損益分類及計量。

所有以常規方式買賣的金融資產均於交易日期（即本集團承諾買賣該資產當日）予以確認。常規方式買賣指規定須於一般市場規例或慣例確立之期間內交付資產的金融資產買賣。

後續計量

金融資產的後續計量取決於其以下分類：

按攤銷成本計量之金融資產（債務工具）

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表中確認。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

終止確認金融資產

金融資產(或倘適用，作為金融資產或類似金融資產組別之一部分)主要在下列情況終止確認(即自本集團的綜合財務狀況表摒除)：

- 從資產收取現金流量之權利已屆滿；或
- 本集團已轉讓其從資產收取現金流量之權利，或已根據「轉付」安排承擔責任，在沒有重大延誤的情況下，將已收取現金流量悉數付予第三方；及(a)本集團已轉讓資產之絕大部分風險及回報，或(b)本集團並無轉讓或保留資產之絕大部分風險及回報，但已轉讓資產之控制權。

倘本集團已轉讓從資產收取現金流量之權利或已經訂立轉付安排，其對於是否保留與該資產所有權相關的風險和回報以及保留程度作出評估。倘其未轉讓或保留資產之絕大部分風險及回報亦未轉讓資產之控制權，本集團繼續按本集團之持續參與確認轉讓之資產。在該情況下，本集團亦確認相關負債。轉讓的資產及相關負債按反映本集團保留的權利和責任的基準計量。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Derecognition of financial assets (Continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

終止確認金融資產 (續)

以經轉讓資產擔保方式的持續參與按資產原始賬面金額與本集團可能被要求償還代價的最高金額之間的較低者計量。

金融資產減值

本集團就並非按公允價值計入損益持有的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原始實際利率的概約利率折現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級措施所得的現金流量。

一般方法

預期信貸虧損分兩個階段確認。就首次確認以來信貸風險並無大幅增加的信貸風險而言，會為未來十二個月可能發生的違約事件所產生的信貸虧損(十二個月預期信貸虧損)計提預期信貸減值撥備。就首次確認以來信貸風險大幅增加的信貸風險而言，不論何時發生違約，於餘下風險年內產生的預期信貸虧損均須計提減值撥備(存續預期信貸虧損)。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般方法 (續)

於各報告日期，本集團評估金融工具的信貸風險自初始確認以來是否大幅增加。在進行評估時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初始確認日期出現違約的風險，並考慮合理及有理據且毋須花費不必要成本或精力即可獲得的資料，包括歷史及前瞻性資料。

倘合約付款逾期90日，則本集團認為金融資產屬已違約。然而，在若干情況下，當內部或外部資料指出在計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收回未償還合約金額，則本集團亦可認為金融資產將屬違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

金融資產減值(續)

一般方法(續)

按公允價值計入其他全面收益的債務工具以及按攤銷成本計量的金融資產根據一般方法進行減值，並根據以下用作計量預期信貸虧損的階段進行分類，惟應用下文詳述的簡化方法的貿易應收款項和及合約資產除外。

第一階段 — 信貸風險自初始確認以來並無大幅增加及按相等於十二個月預期信貸虧損的金額計量減值撥備的金融工具

第二階段 — 信貸風險自初始確認以來大幅增加但並非信貸減值金融資產及按相等於存續預期信貸虧損的金額計量減值撥備的金融工具

第三階段 — 於報告日期信貸減值(但並非購買或原始信貸減值)及按相等於存續預期信貸虧損的金額計量減值撥備的金融資產

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Impairment of financial assets (Continued)

Simplified approach

For trade and bills receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities, interest-bearing loans and borrowings.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

金融資產減值 (續)

簡化方法

就並無重大融資成分或本集團已應用不調整重大融資成分影響之可行權宜方法的貿易應收款項及應收票據及合約資產而言，本集團採用簡化方法計算預期信貸虧損。根據簡化方法，本集團並無追蹤信貸風險變動，反而於各報告日期根據存續預期信貸虧損確認減值撥備。本集團已根據其以往信貸虧損經驗設立撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

就租賃應收款項而言，本集團選擇採納簡化方法作為其會計處理方法，以上述政策計算預期信貸虧損。

金融負債

初始確認及計量

金融負債初始確認時分類為按公允價值計入損益賬之金融負債、貸款及借款或應付款項 (如適用)。

初始確認時，所有金融負債均按公允價值確認，如屬貸款及借款以及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、租賃負債、計息貸款及借款。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Financial liabilities (Continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

金融負債(續)

後續計量

金融負債的後續計量視乎其如下分類：

按攤銷成本列賬之金融資產(貸款及借款)

初始確認後，計息貸款及借款其後以實際利率法按攤銷成本計量，惟倘貼現之影響並不重大，則按成本呈列。倘負債終止確認，則損益將透過實際利率法攤銷過程於損益表中確認。

計算攤銷成本須計及收購時之任何折讓或溢價，且包括構成實際利率整體部分的費用或成本。實際利率攤銷計入損益表內的融資成本。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Financial liabilities (Continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in “Impairment of financial assets”; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

金融負債 (續)

財務擔保合約

本集團作出的財務擔保合約即要求發行人作出特定付款以償付持有人因特定債務人未能根據債務工具的條款償還到期款項而招致損失的合約。財務擔保合約初步按其公允價值確認為一項負債，並就作出該擔保直接產生的交易成本作出調整。於初始確認後，本集團按(i)根據「金融資產減值」所載之政策釐定的預期信貸虧損撥備；及(ii)初始確認的金額減(如適用)累計已確認收入金額(以較高者為準)計量財務擔保合約。

終止確認金融負債

倘負債項下的責任已解除或取消或屆滿，則終止確認金融負債。

當現有金融負債被同一貸款人以明顯不同的條款提供之另一金融負債取代，或現有負債之條款經大幅修訂，則相關交換或修訂被視為終止確認原始負債及確認新負債，且各賬面金額之差額在損益表中確認。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period. The net realisable value of properties under development is determined by establishing the market values of the properties on an “as-if” completed basis with appropriate deduction on construction costs, professional fees and interests to be incurred from the valuation date to completion as well as a reasonable profit margin.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

金融工具的抵銷

倘目前有可行使的合法權利對確認的金額予以抵銷，且有意按淨額基準結算或同時變現資產和結算負債，則金融資產和金融負債會互相抵銷，而淨額會在財務狀況表中呈報。

在建物業

在建物業乃按成本及可變現淨值兩者之較低者呈列，包括土地成本、建設成本、借貸成本、專業費用及該等物業在開發階段直接產生的其他成本。在建物業的可變現淨值透過按視作竣工基準確定物業市值釐定，並扣除適當建設成本、專業費用及估值日至竣工期間之利息以及合理利潤率。

在建物業被劃分為流動資產，除非預計相關物業開發項目的建築時間超過正常的營運週期。竣工後，該等物業被轉為持作出售之已竣工物業。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. The net realisable value is determined by reference to the sales proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management's estimates based on the prevailing market conditions, on an individual property basis.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

待售已竣工物業

待售已竣工物業乃按成本及可變現淨值兩者之較低者呈列。成本按未出售物業應佔的土地及樓宇總成本的分攤比例釐定。可變現淨值乃參考於一般業務過程中已售物業之銷售所得款項減適用浮動銷售開支釐定，或由管理層按個別物業基準根據當前市況估計。

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括庫存現金及活期存款，以及可隨時轉換為已知數額現金、價值變動風險極微及一般於購入後三個月內到期之短期高流動性投資，減去於要求時償還且構成本集團現金管理一部分之銀行透支。

就綜合財務狀況表而言，現金及現金等值物包括並未限制用途的庫存現金及銀行現金(包括定期存款及性質與現金類似的資產)。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

撥備

倘因過往事件導致現有責任(法律或推定)及日後可能需要有資源流出以履行責任，則確認撥備，但必須能可靠估計有關責任金額。

倘貼現之影響屬重大，則確認之撥備金額為預期用作履行責任之未來支出於報告期末之現值。因時間流逝導致所貼現值金額的增加將計入損益表的融資成本中。

所得稅

所得稅包括即期及遞延稅項。與並非於損益賬確認之項目有關之所得稅會於並非損益賬之其他全面收入或直接於權益中確認。

本期及過往期間之即期稅項資產及負債以預期可予收回或支付予稅務機關之金額計算，計算之基準為於報告期末前已生效或實質上已生效之稅率(及稅法)，亦考慮本集團經營所在國家現行之詮釋及慣例。

遞延稅項使用負債法就報告期末資產及負債之稅基與其作財務申報用途之賬面值之間產生之一切暫時性差異作出撥備。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項負債乃就所有應課稅暫時性差異予以確認，惟以下情況除外：

- 於進行某項不屬於業務合併之交易時因商譽或初步確認資產或負債且無對會計溢利或應課稅溢利或虧損構成影響而產生之遞延稅項負債；及
- 就與於附屬公司及合營企業之投資相關之應課稅暫時性差異而言，惟倘撥回暫時性差異之時間可予控制，且暫時性差異可能不會於可見將來撥回則作別論。

遞延稅項資產按所有可抵扣暫時性差異以及未動用稅項抵免及任何未動用稅項虧損之結轉確認。遞延稅項資產於應課稅溢利將用作抵銷可扣減暫時性差異、可動用之未動用稅項抵免及未動用稅項虧損之結轉時確認，惟以下情況除外：

- 於進行某項交易時因初步確認非業務合併之交易之資產或負債且無對會計溢利或應課稅溢利或虧損構成影響而產生之可扣減暫時性差異有關之遞延稅項資產；及

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Income tax (Continued)

- in respect of deductible temporary differences associated with investments in subsidiaries and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

所得稅 (續)

- 就與於附屬公司及合營企業之投資相關的可扣減暫時性差異而言，遞延稅項資產僅在暫時性差異可能於可見將來撥回，及應課稅溢利可予動用抵銷暫時性差異時始予以確認。

遞延稅項資產之賬面值於各報告期末進行審核，並於不再可能有足夠應課稅溢利以動用全部或部分遞延稅項資產時予以確扣減。未確認之遞延稅項資產則於各報告期末進行重估，並於將可能有足夠應課稅溢利以動用全部或部分將收回之遞延稅項資產時確認。

遞延稅項資產及負債，乃根據於各報告期末已生效或實質上已生效之稅率（及稅法），按預期適用於變現資產或償還負債期間之稅率計算。

倘及僅當本集團有可依法強制執行之權利可將當期稅項資產與當期稅項負債相互抵銷及遞延稅項資產與遞延稅項負債與由同一稅務機關對同一應課稅實體或不同的應課稅實體所徵收的所得稅有關，而該等實體有意在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準清償當期稅項負債及資產，或同時變現該資產及清償該負債，則遞延稅項資產可與遞延稅項負債互相抵銷。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

收益確認

來自客戶合約的收益

來自客戶合約的收益於貨品或服務控制權轉移至客戶時按能反映本集團預期就轉移該等貨品或服務而有權獲得之代價金額確認。

當合約代價包含可變金額時，代價金額則按本集團有權就向客戶轉移貨品或服務交換的代價金額估計。可變代價在合約開始時估計並受約束，直至當與可變代價相關的不確定性隨後獲解決時已確認累計收益金額將很大可能不會發生重大收益撥回。

當合約包含就向客戶轉移貨品或服務為客戶提供超過一年重大融資利益的融資成分時，收益按應收款項的現值計量，並按本集團與客戶於合約開始時之獨立融資交易中反映的折現率進行折現。當合約包含為本集團提供超過一年重大財務利益的融資成分時，根據合約確認的收益包括按實際利率法計算的合約負債所產生的利息支出。就客戶付款與轉移承諾貨品或服務之間的期限為一年或以下的合約而言，根據香港財務報告準則第15號可行權宜方法，交易價格不會就重大融資成分的影響進行調整。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of properties

Revenue from the sale of properties is recognised at the point in time when risks and rewards of ownership of the property is transferred to the purchasers, generally on the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

(b) Hotel management services, hotel design and construction management services

Revenue is recognized in the accounting period in which the services are rendered because the customer simultaneously receives and consumes the benefits provided by the Groups .

(c) Hotel operation income

Revenue from room sales and other ancillary guest services are recognised on a daily basis, and revenue from sales of goods is recognised at the point in time when risks and rewards of the ownership of the goods are transferred to customers.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

收益確認 (續)

來自客戶合約的收益 (續)

(a) 物業銷售

來自銷售物業之收益於物業擁有權之風險及回報轉移至買方時確認，一般為客戶取得已竣工物業之實際擁有權或法定所有權，而本集團目前享有獲得付款之權利且極有可能收回代價之時間。

(b) 酒店管理服務、酒店設計及建設管理服務

收益於提供服務之會計期間確認，原因為客戶同時獲得並享用本集團提供之得益。

(c) 酒店營運收入

客房銷售及其他配套賓客服務之收入每日確認，而來自商品銷售之收益則於商品之擁有權之風險及回報已轉至客戶時確認。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(d) Loyalty program management service fee

Revenue from the loyalty program management service fee is generated from the services provided in relation to the loyalty program. The program reward members with points for each stay at the hotels or certain other consumption at the hotels, which are then redeemable for free hotel nights and other goods and services. The Group defers cash amount received from participating hotels as the future redemption obligation, and such points that will eventually be redeemed as revenue when they are used or on the expiry date.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

收益確認(續)

來自客戶合約的收益(續)

(d) 忠誠計劃管理服務費用

忠誠計劃管理服務費用之收益乃來自就忠誠計劃所提供之服務。該計劃就每次入住酒店或於酒店作出若干其他消費向成員提供獎勵積分，該等積分其後可兌現免費入住酒店以及其他貨品及服務。本集團會遞延自參與酒店收取之現金為未來兌現責任，當該等積分已獲使用或到期，該等積分最終將予兌現為收益。

其他來源之收益

租金收入於租賃期內按時間比例予以確認。不取決於某一指數或利率之可變租賃付款於會計期間產生時確認為收入。

其他收入

利息收入按累計基準以實際利率法，採用於金融工具之預期年期或較短期間(倘適用)內將估計未來現金款項精確折現至金融資產賬面淨值的比率確認。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

合約資產

合約資產為就已轉讓至客戶之貨品或服務而收取代價之權利。倘本集團於客戶支付代價前或款項到期前透過向客戶轉讓貨品或服務履約，合約資產則確認有條件賺取代價。合同資產須進行減值評估，詳情載於金融資產減值之會計政策。

合約負債

本集團向客戶轉移相關貨品或服務前，合約負債便於收取付款或付款到期時（以較早者為準）確認。當本集團履行合約時，合約負債確認為收益（即轉移相關貨品或服務之控制權至客戶）。

合約成本

倘若符合下所有條件，除存貨、物業、廠房及設備以及無形資產予以資本化的成本外，履行與客戶合約所產生的成本會作為資產予以資本化：

- (a) 成本與實體可明確識別的合約或預期合約直接相關。
- (b) 成本產生或提升日後用作履行（或持續履行）履約責任的實體資源。
- (c) 成本預期可收回。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Contract costs (Continued)

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

Certain subsidiaries outside Hong Kong are required to contribute a certain percentage of their payroll costs to pension schemes operated by the respective governments. The only obligation of the Group with respect to the pension schemes is to pay the required ongoing contributions. Contributions under the schemes are charged to profit or loss as they become payable in accordance with the rules of the pension schemes.

2. 編製基準及會計政策(續)

2.4 主要會計政策概要(續)

合約成本(續)

資本化合約成本按與確認資產相關的收益模式一致的系統化基準攤銷及扣除自損益表。其他合約成本於產生時支銷。

僱員福利

退休計劃

本集團根據強制性公積金計劃條例之規定為全體僱員設立一項定額供款強制性公積金退休福利計劃(「強積金計劃」)。根據強積金計劃之規則，供款按僱員基本薪金之某一百分比計算，並於應付時於損益表內扣除。強積金計劃之資產與本集團之資產分開存放，並由獨立管理之基金持有。本集團之僱主供款乃全數歸屬於參與強積金計劃供款之僱員。

位於香港以外地區之若干附屬公司須按其薪金成本之若干百分比向當地政府設立之退休金計劃供款。本集團就退休金計劃須承擔之惟一責任為持續支付計劃所需之供款。計劃下之供款乃根據退休金計劃之規則於應付時於損益內扣除。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that is, assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

借款成本

合資格資產(須經相當長時間方能準備就緒以作預期用途或出售之資產)收購、建造或製造直接應佔之借款成本資本化作為資產成本之一部分。當大部分資產可作其預期用途或出售時，即停止將相關借款成本資本化。特定借款用於合資格資產之前作為短暫投資所賺取之投資收入於已資本化之借款成本中扣除。所有其他借款成本於其產生期間支銷。借款成本包括實體就資金借款產生之利息及其他成本。

股息

末期股息將於股東大會上獲股東批准後確認為負債。

外幣

該等財務報表乃以本公司之功能及呈報貨幣港元呈列。本集團內各實體釐定其本身之功能貨幣，而各實體計入財務報表內之項目乃以該功能貨幣計算。本集團內實體所記錄之外幣交易初步按其各自於交易日日期適用之功能貨幣匯率記錄。以外幣計值之貨幣資產及負債乃按報告期末之功能貨幣匯率換算。結算或換算貨幣項目所產生之差額均於損益表內確認。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Foreign currencies (Continued)

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

外幣 (續)

因結算或換算貨幣項目所產生之差額均於損益表內確認，惟指定作為對沖本集團海外業務之淨投資之一部分之貨幣項目除外。此等貨幣項目於其他全面收入內確認，直至於累計金額被重新分類至損益表時出售有關淨投資為止。該等貨幣項目之匯兌差額產生之稅項開支及抵免亦入賬列為其他全面收入。

按外幣以歷史成本計量之非貨幣項目按首次交易日期之匯率換算。按外幣以公允價值計量之非貨幣項目則按計量公允價值當日之匯率換算。換算以公允價值計量之非貨幣項目所產生之收益或虧損之列賬方式與確認有關項目之公允價值變動產生之收益或虧損(即換算差額涉及其公允價值之收益或虧損於其他全面收入或損益賬確認，亦分別於其他全面收入或損益賬內確認之項目)所採用者一致。

就與預付代價相關終止確認非貨幣資產或非貨幣負債而言，於釐定有關資產、開支或收入初始確認的匯率時，初始交易日期為本集團初步確認因預付代價而產生的非貨幣資產或非貨幣負債之日。倘存在多筆預付款項或預收款項，本集團就每筆預付代價款項或收取預付代價款項釐定交易日期。

Notes to Financial Statements

財務報表附註

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Summary of significant accounting policies (Continued)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas companies which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2. 編製基準及會計政策 (續)

2.4 主要會計政策概要 (續)

外幣 (續)

若干海外附屬公司之功能貨幣為港元以外之貨幣。於報告期末，該等實體之資產與負債乃按報告期末適用之匯率換算為港元，其損益表則按本年度之加權平均匯率換算為港元。

因此而產生之匯兌差額於其他全面收入確認，並於匯兌儲備累計。出售海外實體時，有關該項特定海外業務之其他全面收入部分，乃於損益表內確認。

就綜合現金流量表而言，海外附屬公司之現金流量乃以出現現金流量當日之匯率換算為港元。海外公司於年內頻繁出現之經常性現金流量項目則以年內之加權平均匯率換算為港元。

Notes to Financial Statements

財務報表附註

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

3. 重大會計判斷及估計

編製本集團之財務報表要求管理層作出影響已呈報收益、開支、資產與負債金額及彼等隨附之披露以及或然負債之披露之判斷、估計及假設。此等假設及估計之不確定因素可能會導致未來期間須對受影響之資產或負債之賬面值作出重大調整。

判斷

於應用本集團會計政策之過程中，除涉及對財務報表內已確認金額構成最重大影響之該等估計之會計政策外，管理層已作出以下判斷：

物業租賃分類 – 本集團作為出租人

本集團就其投資物業組合訂立商業物業租約。本集團認為，根據對有關安排之條款及條件之評估，如租賃期並不構成商用物業之經濟壽命主要部分，而最低租賃付款現值實質上亦不等於商用物業之所有公允價值，本集團保留出租此等物業所有權隨附之所有重大風險及回報，並將合約入賬為經營租賃。

Notes to Financial Statements

財務報表附註

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements (Continued)

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計

判斷(續)

釐定附有重續權合約之租賃期時之重大判斷

本集團擁有若干包括延期及終止選擇權之租賃合約。本集團於評估是否行使選擇權以續約或終止租賃時須作出判斷。即本集團考慮所有對其進行續約或終止租賃產生經濟誘因之相關因素。於開始日期後，倘發生在本集團控制範圍內之重大事件或情況變動，並影響其行使或不行使選擇權重續或終止之能力時，本集團將重新評估租賃期。

投資物業與業主自用物業分類

本集團決定物業是否屬於投資物業，並制定了判斷標準。投資物業是持有以賺取租金或實現資本增值或以此二者為目的的物業。因此，本集團考慮的是某個物業產生的現金流量是否在較大程度上獨立於本集團持有的其他資產。某些物業的一部分是為了賺取租金或實現資本增值而持有的，而持有的其他部分則用於生產或供應商品或服務或行政管理目的。如這些部分能夠獨立出售，本集團將有關部分獨立入賬。如有關部分不能獨立出售，則只有在用於生產或供應商品或服務或行政管理使用的部分較次要時，方可將該物業判定為投資物業。判斷乃根據個別物業配套服務是否重要以決定該物業不符合列作投資物業的資格。

Notes to Financial Statements

財務報表附註

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- (b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and
- (c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidences such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties as at 31 December 2019 was \$1,509,238,000 (2018: \$3,345,150,000). Further details, including the key assumptions used for fair value measurement, are stated in note 17 to the financial statements.

3. 重大會計判斷及估計

估計不確定性

於報告期末存在重大風險使下個財政年度資產及負債之賬面值須作重大調整而與未來有關的主要假設及估計不確定性之其他主要來源如下：

投資物業之公允價值

倘類似物業並無活躍市場之現行價格可供參考，本集團會考慮來自不同來源之資料，包括：

- (a) 不同性質、狀況或地點之物業在活躍市場上之現行價格，並作出調整以反映上述差異；
- (b) 類似物業於活躍程度稍遜市場之最近期價格，並作出調整以反映自交易按有關價格進行之日期起出現之任何經濟狀況變動；及
- (c) 根據對未來現金流量所作之可靠估計而得出之貼現現金流量預測，以任何現有租賃及其他合約之條款及（在可能情況下）外在證據（例如地點及狀況相同之類似物業之現行市場租金）作為支持理據，並採用足以反映當時市場對現金流量之金額及時機之不確定因素所作評估之貼現率。

於二零一九年十二月三十一日投資物業賬面值為1,509,238,000元（二零一八年：3,345,150,000元）。包括公允價值計量關鍵估計的進一步詳情載列於財務報表附註17。

Notes to Financial Statements

財務報表附註

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 20 and note 22 to the financial statements, respectively.

3. 重大會計判斷及估計

估計不確定性(續)

貿易應收款項及合約資產預期信貸虧損撥備

本集團採用矩陣計算貿易應收款項及合約資產預期信貸虧損。撥備率乃基於按具有類似虧損模式而劃分的多個客戶分部的逾期日數計算。

撥備矩陣最初基於本集團歷史觀察違約率。本集團將校準矩陣以調整歷史信貸虧損經驗與前瞻性資料。例如，倘預期預測經濟狀況(如國內生產總值)將於未來一年內惡化，可能導致違約數量增加，則對歷史違約率作出調整。於各報告日期，歷史觀察違約率均會進行更新，並分析前瞻性估計的變動。

對歷史觀察違約率、預測經濟狀況及預期信貸虧損之間相聯性的評估屬一項重大估計。預期信貸虧損數額對環境及預測經濟狀況變動尤其敏感。本集團之歷史信貸虧損經驗及預測經濟狀況亦不代表客戶未來的實際違約。有關本集團貿易應收款項及合約資產預期信貸虧損的資料分別披露於財務報表附註20和附註22。

Notes to Financial Statements

財務報表附註

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimation uncertainty (Continued)

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

PRC corporate income tax (“CIT”)

The Group is subject to CIT in Mainland China. As a result of the fact that certain matters relating to CIT have not been confirmed by the local tax bureau, objective estimates and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the CIT provision to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will have an impact on the CIT expense and CIT provisions in the period in which the differences are realised.

3. 重大會計判斷及估計

估計不確定性(續)

租賃 — 估計增量借貸利率

本集團無法輕易釐定租賃內所隱含之利率，因此，使用增量借貸利率（「增量借貸利率」）計量租賃負債。增量借貸利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借貸利率反映本集團「應支付」利率，當無法觀察利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借貸利率並須作出若干實體特定估計（如附屬公司之獨立信貸評級）。

中國企業所得稅（「企業所得稅」）

本集團須在中國內地繳納企業所得稅。由於若干企業所得稅相關事項尚未得到當地稅務局確認，需要依據現行稅法，法規及其他相關政策的客觀估計和判斷來決定應交企業所得稅的預提金額。倘該等事項的最終實際稅項支出與初始記錄的金額存在差異，則有關差異將影響差異實現當期的企業所得稅開支及企業所得稅撥備。

Notes to Financial Statements

財務報表附註

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimation uncertainty (Continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. 重大會計判斷及估計

估計不確定性(續)

非金融資產減值(商譽除外)

本集團於各報告期間結算日評估所有非金融資產(包括使用權資產)是否出現任何減值跡象。非金融資產於有跡象顯示賬面值可能無法收回時測試減值。資產或現金產生單位賬面值超逾其可回收金額時，即高出其公允價值減出售成本及使用值，則存在減值。計量公允價值減出售成本時，按以公平基準就類似資產進行具有約束力之銷售交易可得數據，或可觀察所得市價減出售資產之已增加成本得出。當計算使用價值時，管理層必須估計來自資產或現金產生單位之預期未來現金流量，並選擇合適貼現率，以計算該等現金流量之現值。

遞延稅項資產

在很可能日後有足夠的應納稅所得額用以彌補可抵扣暫時性差額及稅務虧損的限度內，應就所有可抵扣暫時性差額及尚未利用稅務虧損確認遞延稅項資產。這需要管理層運用大量的判斷來估計未來取得應納稅所得額的時間和金額，結合納稅籌劃戰略，以決定應確認的遞延稅項資產的金額。

Notes to Financial Statements

財務報表附註

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

4. OPERATING SEGMENT INFORMATION

From June 2019 onward, management of the Company (“Management”) has been in active discussions with the potential buyers for the disposal of its interest in Parcel C LLC (“Parcel C”), a subsidiary of the Company who hold a property under construction in Chicago, the United States of America (“USA”). As at 31 December 2019, the negotiations for the sale were in progress and Parcel C was classified as a disposal company held for sale and as a discontinued operation.

During the year ended 31 December 2019, the Company has decided to cease the business segment of development and sale of properties in the PRC. Therefore, the business segment of development and sale of properties was classified as discontinued operation.

For management purpose, the Group’s operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group’s operating segments represents a strategic business unit that offers products and services which are subject to risks and returns different from those of the other operating segments. The Group has three reportable operating segments and the corresponding items of segment information for the year ended 31 December 2018 have been restated. Particulars of the Group’s reportable operating segments are summarised as follows:

- (a) leasing and management of commercial properties held by the Group for long-term investment;
- (b) hotel operations and management services; and
- (c) hotel design and construction management services.

4. 經營分部資料

自二零一九年六月起，本公司管理層（「管理層」）已就出售其於Parcel C LLC（「Parcel C」），本公司之一家在美利堅合眾國（「美國」）芝加哥持有一項興建中物業之附屬公司的權益與潛在買家積極商討。於二零一九年十二月三十一日，有關出售之磋商正在進行中，而Parcel C已分類為持作出售之出售公司及終止經營業務。

截至二零一九年十二月三十一日止年度，本公司已決定在中國終止物業發展及銷售之業務分部，因此，物業發展及銷售之業務分類為終止經營業務。

就管理而言，本集團經營的業務乃根據其營運以及所提供的產品及服務性質加以組織及獨立管理。本集團各個經營分部分別代表一個提供產品及服務之策略業務單位，所面臨的風險及回報與其他經營分部各有不同。本集團設有三個報告經營分部，並已重列截至二零一八年十二月三十一日止年度之分部資料之相應項目。本集團報告經營分部之詳情概述如下：

- (a) 本集團持作長期投資之商業物業之租賃及管理；
- (b) 酒店營運及管理服務；及
- (c) 酒店設計及建設管理服務。

Notes to Financial Statements

財務報表附註

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

4. OPERATING SEGMENT INFORMATION

(Continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is measured by adjusted profit/(loss) before tax from continuing operations. The adjusted profit/(loss) before tax from continuing operations is measured consistently with the Group's profit/(loss) before tax from continuing operations except that non-lease-related finance costs, other income/(loss), net, bank interest income, other interest income from financial assets at fair value through profit or loss as well as corporate and other unallocated expense are excluded from such measurement.

Segment assets exclude goodwill, deferred tax assets, restricted bank deposits, cash and cash equivalents, assets classified as held for sale and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities, loans from financial institutions, loans from an intermediate holding company, other borrowings, tax payable, liabilities directly associate with the assets classified as held for sale and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

4. 經營分部資料(續)

管理層分開監控本集團各經營分部的業績，以決定如何分配資源及評估表現。分部表現乃基於報告分部溢利／(虧損)進行評估，而報告分部溢利／(虧損)乃按持續經營業務之經調整除稅前溢利／(虧損)計量。持續經營業務之經調整除稅前溢利／(虧損)之計量方式與本集團持續經營業務之除稅前溢利／(虧損)之計量方式一致，惟該計量方式並不包括非租賃相關融資成本、其他收入／(虧損)淨額、銀行利息收入、按公允價值計入損益賬之金融資產之其他利息收入以及公司及其他未分配開支。

分部資產不包括商譽、遞延稅項資產、受限制銀行存款、現金及現金等值物、分類為持作出售之資產以及公司及其他未分配資產，乃由於該等資產按集團基準進行管理。

分部負債不包括遞延稅項負債、金融機構貸款、一間中間控股公司貸款、其他借款、應付稅項、與分類為持作出售之資產直接相關之負債以及公司及其他未分配負債，乃由於該等負債按集團基準進行管理。

Notes to Financial Statements

財務報表附註

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

4. OPERATING SEGMENT INFORMATION

(Continued)

Year ended 31 December 2019

4. 經營分部資料(續)

截至二零一九年十二月三十一日
止年度

		Investment properties leasing and management	Hotel operation and management services	Hotel design and construction management services	Total
		投資物業 租賃及管理 \$'000 千元	酒店營運及 管理服務 \$'000 千元	酒店設計 及建設 管理服務 \$'000 千元	總計 \$'000 千元
Segment revenue: (note 5)	分部收益：(附註5)				
Sales to external customers	銷售予外部客戶	149,118	471,229	192,601	812,948
Intersegment sales	分部間銷售	—	—	556	556
		149,118	471,229	193,157	813,504
<i>Reconciliation:</i>	<i>對賬：</i>				
Elimination of intersegment sales	對銷分部間銷售				(556)
Revenue from continuing operations	持續經營業務收益				812,948
Segment profit/(loss)	分部溢利/(虧損)	(666,196)	176,162	57,037	(432,997)
<i>Reconciliation:</i>	<i>對賬：</i>				
Other income, net	其他收入淨額				1,262
Finance costs (other than interest on lease liabilities)	融資成本(租賃負債 利息除外)				(143,821)
Bank interest income	銀行利息收入				6,152
Other interest income from financial assets at fair value through profit or loss	按公允價值計入 損益賬之金融資產 之其他利息收入				7,395
Corporate and other unallocated expense	公司及其他未分配開支				(34,702)
Loss before tax from continuing operations	持續經營業務 之除稅前虧損				(596,711)
Segment assets	分部資產	1,516,057	493,613	158,791	2,168,461
<i>Reconciliation:</i>	<i>對賬：</i>				
Assets of a disposal group classified as held for sale	分類為持作出售 之出售組別資產				4,995,232
Corporate and other unallocated assets	公司及其他未分配資產				2,429,286
Total assets	總資產				9,592,979
Segment liabilities	分部負債	144,653	676,385	87,710	908,748
<i>Reconciliation:</i>	<i>對賬：</i>				
Liabilities of a disposal group classified as held for sale	分類為持作出售 之出售組別負債				1,459,703
Corporate and other unallocated liabilities	公司及其他未分配負債				4,581,218
Total liabilities	總負債				6,949,669

Notes to Financial Statements

財務報表附註

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

4. OPERATING SEGMENT INFORMATION

(Continued)

Other segment information

Year ended 31 December 2019

4. 經營分部資料(續)

其他分部資料

截至二零一九年十二月三十一日止年度

		Investment properties leasing and management	Hotel operation and management services	Hotel design and construction management services	Total
		投資物業租賃及管理	酒店營運及管理服務	酒店設計及建設管理服務	總計
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Impairment loss recognised in the statement of profit or loss, net: (note 6)	已於損益表確認之減值虧損，淨額：(附註6)				
– Segment assets	– 分部資產	–	1,298	26,941	28,239
– Unallocated assets	– 未分配資產				8,758
					36,997
Depreciation and amortisation (note 7)	折舊及攤銷(附註7)				
– Segment assets	– 分部資產	383	17,807	614	18,804
– Unallocated assets	– 未分配資產				2,751
					21,555
Capital expenditure*	資本支出*				
– Segment assets	– 分部資產	13	91,370	266	91,649
– Unallocated assets	– 未分配資產				66
					91,715

* Capital expenditure consists of additions of property, plant and equipment, investment properties, construction in progress and leasehold improvements.

* 資本支出包括添置物業、廠房及設備、投資物業、在建工程及租賃物業裝修。

Notes to Financial Statements

財務報表附註

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

4. OPERATING SEGMENT INFORMATION

(Continued)

Year ended 31 December 2018 (Restated)

4. 經營分部資料(續)

截至二零一八年十二月三十一日
止年度(經重列)

		Investment properties leasing and management	Hotel operation and management services	Hotel design and construction management services	Total
		投資物業 租賃及管理	酒店營運及 管理服務	酒店設計 及建設 管理服務	總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Segment revenue: (note 5)	分部收益：(附註5)				
Sales to external customers	銷售予外部客戶	168,736	429,181	214,403	812,320
Segment profit/(loss)	分部溢利/(虧損)	(293,873)	236,810	116,680	59,617
<i>Reconciliation:</i>	<i>對賬：</i>				
Other loss, net	其他虧損淨額				(39,556)
Finance costs	融資成本				(99,168)
Bank interest income	銀行利息收入				3,367
Other interest income from financial assets at fair value through profit or loss	按公允價值計入 損益賬之金融資產 之其他利息收入				4,141
Corporate and other unallocated expense	公司及其他未分配開支				(19,435)
Loss before tax from continuing operations	持續經營業務 之除稅前虧損				(91,034)
Segment assets	分部資產	3,363,487	829,078	267,522	4,460,087
<i>Reconciliation:</i>	<i>對賬：</i>				
Assets of the segment of sales of properties which were classified as a discontinued operation	物業銷售分部資產 (其為已分類為 終止經營業務)				3,361,148
Corporate and other unallocated assets	公司及其他未分配資產				4,512,196
Total assets	總資產				12,333,431
Segment liabilities	分部負債	66,044	264,819	82,470	413,333
<i>Reconciliation:</i>	<i>對賬：</i>				
Liabilities of the segment of sales of properties which were classified as a discontinued operation	物業銷售分部負債 (其為已分類為 終止經營業務)				1,238,634
Corporate and other unallocated liabilities	公司及其他未分配負債				7,474,073
Total liabilities	總負債				9,126,040

Notes to Financial Statements

財務報表附註

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

4. OPERATING SEGMENT INFORMATION

(Continued)

Other segment information

Year ended 31 December 2018 (Restated)

4. 經營分部資料(續)

其他分部資料

截至二零一八年十二月三十一日止年度(經重列)

		Investment properties leasing and management	Hotel operation and management services	Hotel design and construction management services	Total
		投資物業 租賃及管理	酒店營運及 管理服務	酒店設計 及建設 管理服務	總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Impairment loss recognised in the statement of profit or loss, net: (note 6)	已於損益表確認之 減值虧損， 淨額：(附註6)				
— Segment assets	— 分部資產	16	162	31	209
— Unallocated assets	— 未分配資產				—
					209
Depreciation and amortisation (note 7)	折舊及攤銷(附註7)				
— Segment assets	— 分部資產	969	1,055	1,183	3,207
— Unallocated assets	— 未分配資產				586
					3,793
Capital expenditure*	資本支出*				
— Segment assets	— 分部資產	20,279	491	919	21,689
— Unallocated assets	— 未分配資產				12
					21,701

* Capital expenditure consists of additions of property, plant and equipment, investment properties and leasehold improvements.

* 資本支出包括添置物業、廠房及設備、投資物業及租賃物業裝修。

Notes to Financial Statements

財務報表附註

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

4. OPERATING SEGMENT INFORMATION

(Continued)

Geographical information

The following table sets out information about the geographical locations of (i) the Group's revenue of continuing operations from external customers and (ii) the Group's non-current assets of continuing operations (excluding deferred tax assets) ("specified non-current assets"). The geographical location of revenue from external customers is based on the locations at which the services were provided or the properties were sold or leased. The geographical location of the specified non-current assets is based on the physical locations of the assets, in the case of fixed assets, and the locations of the operations to which they are allocated, in the case of goodwill.

4. 經營分部資料(續)

地區資料

下表載列有關(i)本集團來自外部客戶之持續經營業務收益及(ii)本集團持續經營業務之非流動資產(不包括遞延稅項資產)(「指定非流動資產」)之地理位置資料。來自外部客戶之收益之地理位置乃根據所提供服務或所出售或租賃物業之所在地而定。指定非流動資產之地理位置乃按資產之實際位置(就固定資產而言)及獲分配之營運地點(就商譽而言)而定。

		Reportable segment revenue from external customers 來自外部客戶之報告分部收益		Specified non-current assets 指定非流動資產	
		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
The PRC (including Hong Kong)	中國 (包括香港)	809,663	809,801	1,898,161	3,382,696
Overseas	海外	3,285	2,519	—	781,603
		812,948	812,320	1,898,161	4,164,299

Notes to Financial Statements

財務報表附註

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

4. OPERATING SEGMENT INFORMATION

(Continued)

Information about major customers

During the year, the Group made sales to certain groups of major customers, which are known to be under common control, the revenue from which individually contributed to more than 10% of the Group's total revenue. The analysis is as follows:

4. 經營分部資料(續)

有關主要客戶之資料

年內，本集團向若干主要客戶組別(已知受共同控制)進行銷售，來自該等客戶的收益個別佔本集團總收益逾10%。分析如下：

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Customer A	客戶A	305,160	317,528
Customer B	客戶B	150,064	192,079
Customer C	客戶C	94,182	89,949
Others	其他	263,542	212,764
		812,948	812,320

Notes to Financial Statements

財務報表附註

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

5. REVENUE

An analysis of revenue is as follows:

5. 收益

收益分析如下：

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Revenue from contracts with customers			
來自客戶合約之收益			
Hotel management services	酒店管理服務	460,344	429,181
Hotel design and construction management services	酒店設計及建設管理服務	192,601	214,403
Hotel operation income	酒店營運收入	10,885	—
		663,830	643,584
Revenue from other sources			
其他來源之收益			
Gross rental income from investment properties:			
來自投資物業之租金收入總額：			
Variable rent	浮動租金	4,719	4,902
Base rent	基本租金	144,399	163,834
		149,118	168,736
		812,948	812,320

Notes to Financial Statements

財務報表附註

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

5. REVENUE (Continued)

(i) Disaggregated revenue information for revenue from contracts with customers

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Recognised at a point in time	於某個時間點確認		
Hotel operation income	酒店營運收入	4,919	—
Recognised over time	於一段時間內確認		
Hotel operation income	酒店營運收入	5,966	—
Hotel management services	酒店管理服務	460,344	429,181
Hotel design and construction management services	酒店設計及建設管理服務	192,601	214,403
Revenue from contracts with customers	來自客戶合約之收益	663,830	643,584

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Hotel management services, hotel design and construction management services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 90 days from the date of billing.

Hotel operation income

The performance obligation is satisfied as services are rendered or goods are delivered and payment is generally received in advance.

5. 收益 (續)

(i) 來自客戶合約之收益之收益分拆資料

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Recognised at a point in time	於某個時間點確認		
Hotel operation income	酒店營運收入	4,919	—
Recognised over time	於一段時間內確認		
Hotel operation income	酒店營運收入	5,966	—
Hotel management services	酒店管理服務	460,344	429,181
Hotel design and construction management services	酒店設計及建設管理服務	192,601	214,403
Revenue from contracts with customers	來自客戶合約之收益	663,830	643,584

(ii) 履約責任

有關本集團履約責任之資料概述如下：

酒店管理服務、酒店設計及建設管理服務

由於已提供服務及一般於發票日期起計90日內到期付款，因此履約責任於一段時間內獲達成。

酒店營運收入

由於已提供服務或已交付貨品及一般預先收取款項，因此履約責任獲達成。

Notes to Financial Statements

財務報表附註

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

5. REVENUE (Continued)

(ii) Performance obligations (Continued)

Loyalty programme managements services

The performance obligation is satisfied as members' points are used or expired, and the payment from hotels who participated in the loyalty program is received in advance.

Except for the performance obligation in relation with hotel design and construction management services, all of the performance obligations are expected to be recognised within one year.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of hotel design and construction management services as at 31 December are as follows:

5. 收益 (續)

(ii) 履約責任 (續)

忠誠計劃管理服務

由於會員積分獲使用或逾期及已收取參與忠誠計劃之酒店之墊款，因此履約責任獲達成。

除與酒店設計及建設管理服務有關之履約責任外，所有履約責任預期於一年內確認。

於十二月三十一日，分配至酒店設計及建設管理服務之餘下履約責任（未獲達成或部分未獲達成）之交易價格金額如下：

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Amounts expected to be recognised as revenue:	預期將確認為收益之金額：		
Within one year	一年內	154,225	145,200
After one year	超過一年	137,061	339,407
		291,286	484,607

Notes to Financial Statements

財務報表附註

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

6. OTHER REVENUE AND OTHER INCOME/(LOSS), NET

An analysis of the Group's other revenue and other income/(loss), net from continuing operations is as follows:

6. 其他收益及其他收入／(虧損)淨額

本集團來自持續經營業務之其他收益及其他收入／(虧損)淨額分析如下：

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Other revenue	其他收益		
Bank interest income	銀行利息收入	6,152	3,367
Other interest income from financial assets at fair value through profit or loss	按公允價值計入損益賬之金融資產之其他利息收入	7,395	4,141
		13,547	7,508
Other income/(loss), net	其他收入／(虧損)淨額		
Exchange gain/(loss)	匯兌收益／(虧損)	3,805	(44,791)
(Impairment)/reversal of impairment of financial and contract assets, net	金融及合約資產(減值)／減值撥回，淨額		
Impairment of trade receivables	貿易應收款項減值	(27,292)	(231)
(Impairment)/reversal of impairment of other receivables	其他應收款項(減值)／減值撥回	(9,651)	22
Impairment of contract assets	合約資產減值	(54)	—
Other income from a lessee due to breach of a contract	來自承租人因違約而產生之其他收入	33,190	—
Others	其他	1,264	5,444
		1,262	(39,556)

Notes to Financial Statements

財務報表附註

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

7. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

7. 持續經營業務之除稅前虧損

本集團持續經營業務之除稅前虧損乃經扣除／(計入)下列項目後達致：

	Notes 附註	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Cost of goods sold	已售商品成本	9,819	—
Cost of services provided	所提供服務之成本	244,950	148,173
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	賺取租金之投資物業產生 之直接經營開支 (包括維修及保養)	19,441	18,840
		274,210	167,013
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,083	3,312
Depreciation of right-of-use assets (2018: Amortisation of land lease payments)	使用權資產折舊 (二零一八年： 土地租賃付款攤銷)	17,472	481
Minimum lease payments under operating leases for land and buildings	最少應付之土地及 樓宇經營租賃租金	—	6,076
Lease payments not included in the measurement of lease liabilities	計量租賃負債時並無計入 之租賃付款	7,094	—
Decrease in fair value of investment properties	投資物業公允價值減少	787,975	423,327
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目 之虧損	—	250
Auditor's remuneration	核數師酬金		
— Annual audit services	— 年度核數服務	1,061	1,110
— Non-audit services	— 非核數服務	900	3,220
Employee benefit expense (excluding directors' remuneration)	僱員福利開支 (不包括董事薪酬)		
— Salaries, wages and other benefits	— 薪金、工資及其他福利	105,645	97,746
— Contributions to defined contribution retirement plans	— 向定額供款退休計劃 作出之供款	3,993	3,845
		109,638	101,591

Notes to Financial Statements

財務報表附註

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

8. FINANCE COSTS

An analysis of the Group's finance costs from continuing operations is as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Interest on loans from financial institutions	金融機構貸款利息	10,779	20,276
Interest on loans from an intermediate holding company	一間中間控股公司貸款利息	133,042	78,892
Interest on leases liabilities (note 18)	租賃負債利息(附註18)	9,112	—
		152,933	99,168

8. 融資成本

本集團持續經營業務之融資成本分析如下：

Notes to Financial Statements

財務報表附註

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

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (Chapter 622G of the Laws of Hong Kong), is as follows:

9. 董事薪酬

年內根據上市規則及香港公司條例(香港法例第622章)第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例(香港法例第622G章)第2部披露之董事薪酬如下：

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Fees	袍金	741	526
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	9,499	9,818
Pension scheme contributions	退休金計劃供款	173	222
Discretionary bonuses	酌情花紅	3,635	3,764
		14,048	14,330

Notes to Financial Statements

財務報表附註

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

9. DIRECTORS' REMUNERATION (Continued)

Directors' remuneration is as follows:

9. 董事薪酬(續)

董事薪酬如下：

		Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	酌情花紅	退休金計劃供款	薪酬總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
2019	二零一九年					
Chairman and non-executive director:	主席兼非執行董事：					
Mr. Ding Benxi	丁本錫先生	—	—	—	—	—
Executive director:	執行董事：					
Mr. Ning Qifeng	寧奇峰先生	—	9,499	3,635	173	13,307
Independent non-executive directors:	獨立非執行董事：					
Mr. Liu Jipeng (resigned on 21 March 2019)	劉紀鵬先生 (於二零一九年三月二十一日辭任)	56	—	—	—	56
Dr. Xue Yunkui (resigned on 21 March 2019)	薛雲奎博士 (於二零一九年三月二十一日辭任)	56	—	—	—	56
Mr. He Zhiping	何志平先生	245	—	—	—	245
Dr. Chen Yan (appointed on 21 March 2019)	陳艷博士 (於二零一九年三月二十一日獲委任)	192	—	—	—	192
Dr. Teng Bing Sheng (appointed on 21 March 2019)	滕斌聖博士 (於二零一九年三月二十一日獲委任)	192	—	—	—	192
Non-executive directors:	非執行董事：					
Mr. Zhang Lin	張霖先生	—	—	—	—	—
Mr. Han Xu (appointed on 14 March 2019)	韓旭先生 (於二零一九年三月十四日獲委任)	—	—	—	—	—
		741	9,499	3,635	173	14,048

Notes to Financial Statements

財務報表附註

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

9. DIRECTORS' REMUNERATION (Continued)

Directors' remuneration is as follows (continued):

		Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	酌情花紅	退休金計劃供款	薪酬總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
2018	二零一八年					
Chairman and non-executive director:	主席兼非執行董事：					
Mr. Ding Benxi	丁本錫先生	—	—	—	—	—
Executive director:	執行董事：					
Mr. Ning Qifeng	寧奇峰先生	—	9,818	3,764	222	13,804
Independent non-executive directors:	獨立非執行董事：					
Mr. Liu Jipeng	劉紀鵬先生	139	—	—	—	139
Dr. Xue Yunkui	薛雲奎博士	139	—	—	—	139
Mr. He Zhiping (appointed On 28 March 2018)	何志平先生 (於二零一八年三月二十八日獲委任)	248	—	—	—	248
Non-executive directors:	非執行董事：					
Mr. Zhang Lin	張霖先生	—	—	—	—	—
Mr. Hui Yung, Chris (resigned on 13 February 2019)	許勇先生 (於二零一九年二月十三日辭任)	—	—	—	—	—
		526	9,818	3,764	222	14,330

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2018: Nil).

No remuneration were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

9. 董事薪酬(續)

董事薪酬如下(續)：

年內，概無董事放棄或同意放棄任何薪酬之安排(二零一八年：無)。

本集團並無向董事支付薪酬作為吸引加入本集團或加入本集團時的獎勵或作為離職補償。

Notes to Financial Statements

財務報表附註

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

10. FIVE HIGHEST PAID EMPLOYEES

Among five individuals with the highest emoluments, one of them is a director (2018: one director), whose emoluments are disclosed in note 9 above. Details of the remuneration for the year of the remaining four non-director highest paid employees (2018: four highest paid non-director employees) are as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	15,173	20,547
Performance related bonus	表現掛鈎花紅	5,702	5,904
Pension scheme contributions	退休金計劃供款	664	754
		21,539	27,205

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2019 二零一九年	2018 二零一八年
\$4,000,001 to \$4,500,000	4,000,001 元至 4,500,000 元	1	—
\$4,500,001 to \$5,000,000	4,500,001 元至 5,000,000 元	1	—
\$5,000,001 to \$5,500,000	5,000,001 元至 5,500,000 元	1	2
\$6,500,001 to \$7,000,000	6,500,001 元至 7,000,000 元	1	1
\$10,000,001 to \$10,500,000	10,000,001 元至 10,500,000 元	—	1
		4	4

10. 五名最高薪僱員

五名最高薪僱員，其中一名為董事（二零一八年：一名董事），其薪酬詳情載於上文附註9。年內，剩餘四名最高薪非董事僱員（二零一八年：四名最高薪非董事僱員）之薪酬詳情如下：

最高薪非董事僱員之薪酬介乎以下範圍：

Notes to Financial Statements

財務報表附註

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

11. INCOME TAX

11. 所得稅

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Current tax	即期稅項		
Corporate income tax (note (iii))	企業所得稅(附註(iii))		
— Charge for the year	— 本年度開支	84,464	93,111
— Underprovision/(overprovision) in prior years	— 過往年度撥備不足/(超額撥備)	269	(565)
		84,733	92,546
Deferred tax	遞延稅項		
Origination and reversal of temporary differences:	暫時性差異之產生及撥回：		
— Revaluation of properties	— 物業重估	(153,639)	(92,616)
— Effect of adoption of HKFRS 16	— 採納香港財務報告準則第16號之影響	(989)	—
— Others	— 其他	(8,748)	371
		(163,376)	(92,245)
Total tax (credit)/expense for the year from continuing operations	持續經營業務之本年度稅項(抵免)/開支總額	(78,643)	301
Total tax expense for the year from discontinued operations	終止經營業務之本年度稅項開支總額	36,737	13,803
Total income tax (credit)/expense for the year	本年度所得稅(抵免)/開支總額	(41,906)	14,104

Notes to Financial Statements

財務報表附註

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

11. INCOME TAX (Continued)

Notes:

(i) Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and the BVI.

(ii) No provision for Hong Kong profits tax or overseas corporate income tax has been made in the consolidated financial statements as the Group did not have assessable profits in Hong Kong or overseas for the year (2018: Nil, except for the withholding tax in relation to the capital gains on the disposal of the entire equity interest in Wanda Australia Commercial Properties Pty. Ltd. ("Wanda Australia CP")).

(iii) Corporate income tax ("CIT")

The provision for the PRC CIT has been made at the applicable income tax rate of 25% on the assessable profits of the Group's subsidiaries in Mainland China (2018: 25%), except for the subsidiary of the Company established in Horgos, Xinjiang Uygur Autonomous region, which enjoys PRC corporate income tax exemptions in accordance with the relevant tax rules. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the countries in which the Group operates.

(iv) PRC land appreciation tax ("LAT")

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT liabilities are subject to the final review/approval by the tax authorities.

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rate) to the effective tax rates, is as follows:

11. 所得稅(續)

附註：

(i) 根據百慕達及英屬處女群島(「英屬處女群島」)規則及法規，本集團於百慕達及英屬處女群島毋須繳納任何所得稅。

(ii) 由於本集團於本年度內並無在香港或海外產生應課稅溢利，因此並無於綜合財務報表提撥香港利得稅或海外企業所得稅(二零一八年：無，惟有關出售 Wanda Australia Commercial Properties Pty Ltd. (「萬達商業澳洲」)全部股權所得資本收益之預扣稅除外)。

(iii) 企業所得稅(「企業所得稅」)

中國企業所得稅之撥備乃根據本集團於中國內地之附屬公司之應課稅溢利按適用所得稅率25%(二零一八年：25%)作出，惟於新疆維吾爾自治區霍爾果斯成立之本公司附屬公司除外，其根據相關稅務規則享有中國企業所得稅豁免。其他地區之應課稅溢利乃按本集團經營業務所在國家之當前稅率計算。

(iv) 中國土地增值稅(「土地增值稅」)

土地增值稅按土地增值(即出售物業所得款項減可扣減支出(包括土地成本、借款成本及其他物業發展支出))以累進稅率30%至60%徵收。本集團已根據相關中國稅務法律及法規所載之規定對土地增值稅進行估計、計提撥備並計入稅項。實際現金結算土地增值稅負債前，土地增值稅負債須獲稅務機關的最終審閱/批准。

按本公司及其主要附屬公司註冊成立之管轄區之法定稅率計算適用於除稅前溢利/(虧損)之稅務費用與按實際稅率計算之稅務費用之對賬及適用稅率(即法定稅率)與實際稅率之對賬如下：

Notes to Financial Statements

財務報表附註

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

11. INCOME TAX (Continued)

11. 所得稅(續)

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
Loss before tax from continuing operations	持續經營業務之除稅前虧損	(596,711)	(91,034)
Profit before tax from discontinued operations	終止經營業務之除稅前溢利	166,181	937,480
		(430,530)	846,446
National tax calculated at rates applicable to profit in the tax jurisdictions concerned	按適用於有關稅務管轄區之溢利之稅率計算之國稅	9,520	11,988
Adjustments in respect of current tax of previous periods	過往期間即期稅項之調整	269	(565)
Income not subject to tax	毋須繳稅之收入	(158,771)	(167,778)
Expenses not deductible for tax	不可扣稅之開支	73,977	151,253
Tax losses not recognised	未確認之稅項虧損	12,481	16,470
Deductible temporary differences not recognised	未確認之可扣減暫時性差異	16,179	12,776
Effect of withholding tax at 30% on the gains of disposal of Wanda Australia CP	對出售萬達商業澳洲的收益按30%徵收預扣稅的影響	—	31,957
Effect of tax at 10% on the interest income from offshore loans of a Hong Kong subsidiary of the Group	對本集團之一間香港附屬公司境外貸款的利息收入按10%徵稅的影響	—	6,577
Tax losses utilised from previous periods	過往期間已動用稅項虧損	(11,670)	(6,257)
Utilisation of deductible temporary differences not recognised in prior years	動用於過往年度未確認的可扣減暫時性差異	—	(6,558)
LAT	土地增值稅	21,478	(47,678)
CIT effect of LAT	土地增值稅之企業所得稅影響	(5,369)	11,919
Tax (credit)/expense at the Group's effective rate	按本集團實際稅率計算之稅項(抵免)/開支	(41,906)	14,104
Tax (credit)/expense from continuing operations at the effective rate	按實際稅率計算之持續經營業務之稅項(抵免)/開支	(78,643)	301
Tax expense from discontinued operations at the effective rate	按實際稅率計算之終止經營業務之稅項開支	36,737	13,803
Tax (credit)/expense at the Group's effective rate	按本集團實際稅率計算之稅項(抵免)/開支	(41,906)	14,104

Notes to Financial Statements

財務報表附註

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

12. DISCONTINUED OPERATION

During the year ended 31 December 2019

- the Management has been in active discussions with potential buyers for the disposal of the Company's interest in Parcel C, a subsidiary of the Company which holds a property under construction in Chicago, USA. The Group will have no geographical business segment in USA once the disposal is completed. As at 31 December 2019, the negotiations for the sale were in progress and Parcel C was classified as a disposal company held for sale and as a discontinued operation.
- the Company has decided to cease the business of development and sale of properties in the PRC. Therefore, the segment of the development and sale of properties was classified as a discontinued operation.

During the year ended December 2018

On 16 January 2018, the Company, as vendor, and R&F Properties (HK) Company Limited ("R&F"), as the purchaser, entered into a sale and purchase agreement in respect of the disposal of 60% of the entire issued share capital of Wanda International Real Estate Investment Co. Ltd. ("Wanda International"), at a consideration of GBP35,609,277.96. The disposal of Wanda International was completed on 6 July 2018.

On 18 January 2018, Wanda Australia RE, AWH Investment Group Pty Ltd ("AWH") and Wanda Australia CP entered into a master agreement in respect of the proposed disposal of the entire equity interest in Wanda Australia CP subject to the terms contained therein, at the consideration of AUD315,044,422 and repayment of the debt in the amount of AUD815,107,691 in instalments. The disposal of Wanda Australia CP was completed on 18 May 2018.

12. 終止經營業務

截至二零一九年十二月三十一日止年度

- 管理層已就出售本公司於 Parcel C (本公司之附屬公司，在美國芝加哥持有一項興建中物業)之權益與潛在買家積極商討。一旦完成有關出售，本集團將不再在美國擁有任何地理業務分部。於二零一九年十二月三十一日，有關出售之磋商正在進行中，而 Parcel C 已分類為持作出售之出售公司及終止經營業務。
- 本公司已決定在中國終止物業發展及銷售業務。因此，物業發展及銷售分類為終止經營業務。

截至二零一八年十二月三十一日止年度

於二零一八年一月十六日，本公司(作為賣方)與富力地產(香港)有限公司(「富力」)作為買方就以代價 35,609,277.96 英鎊出售萬達國際地產投資有限公司(「萬達國際」)全部已發行股本之 60% 訂立買賣協議。出售萬達國際已於二零一八年七月六日完成。

於二零一八年一月十八日，萬達澳洲地產、AWH Investment Group Pty Ltd (「AWH」)與萬達商業澳洲就建議以代價 315,044,422 澳元出售萬達商業澳洲之全部股權(須遵守當中所載之條款)及分期償還債務 815,107,691 澳元訂立總協議。出售萬達商業澳洲已於二零一八年五月十八日完成。

Notes to Financial Statements

財務報表附註

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

12. DISCONTINUED OPERATION (Continued)

During the year ended December 2018 (Continued)

Wanda International and its subsidiaries (“Wanda International Group”) and Wanda Australia CP and its subsidiaries (“Wanda Australia CP Group”) were classified as discontinued operations for the year ended 31 December 2018.

(i) Parcel C:

(a) The results for the year are presented below:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Other revenue	其他收益	103	477
Other income, net	其他收入淨額	5,952	2,381
Selling expenses	銷售開支	(27,688)	(31,417)
Administrative expenses	行政開支	(133)	(214)
Finance costs	融資成本	(140)	—
Loss before tax from the discontinued operation	終止經營業務之除稅前虧損	(21,906)	(28,773)
Income tax expense	所得稅開支	—	—
Loss for the year from the discontinued operation	終止經營業務之本年度虧損	(21,906)	(28,773)

12. 終止經營業務 (續)

截至二零一八年十二月三十一日止年度 (續)

截至二零一八年十二月三十一日止年度，萬達國際及其附屬公司（「萬達國際集團」）以及萬達商業澳洲及其附屬公司（「萬達商業澳洲集團」）已分類為終止經營業務。

(i) Parcel C :

(a) 本年度業績呈列如下：

Notes to Financial Statements

財務報表附註

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

12. DISCONTINUED OPERATION (Continued)

(i) Parcel C: (Continued)

- (b) The major classes of assets and liabilities of Parcel C classified as held for sale as at 31 December 2019 are as follows:

12. 終止經營業務 (續)

(i) Parcel C : (續)

- (b) 於二零一九年十二月三十一日 Parcel C 分類為持作出售之主要資產及負債類別如下：

	2019 二零一九年 \$'000 千元
Property, plant and equipment (note 15) 物業、廠房及設備(附註15)	2,985
Construction in progress (note 15) 在建工程(附註15)	864,108
Freehold land (note 16) 永久業權土地(附註16)	158,203
Right-of-use assets (note 18(b)) 使用權資產(附註18(b))	1,369
Properties under development 在建物業	3,878,764
Contract incremental costs 合約增量成本	57,880
Restricted bank deposits 受限制銀行存款	3,434
Cash and cash equivalents 現金及現金等值物	28,489
Assets classified as held for sale 分類為持作出售之資產	4,995,232
Trade and other payables 貿易及其他應付款項	(484,822)
Lease liabilities (note 18(c)) 租賃負債(附註18(c))	(1,406)
Loan from a financial institution 一項金融機構貸款	(973,475)
Liabilities directly associated with the assets classified as held for sale 與分類為持作出售之資產直接相關之負債	(1,459,703)
Net assets directly associated with Parcel C 與Parcel C直接相關之資產淨值	3,535,529
Exchange reserve on translation of foreign operations 換算海外業務之匯兌儲備	(4,202)

Notes to Financial Statements

財務報表附註

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

12. DISCONTINUED OPERATION (Continued)

(i) Parcel C: (Continued)

(c) The net cash flows incurred by Parcel C are as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Operating activities	經營活動	(807,388)	(665,502)
Investing activities	投資活動	(260,368)	(79,923)
Financing activities	融資活動	1,026,062	(154,861)
Effect of foreign exchange rate changes	外匯匯率變動之影響	(241)	1,839
Net cash flow	現金流量淨額	(41,935)	(898,447)

(d) Certain assets of Parcel C were pledged to secure the loan from a financial institution and bank facilities as follows:

		2019 二零一九年 \$'000 千元
Construction in progress	在建工程	864,108
Freehold land	永久業權土地	158,203
Properties under development	在建物業	3,878,764
		4,901,075

The loan from a financial institution as at 31 December 2019 were guaranteed by an intermediate holding company, Dalian Wanda Commercial Management Group Co., Ltd.

於二零一九年十二月三十一日，一項金融機構貸款乃由一間中間控股公司大連萬達商業管理集團股份有限公司作出擔保。

12. 終止經營業務 (續)

(i) Parcel C : (續)

(c) Parcel C產生之現金流量淨額如下：

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Operating activities	經營活動	(807,388)	(665,502)
Investing activities	投資活動	(260,368)	(79,923)
Financing activities	融資活動	1,026,062	(154,861)
Effect of foreign exchange rate changes	外匯匯率變動之影響	(241)	1,839
Net cash flow	現金流量淨額	(41,935)	(898,447)

(d) Parcel C抵押作為一項金融機構貸款及銀行融資之擔保之若干資產如下：

		2019 二零一九年 \$'000 千元
Construction in progress	在建工程	864,108
Freehold land	永久業權土地	158,203
Properties under development	在建物業	3,878,764
		4,901,075

Notes to Financial Statements

財務報表附註

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

12. DISCONTINUED OPERATION (Continued)

(ii) Ceased business of development and sale of properties:

(a) The results for the year are presented below:

12. 終止經營業務 (續)

(ii) 已終止物業發展及銷售業務：

(a) 本年度業績呈列如下：

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Revenue	收益	178,332	207,471
Cost of sales	銷售成本	(130,670)	(135,015)
Other revenue	其他收益	19,928	19,283
Other income, net	其他收入淨額	48,737	9,649
Selling expenses	銷售開支	(11,235)	(14,323)
Administrative expenses	行政開支	(16,447)	(20,549)
Finance cost	融資成本	(37,351)	(31,100)
Gain on disposal of subsidiaries (note 32)	出售附屬公司之收益 (附註32)	136,793	—
Profit before tax from the discontinued operation	終止經營業務之除稅前溢利	188,087	35,416
Income tax (expense)/credit	所得稅(開支)/抵免	(36,737)	18,154
Profit for the year from the discontinued operation	終止經營業務之本年度溢利	151,350	53,570

Notes to Financial Statements

財務報表附註

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

12. DISCONTINUED OPERATION (Continued)

(ii) Ceased business of development and sale of properties: (Continued)

- (b) The net cash flows incurred by the ceased business of development and sale of properties are as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Operating activities	經營活動	(190,899)	250,661
Investing activities	投資活動	7,268	5,535
Financing activities	融資活動	124,503	(101,292)
Effect of foreign exchange rate changes	外匯匯率變動之影響	597	(9,102)
Net cash flow	現金流量淨額	(58,531)	145,802

(iii) Wanda International Group

- (a) The results for the period up to the date of disposal are presented below:

		2018 二零一八年 \$'000 千元
Other loss, net	其他虧損淨額	(4,256)
Selling expenses	銷售開支	(2,425)
Gain on disposal of subsidiaries	出售附屬公司之收益	442,419
Administrative expenses	行政開支	(14,314)
Finance costs	融資成本	(8,532)
Profit before tax from the discontinued operation	終止經營業務之除稅前溢利	412,892
Income tax expense	所得稅開支	—
Profit for the year from the discontinued operation	終止經營業務之本年度溢利	412,892

12. 終止經營業務 (續)

(ii) 已終止物業發展及銷售業務：(續)

- (b) 已終止物業發展及銷售業務產生之現金流量淨額如下：

(iii) 萬達國際集團

- (a) 直至出售日期之期間業績呈列如下：

Notes to Financial Statements

財務報表附註

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

12. DISCONTINUED OPERATION (Continued)

(iii) Wanda International Group (Continued)

- (b) The net cash flows incurred by Wanda International Group up to the date of disposal are as follows:

		2018 二零一八年 \$'000 千元
Operating activities	經營活動	(348,704)
Investing activities	投資活動	(68,409)
Financing activities	融資活動	127,761
Effect of foreign exchange rate changes	外匯匯率變動之影響	34,302
Net cash flow	現金流量淨額	(255,050)

(iv) Wanda Australia CP Group

- (a) The results for the period up to the date of disposal are presented below:

		2018 二零一八年 \$'000 千元
Other revenue	其他收益	59,435
Selling expenses	銷售開支	(5,335)
Administrative expenses	行政開支	(3,106)
Finance costs	融資成本	(6,326)
Gain on disposal of subsidiaries	出售附屬公司之收益	473,277
Profit before tax from the discontinued operation	終止經營業務之除稅前溢利	517,945
Income tax expense	所得稅開支	(31,957)
Profit for the year from the discontinued operation	終止經營業務之本年度溢利	485,988

12. 終止經營業務 (續)

(iii) 萬達國際集團 (續)

- (b) 萬達國際集團直至出售日期產生之現金流量淨額如下：

(iv) 萬達商業澳洲集團

- (a) 於本期間直至出售日期之業績呈列如下：

Notes to Financial Statements

財務報表附註

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

12. DISCONTINUED OPERATION (Continued)

(iv) Wanda Australia CP Group (Continued)

- (b) The net cash flows incurred by Wanda Australia CP Group up to the date of disposal are as follows:

		2018 二零一八年 \$'000 千元
Operating activities	經營活動	(434,740)
Investing activities	投資活動	(9,252)
Financing activities	融資活動	401,702
Effect of foreign exchange rate changes	外匯匯率變動之影響	1,656
Net cash flow	現金流量淨額	(40,634)

(v) Earnings/(loss) per share (HK cents)

		2019 二零一九年	2018 二零一八年
Basic and diluted, from discontinued operations	基本及攤薄，來自終止經營業務	2.1	16.0

12. 終止經營業務 (續)

(iv) 萬達商業澳洲集團 (續)

- (b) 萬達商業澳洲集團直至出售日期產生之現金流量淨額如下：

(v) 每股盈利／(虧損) (港仙)

Notes to Financial Statements

財務報表附註

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

12. DISCONTINUED OPERATION (Continued)

(v) Earnings/(loss) per share (HK cents) (Continued)

The calculations of basic and diluted earnings per share from discontinued operations are based on:

	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Profit attributable to ordinary equity holders of the parent from the discontinued operation (note 14)	97,705	750,898
	2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation (note 29)	4,697,347	4,697,347

13. DIVIDEND

The directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

12. 終止經營業務 (續)

(v) 每股盈利／(虧損)(港仙) (續)

終止經營業務之每股基本及攤薄盈利乃根據下列各項計算：

13. 股息

本公司董事不建議派發截至二零一九年十二月三十一日止年度之末期股息(二零一八年：無)。

Notes to Financial Statements

財務報表附註

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

14. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,697,347,000 (2018: 4,697,347,000) in issue during the year.

The calculations of basic and diluted (loss)/earnings per share are based on:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元 (Restated) (經重列)
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic and diluted (loss)/earnings per share calculation:	母公司普通股持有人應佔(虧損)/溢利，用於計算每股基本及攤薄(虧損)/溢利		
From continuing operations	來自持續經營業務	(248,092)	15,818
From discontinued operations (note 12)	來自終止經營業務(附註12)	97,705	750,898
		(150,387)	766,716
		Number of shares 股份數目	
		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Weighted average number of ordinary shares in issue during the year used in the basic and diluted (loss)/earnings per share calculations (note 29)	本年度內用於計算每股基本及攤薄(虧損)/溢利之已發行普通股加權平均數(附註29)	4,697,347	4,697,347

14. 母公司普通股持有人應佔(虧損)/盈利

(a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利乃按年內母公司普通股持有人應佔(虧損)/溢利及年內已發行普通股之加權平均數4,697,347,000股(二零一八年：4,697,347,000股)計算。

每股基本及攤薄(虧損)/盈利乃根據下列各項計算：

(b) 每股攤薄虧損

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2019 (2018: Nil).

截至二零一九年十二月三十一日止年度，本集團並無潛在攤薄之已發行普通股(二零一八年：無)。

Notes to Financial Statements

財務報表附註

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

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings 樓宇 \$'000 千元	Furniture, fixtures, and equipment 傢俬、裝置 及設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Leasehold improvements 租賃 物業裝修 \$'000 千元	Construction in progress 在建工程 \$'000 千元	Total 總計 \$'000 千元
31 December 2019	二零一九年十二月三十一日						
At 1 January 2019: Cost	於二零一九年一月一日： 成本	7,839	24,029	3,879	32,983	608,095	676,825
Accumulated depreciation and impairment	累計折舊及減值	(2,376)	(12,779)	(3,324)	(18,132)	—	(36,611)
Net carrying amount	賬面淨值	5,463	11,250	555	14,851	608,095	640,214
At 1 January 2019, net of accumulated depreciation and impairment	於二零一九年一月一日 (扣除累計折舊及減值)	5,463	11,250	555	14,851	608,095	640,214
Additions	添置	—	11,792	—	73,443	267,866	353,101
Disposals	出售	—	(226)	(3)	—	—	(229)
Disposal of subsidiaries (note 32)	出售附屬公司(附註32)	(4,761)	(96)	(75)	—	—	(4,932)
Transfer to assets held for sale (note 12)	轉至持作出售之資產 (附註12)	—	—	—	(2,985)	(864,108)	(867,093)
Depreciation provided during the year	年內計提之折舊	(381)	(2,593)	(460)	(12,003)	—	(15,437)
Exchange realignment	匯兌調整	(321)	(400)	(17)	(854)	(4,340)	(5,932)
At 31 December 2019, net of accumulated depreciation and impairment	於二零一九年十二月三十一日 (扣除累計折舊及減值)	—	19,727	—	72,452	7,513	99,692
At 31 December 2019: Cost	於二零一九年十二月三十一日： 成本	—	29,087	2,716	81,280	7,513	120,596
Accumulated depreciation and impairment	累計折舊及減值	—	(9,360)	(2,716)	(8,828)	—	(20,904)
Net carrying amount	賬面淨值	—	19,727	—	72,452	7,513	99,692

Notes to Financial Statements

財務報表附註

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

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

15. 物業、廠房及設備 (續)

		Buildings 樓宇 \$'000 千元	Furniture, fixtures, and equipment 傢俬、裝置 及設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Leasehold improvements 租賃 物業裝修 \$'000 千元	Construction in progress 在建工程 \$'000 千元	Total 總計 \$'000 千元
31 December 2018	二零一八年十二月三十一日						
At 1 January 2018:	於二零一八年一月一日：						
Cost	成本	8,237	23,986	3,935	45,465	336,183	417,806
Accumulated depreciation and impairment:	累計折舊及減值：	(2,084)	(10,586)	(2,708)	(25,001)	–	(40,379)
Net carrying amount	賬面淨值	6,153	13,400	1,227	20,464	336,183	377,427
At 1 January 2018, net of accumulated depreciation and impairment	於二零一八年一月一日 (扣除累計折舊及減值)	6,153	13,400	1,227	20,464	336,183	377,427
Additions	添置	–	1,380	–	3,939	271,224	276,543
Disposals	出售	–	(56)	–	–	–	(56)
Depreciation provided during the year	年內計提之折舊	(395)	(2,929)	(665)	(9,586)	–	(13,575)
Exchange realignment	匯兌調整	(295)	(545)	(7)	34	688	(125)
At 31 December 2018, net of accumulated depreciation and impairment	於二零一八年十二月三十一日 (扣除累計折舊及減值)	5,463	11,250	555	14,851	608,095	640,214
At 31 December 2018:	於二零一八年十二月三十一日：						
Cost	成本	7,839	24,029	3,879	32,983	608,095	676,825
Accumulated depreciation and impairment	累計折舊及減值	(2,376)	(12,779)	(3,324)	(18,132)	–	(36,611)
Net carrying amount	賬面淨值	5,463	11,250	555	14,851	608,095	640,214

As at 31 December 2019, none of the Group's buildings and construction in progress (2018: \$5,463,000 and \$608,095,000, respectively) were pledged to secure interest-bearing bank borrowings granted to the Group.

於二零一九年十二月三十一日，本集團概無任何樓宇及在建工程（二零一八年：分別為5,463,000元及608,095,000元）已作抵押，作為取得本集團獲授之計息銀行借款之擔保。

Notes to Financial Statements

財務報表附註

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

16. FREEHOLD LAND

Freehold land represents the land acquisition cost, stamp duty, legal fee and other acquisition costs in relation to the Group's acquired project which is situated in the USA.

16. 永久業權土地

永久業權土地指有關本集團收購美國項目之土地收購成本、印花稅、法律費用及其他收購成本。

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Carrying amount at 1 January	於一月一日之賬面值	159,119	158,794
Transfer to assets classified as held for sale (note 12)	轉至分類為持作出售資產 (附註12)	(158,203)	—
Exchange realignment	匯兌調整	(916)	325
Carrying amount at 31 December	於十二月三十一日之賬面值	—	159,119

Notes to Financial Statements

財務報表附註

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

17. INVESTMENT PROPERTIES

17. 投資物業

		\$'000 千元
At 1 January 2018	於二零一八年一月一日	3,934,631
Addition	添置	20,263
Net loss from a fair value adjustment	公允價值調整虧損淨額	(423,327)
Reversal of over-accrued development costs	超額應計發展成本之撥回	(189)
Disposal of investment properties	出售投資物業	(50,586)
Exchange realignment	匯兌調整	(135,642)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	3,345,150
Net loss from a fair value adjustment (note 7)	公允價值調整虧損淨額(附註7)	(787,975)
Reversal of over-accrued development costs	超額應計發展成本之撥回	(615)
Disposal of subsidiaries (note 32)	出售附屬公司(附註32)	(980,936)
Exchange realignment	匯兌調整	(66,386)
At 31 December 2019	於二零一九年十二月三十一日	1,509,238

Notes to Financial Statements

財務報表附註

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

17. INVESTMENT PROPERTIES (Continued)

All the completed investment properties, including both land and building elements held by the Group, were revalued at the end of the year based on valuations performed by an independent qualified valuer, Cushman & Wakefield Shenzhen Valuation Co., Ltd. ("Cushman & Wakefield", previously known as DTZ Debenham Tie Leung Limited). Cushman & Wakefield is an industry specialist in investment property valuation, which has the appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation for completed investment properties was arrived at by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties, where appropriate, by reference to market evidence of transaction prices for the similar properties in the same locations and conditions. There were no changes to the valuation techniques during the year.

Certain items of the completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 18 to the financial statements.

As at 31 December 2019, none of the Group's investment properties (2018: \$850,451,000) were pledged to secure interest-bearing bank borrowings and undrawn bank facilities granted to the Group.

17. 投資物業 (續)

所有已竣工投資物業，包括本集團持有的土地及樓宇均已於年終根據獨立合資格估值師Cushman & Wakefield Shenzhen Valuation Co., Ltd. (「Cushman & Wakefield」，前稱戴德梁行有限公司)進行的估值進行重估。Cushman & Wakefield是投資物業評估行業的專家，並且具有適當的資質和近幾年來在相關地點的類似物業評估的經驗。已竣工投資物業之估值乃經考慮物業現有租約將產生的資本化收入及歸復收入潛力(如適用)，參考相同地點及狀況的類似物業的市場成交價計得。年內估值方式並無任何變動。

若干已竣工投資物業項目乃根據經營租賃租賃予第三方，其進一步概述詳情載於財務報表附註18。

於二零一九年十二月三十一日，本集團並無投資物業(二零一八年：850,451,000元)之投資物業之若干項目已作抵押，以取得本集團獲授之計息銀行借款及尚未提取之銀行信貸。

Notes to Financial Statements

財務報表附註

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

17. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

		Fair value measurements as at 31 December 2019 using 於二零一九年十二月三十一日 之公允價值計量使用				
Quoted prices in active markets (Level 1) 於活躍市場 之報價 (第一級) \$'000 千元	Significant observable inputs (Level 2) 重大可觀察 輸入參數 (第二級) \$'000 千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入參數 (第三級) \$'000 千元	Total 總計 \$'000 千元			
Recurring fair value measurement for: 經常性公允價值計量:						
Commercial properties 商用物業	—	—	1,509,238	1,509,238		

		Fair value measurements as at 31 December 2018 using 於二零一八年十二月三十一日 之公允價值計量使用				
Quoted prices in active markets (Level 1) 於活躍市場 之報價 (第一級) \$'000 千元	Significant observable inputs (Level 2) 重大可觀察 輸入參數 (第二級) \$'000 千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入參數 (第三級) \$'000 千元	Total 總計 \$'000 千元			
Recurring fair value measurement for: 經常性公允價值計量:						
Commercial properties 商用物業	—	—	3,345,150	3,345,150		

During the year, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2018: Nil). The Group's policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

年內，第一級與第二級之間並無轉換，亦無自第三級轉入或轉出(二零一八年：無)。本集團之政策為於發生轉換之報告期末確認公允價值層級間之轉換。

Notes to Financial Statements

財務報表附註

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

17. INVESTMENT PROPERTIES (Continued)

The Group's management has discussion with the valuer on the valuation assumptions and valuation results when the valuation is performed at each reporting date.

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques 估值方式	Significant unobservable inputs 重大不可觀察輸入參數	Range 範圍	
			2019 二零一九年	2018 二零一八年
Shopping mall 商場	Investment approach 投資法	Prevailing monthly market rent per square metre 每月每平方米 現行市場租金	RMB70 – RMB299 人民幣 70 元至 人民幣 299 元	RMB74 – RMB283 人民幣 74 元至 人民幣 283 元
		Reversionary yield 復歸收益率	Mall: 7.0% Store: 6.0% 商場: 7.0% 店面: 6.0%	Mall: 7.0% Store: 6.0% 商場: 7.0% 店面: 6.0%
Car parks 停車場	Investment approach 投資法	Prevailing monthly market rent per lot 每月每個車位 現行市場租金	RMB395 人民幣 395 元	RMB389 人民幣 389 元
		Reversionary yield 復歸收益率	5.0%	5.0%

Prevailing market rents are estimated based on the independent valuer's view of recent letting transactions within the subject properties and other comparable properties. The higher the rent, the higher the fair value is. The reversionary yield is estimated by the independent valuer based on the risk profile of the properties being valued. The higher the yield, the lower the fair value is.

17. 投資物業 (續)

於各報告日期進行估值時，本集團管理層會與估值師討論估值假設及估值結果。

以下為投資物業估值所使用之估值方式及主要輸入參數之概述：

現行市場租金乃根據獨立估值師對近期標的物業及其他可資比較物業內之租賃交易之意見估計。租金越高，公允價值越高。復歸收益率乃由獨立估值師根據被估物業之風險狀況估計。收益率越高，公允價值越低。

Notes to Financial Statements

財務報表附註

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

18. LEASES

The Group as a lessee

The Group has lease contracts for various items of office, hotel buildings, warehouses and leased land used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of more than 40 years, and no ongoing payments will be made under the terms of the land lease. Leases of office generally have lease terms between 2 and 6 years, and leases of hotel buildings generally have lease terms between 15 and 20 years, while warehouses generally have lease terms between 1 and 2 years.

(a) Prepaid land lease payments (before 1 January 2019)

		\$'000 千元
Carrying amount at 1 January 2018	於二零一八年一月一日之賬面值	18,036
Recognised in profit or loss during the year (note 7)	年內於損益確認(附註7)	(481)
Exchange realignment	匯兌調整	(818)
Carrying amount at 31 December 2018	於二零一八年十二月三十一日之賬面值	16,737

18. 租賃

本集團作為承租人

本集團擁有用於其業務營運之辦公室、酒店樓宇、倉庫及租賃土地之租賃合約。已提前作出一次性付款以向業主收購租賃土地，租期為超過40年，而根據該土地租賃之條款，將不會繼續支付任何款項。辦公室之租期通常為2至6年，酒店樓宇之租期通常為15至20年，而倉庫之租期通常為1至2年。

(a) 預付土地租賃付款(二零一九年一月一日前)

Notes to Financial Statements

財務報表附註

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

18. LEASES (Continued)

(b) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Office	Hotel buildings	Warehouses	Prepaid land lease payments	Total
		辦公室	酒店樓宇	倉庫	預付土地租賃款項	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
As at 1 January 2019	於二零一九年一月一日	10,240	—	375	16,737	27,352
Additions	添置	40,290	259,301	—	—	299,591
Depreciation charge	折舊開支	(12,237)	(7,852)	(215)	(463)	(20,767)
Disposal of subsidiaries (note 32)	出售附屬公司 (附註32)	—	—	—	(15,888)	(15,888)
Transfer to assets classified as held for sale (note 12)	轉至分類為持作出售之資產 (附註12)	(1,369)	—	—	—	(1,369)
Exchange realignment	匯兌調整	639	87	(28)	(386)	312
As at 31 December 2019	於二零一九年十二月三十一日	37,563	251,536	132	—	289,231

18. 租賃 (續)

(b) 使用權資產

本集團使用權資產之賬面值及年內變動如下：

Notes to Financial Statements

財務報表附註

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

18. LEASES (Continued)

(c) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

18. 租賃 (續)

(c) 租賃負債

租賃負債之賬面值及年內變動如下：

		2019 二零一九年 \$'000 千元
Carrying amount at 1 January 2019	於二零一九年一月一日之賬面值	10,517
New leases	新訂租賃	299,591
Accretion of interest recognised during the year (note 8)	年內確認之累增利息(附註8)	9,112
Payments	付款	(23,398)
Transfer to liabilities directly associated with the assets classified as held for sale (note 12)	轉至與分類為持作出售之資產直接有關之負債(附註12)	(1,406)
Exchange realignment	匯兌調整	773
Carrying amount at 31 December 2019	於二零一九年十二月三十一日之賬面值	295,189
Analysed into:	分析為：	
Current portion	即期	8,281
Non-current portion	非即期	286,908
		295,189

The maturity analysis of lease liabilities is disclosed in note 40 to financial statement.

租賃負債之到期日分析已在財務報表附註40披露。

Notes to Financial Statements

財務報表附註

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

18. LEASES (Continued)

- (d) The amounts recognised in profit or loss in relation to leases are as follows:

		2019 二零一九年 \$'000 千元
Interest on lease liabilities (note 8)	租賃負債利息(附註8)	9,112
Depreciation charge of right-of-use assets	使用權資產折舊開支	20,767
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (note 7)	與短期租賃及剩餘租期於二零一九年十二月三十一日或之前屆滿之其他租賃相關之開支(附註7)	6,984
Expense relating to leases of low-value assets (note 7)	與低價值資產租賃相關之開支(附註7)	110
Total amount recognised in profit or loss	於損益確認之總額	36,973

The total cash outflow for leases is disclosed in note 33(c) to the financial statements.

The Group as a lessor

The Group leases its investment properties (note 17) consisting of two commercial properties in Guilin and Fuzhou under operating lease arrangements, while the commercial properties in Fuzhou was disposed of on 27 December 2019 upon the completion of the disposal of Amazing Wise Limited (“Amazing Wise”) and its subsidiaries. Further details of the disposal are disclosed in note 32. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was \$149,118,000 (2018: \$168,736,000), details of which are included in note 5 to the financial statements.

18. 租賃(續)

- (d) 於損益確認之租賃相關金額如下：

租賃之現金流出總額已於財務報表附註33(c)披露。

本集團作為出租人

本集團根據經營租賃安排出租其投資物業(附註17)(包括兩項位於桂林及福州之商業物業)，而位於福州之商業物業已在完成出售Amazing Wise Limited(「Amazing Wise」)及其附屬公司後於二零一九年十二月二十七日售出。有關出售事項之進一步詳情於附註32披露。該等租賃之條款一般規定租戶支付保證金並根據當時市況定期調整租金。本集團年內確認之租金收入為149,118,000元(二零一八年：168,736,000元)，有關詳情載於財務報表附註5。

Notes to Financial Statements

財務報表附註

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

18. LEASES (Continued)

The Group as a lessor (Continued)

At 31 December 2019, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Within one year	一年內	85,945	153,341
After one year but within two years	一年後但兩年內	57,138	115,559
After two years but within three years	兩年後但三年內	37,016	88,202
After three years but within four years	三年後但四年內	32,371	79,886
After four years but within five years	四年後但五年內	26,428	76,312
After five years	五年後	133,549	254,179
		372,447	767,479

18. 租賃 (續)

本集團作為出租人 (續)

於二零一九年十二月三十一日，本集團根據與租戶訂立之不可撤銷經營租賃於未來期間之應收未貼現租賃付款如下：

Notes to Financial Statements

財務報表附註

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

19. DEFERRED TAX ASSETS AND LIABILITIES

The components of the Group's deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

19. 遞延稅項資產及負債

本集團於綜合財務狀況表確認之遞延稅項資產／(負債)成分及年內變動如下：

		Revaluation of properties 物業重估 \$'000 千元	LAT 土地增值稅 \$'000 千元	Lease liability 租賃負債 \$'000 千元	Others 其他 \$'000 千元	Total 總計 \$'000 千元
At 1 January 2018	於二零一八年一月一日	(594,018)	35,289	—	7,437	(551,292)
Deferred tax credited/(charged) to the statement of profit or loss during the year:	本年度計入／(扣除自) 損益表之遞延稅項：					
— included in continuing operations	— 計入持續經營業務	92,616	—	—	(371)	92,245
— included in discontinued operations	— 計入終止經營業務	8,412	(26,510)	—	1,846	(16,252)
Exchange differences	匯兌差額	12,333	(998)	—	(234)	11,101
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	(480,657)	7,781	—	8,678	(464,198)
Deferred tax credited/(charged) to the statement of profit or loss during the year:	本年度計入／(扣除自) 損益表之遞延稅項：					
— included in continuing operations	— 計入持續經營業務	153,639	—	989	8,748	163,376
— included in discontinued operations	— 計入終止經營業務	—	(7,781)	—	(1,972)	(9,753)
Disposed of subsidiaries (note 32)	出售附屬公司(附註32)	141,704	—	—	—	141,704
Exchange differences	匯兌差額	15,919	—	(11)	(275)	15,633
At 31 December 2019	於二零一九年十二月三十一日	(169,395)	—	978	15,179	(153,238)

Notes to Financial Statements

財務報表附註

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

19. DEFERRED TAX ASSETS AND LIABILITIES

(Continued)

Reconciliation to the consolidated statement of financial position:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Deferred tax assets	遞延稅項資產	16,157	16,459
Deferred tax liabilities	遞延稅項負債	(169,395)	(480,657)
		(153,238)	(464,198)

Deferred tax assets have not been recognised in respect of the following items:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Unused tax credits	未動用稅項抵免	70,345	36,321
Deductible temporary differences	可扣減暫時性差異	33,693	17,514
		104,038	53,835

The above tax losses mainly arose in the USA. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

19. 遞延稅項資產及負債(續)

綜合財務狀況表之對賬：

本公司並未就以下項目確認遞延稅項資產：

上述稅項虧損主要於美國產生。由於認為不大可能有應課稅溢利可動用上述項目抵銷，故並未就上述項目確認遞延稅項資產。



Notes to Financial Statements

財務報表附註

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

19. DEFERRED TAX ASSETS AND LIABILITIES

(Continued)

Pursuant to the PRC Corporate Income Tax Law, 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. A lower withholding tax rate may be applied if there is a tax treaty between PRC and the jurisdiction of the foreign investors. As at 31 December 2019, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of earnings associated with investments in subsidiaries in the PRC was approximately \$1,513,837,000 at 31 December 2019 (2018: \$1,665,445,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

19. 遞延稅項資產及負債(續)

根據中國企業所得稅法，就向外資企業投資者宣派來自於中國成立之外資企業的股息徵收10%預扣稅。倘中國與外國投資者所屬司法權區之間定有稅務優惠，則可按較低預扣稅稅率繳稅。於二零一九年十二月三十一日，本集團並未就其在中國成立之附屬公司須繳交預扣稅的未匯出盈利確認有關應付預扣稅的遞延稅項。董事認為，該等附屬公司於可見將來分派有關盈利的機會不大。於二零一九年十二月三十一日，與於中國附屬公司的投資相關的有關盈利總額約為1,513,837,000元(二零一八年：1,665,445,000元)。

本公司向其股東派付股息並未附有所得稅影響。

Notes to Financial Statements

財務報表附註

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

20. TRADE AND BILLS RECEIVABLES

20. 貿易應收款項及應收票據

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Trade receivables	貿易應收款項	231,696	321,316
Impairment	減值	(28,493)	(1,595)
		203,203	319,721
Bills receivables	應收票據	16,921	—
		220,124	319,721

Receivables from leasing properties are normally settled on an advance receipt basis, where the lessees are required to pay in advance for several months' rental payment and pay a security deposit as well. However, in the case of long-standing customers with good repayment history, the Group may offer these customers credit terms.

For the business of hotel operations, receivables are normally settled in advance. However, the Group may offer credit terms to certain corporate clients.

For the business of hotel management services, hotel design and construction management services, the Group's trading terms with its customers are mainly on credit. The Group has set out policies to ensure that follow-up action is taken to recover overdue debts. The Group also reviews regularly the recoverable amount of each individual trade receivable balance to ensure that adequate provision for impairment losses are made for irrecoverable amounts. The Group does not hold any collateral or other credit enhancements over such trade receivable balances. Trade receivables are non-interest-bearing.

來自租賃物業的應收款項一般以預收方式結算，承租人須預先支付數月租金並支付保證金。然而，就有良好還款記錄之長期客戶而言，本集團或會向該等客戶提供信貸條款。

就酒店營運業務而言，應收款項一般而言預先結算。然而，本集團或向若干公司客戶提供信貸條款。

就酒店管理服務、酒店設計及建設管理服務而言，本集團與其客戶之貿易條款主要以信貸形式進行。本集團已制定政策以確保採取跟進行動收回逾期債務。本集團亦定期審閱各項個別貿易應收款項結餘之可收回金額，以確保就不可收回金額作出充足之減值虧損撥備。本集團並無就該等貿易應收款項結餘持有任何抵押品或作出其他信貸增級安排。貿易應收款項不計利息。

Notes to Financial Statements

財務報表附註

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

20. TRADE AND BILLS RECEIVABLES (Continued)

The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Within 3 months	三個月內	73,183	92,614
Over 3 months but within 6 months	超過三個月但六個月內	31,669	48,168
Over 6 months but within 12 months	超過六個月但十二個月內	47,351	105,954
Over 12 months	超過十二個月	51,000	72,985
		203,203	319,721

The movements in the loss allowance for impairment of trade receivables are as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
At beginning of year	於年初	1,595	1,467
Impairment during the year, net	年內減值淨額		
— continuing operations (note 6)	— 持續經營業務 (附註6)	27,292	231
— discontinued operations	— 終止經營業務	(6)	—
Exchange differences	匯兌差額	(388)	(103)
At 31 December	於十二月三十一日	28,493	1,595

20. 貿易應收款項及應收票據 (續)

根據發票日期，於報告期末扣除虧損撥備之貿易應收款項之賬齡分析如下：

貿易應收款項之減值虧損撥備變動如下：

Notes to Financial Statements

財務報表附註

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

20. TRADE AND BILLS RECEIVABLES (Continued)

The increase in the loss allowance was due to certain outstanding contractual amounts which were considered in default and the Group is unlikely to receive such outstanding contractual amounts in full.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2019

	Current 即期	Past due 逾期				Total 總計
		Less than 3 months 少於三個月	3 to 6 months 三至六個月	6 to 12 months 六至十二個月	Over 12 months* 超過十二個月*	
Expected credit loss rate 預期信貸虧損率	0.292%	0.846%	1.032%	2.125%	9.361%	1.373%
Gross carrying amount (\$'000) 總賬面值(千元)	86,290	32,615	21,803	55,806	35,182	231,696
Expected credit losses (\$'000) 預期信貸虧損(千元)	251	276	225	1,186	26,555*	28,493

* Within the gross carrying amount over 12 months, \$9,518,000 of which was applied on the expected credit loss rate of 9.361%, and such rate was established based on historical credit loss experience of over 12 months, adjusted for forward-looking factors specific to the economic environment, and accordingly \$891,000 of expected credit losses was provided, and \$25,664,000 was considered to be unlikely for the Group to receive the outstanding contractual amounts and was fully impaired.

20. 貿易應收款項及應收票據 (續)

減值虧損增加乃由於若干未償合同金額被視作違約及本集團未能悉數收取相關未償合同金額。

於各報告日期使用撥備矩陣進行減值分析以計量預期信貸虧損。撥備率乃根據因就擁有類似虧損模式之多個客戶分部進行分組而逾期之日數計量。該計算反映或然率加權結果、貨幣時值及於報告日期可得之有關過往事項、當前條件及未來經濟條件預測之合理及可靠資料。

本集團就使用撥備矩陣計量貿易應收款項而面臨之信貸風險資料載列如下：

於二零一九年十二月三十一日

* 於超過12個月之總賬面值內，其中9,518,000元已應用預期信貸虧損率9.361%，而該比率是根據超過12個月之歷史信貸虧損經驗確定，並已就特定經濟環境之前瞻性因素作出調整，因此已就891,000元之預期信貸虧損作出撥備，而25,664,000元則被本集團視為不能收回未償合同金額並已全額減值。

Notes to Financial Statements

財務報表附註

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

20. TRADE AND BILLS RECEIVABLES (Continued)

As at 31 December 2018

	Current 即期	Past due 逾期				Total 總計
		Less than 3 months 少於三個月	3 to 6 months 三至六個月	6 to 12 months 六至十二個月	Over 12 months 超過十二個月	
Expected credit loss rate 預期信貸虧損率	0.018%	0.075%	0.088%	0.267%	10.458%	0.496%
Gross carrying amount (\$'000) 總賬面值(千元)	92,631	48,204	54,586	114,535	11,360	321,316
Expected credit losses (\$'000) 預期信貸虧損(千元)	17	36	48	306	1,188	1,595

20. 貿易應收款項及應收票據 (續)

於二零一八年十二月三十一日

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes 附註	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Prepayments 預付款項		5,810	5,763
Deposits and other receivables 按金及其他應收款項	b	25,859	1,767,851
Amounts due from related parties 應收關連人士款項		1,004	10
Amounts due from an intermediate holding company 應收一間中間控股公司款項		10,712	2,045
Impairment allowance 減值撥備	a	43,385 (16,537)	1,775,669 (353)
		26,848	1,775,316

The amounts due from related parties and amount due from an intermediate holding company are unsecured, interest-free and repayable on demand.

應收關連人士款項及應收一間中間控股公司款項乃無抵押、免息及按要求償還。

Notes to Financial Statements

財務報表附註

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

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

- (a) The movements in provision for impairment of other receivables during the year are as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
At 1 January	於一月一日	353	139
Impairment during the year recognised/(reversed) in profit or loss, net	年內於損益確認/(撥回)之減值淨額		
— continuing operations (note 6)	— 持續經營業務(附註6)	9,651	(22)
— discontinued operations	— 終止經營業務	6,659	233
Exchange differences	匯兌差額	(126)	3
At 31 December	於十二月三十一日	16,537	353

The above provision for impairment of other receivables is a provision for individually impaired other receivables.

上述其他應收款項之減值撥備乃就個別已減值之其他應收款項而計提之撥備。

- (b) The decrease in deposits and other receivables was due to:

- (i) the proceeds receivables in relation with the loan repayment by R&F to the Company, amounting to GBP84,000,000 (equivalent to approximately HK\$831,774,000) in 2018, of which GBP60,000,000 (equivalent to approximately HK\$590,382,000) was received during the year. The remaining balance of GBP24,000,000 (equivalent to approximately HK\$241,392,000) has been assigned to Wanda Commercial Properties (Hong Kong) Co. Ltd (“Wanda HK”), an intermediate holding company to the Company, on 17 December 2019.

- (b) 按金及其他應收款項減少主要是由於：

- (i) 有關富力代表萬達國際向本公司償還貸款之應收所得款項於二零一八年為數84,000,000英鎊(相當於約831,774,000港元)，其中60,000,000英鎊(相當於約590,382,000港元)已於年內收到。剩餘結餘24,000,000英鎊(相當於約241,392,000港元)已於二零一九年十二月十七日轉予萬達商業地產(香港)有限公司(「萬達香港」)(本公司之中間控股公司)。

Notes to Financial Statements

財務報表附註

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

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

(b) (Continued)

- (ii) the proceeds receivables in relation with the loan repayment by AWH to the Group, amounting to AUD130,000,000 (equivalent to approximately HK\$715,871,000) in 2018, of which AUD25,000,000 (equivalent to approximately HK\$159,098,000) was received during the year. The remaining balance of AUD105,000,000 (equivalent to approximately HK\$556,773,000) has been assigned to Wanda HK on 17 December 2019.
- (iii) the deposit made to Australian Taxation Office in relation to the disposal of interest in Wanda Australia RE, amounting to \$187,183,000 in 2018, of which the balance was refunded during the year.
- (c) Other than the aforementioned impaired other receivables, the financial assets included in the above balances relate to the receivables for which there was no recent history of default and past due amounts.

22. CONTRACT ASSETS

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Contract assets arising from:	以下項目所產生之合約資產：		
Hotel design services	酒店設計服務	14,554	—
Impairment	減值	(54)	—
		14,500	—

Contract assets are initially recognised for revenue earned from hotel design services and the provision of related design services as the receipt of consideration is on condition that certain milestones were reached and the design results were confirmed by the customers. Upon completion of certain milestones of the design and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

21. 預付款項、其他應收款項及其他資產 (續)

(b) (續)

- (ii) AWH向本集團償還貸款之應收所得款項於二零一八年為數130,000,000澳元(相當於約715,871,000港元)，其中25,000,000澳元(相當於約159,098,000港元)已於年內收到。剩餘結餘105,000,000澳元(相當於約556,773,000港元)已於二零一九年十二月十七日轉讓予萬達香港。
- (iii) 有關出售於萬達澳洲地產之權益而向澳洲稅務局作出之按金於二零一八年為數187,183,000港元，其結餘已於年內退回。
- (c) 除上述已減值之其他應收款項外，計入上述結餘之金融資產與近期並無違約記錄之應收款項有關。

22. 合約資產

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Contract assets arising from:	以下項目所產生之合約資產：		
Hotel design services	酒店設計服務	14,554	—
Impairment	減值	(54)	—
		14,500	—

合約資產已初始確認為酒店設計服務及計提相關設計服務撥備所賺取之收益，以作為收取之代價，而前提是已達到若干里程碑並由客戶確認設計結果。完成若干設計里程碑並受客戶接納後，已確認作合同資產之金額已重新分類為貿易應收款項。

Notes to Financial Statements

財務報表附註

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

22. CONTRACT ASSETS (Continued)

During the year ended 31 December 2019, \$54,000 was recognised as an allowance for excepted credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 20 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December 2019 is within one year.

The movements in the loss allowance for impairment of contract assets are as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
At beginning of year	年初	—	—
Impairment losses (note 6)	減值虧損(附註6)	54	—
At end of year	年末	54	—

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses on the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

22. 合約資產(續)

於二零一九年十二月三十一日止年度，已確認54,000元作為合約資產之預期信貸虧損撥備。本集團與客戶之貿易條款及信貸政策於財務報表附註20中披露。

於二零一九年十二月三十一日收回或結清合約資產之預期時間為一年內。

合約資產之減值虧損撥備變動如下：

於各報告日期使用撥備矩陣進行減值分析以計量預期信貸虧損。由於合約資產及貿易應收款項乃源自相同客戶群，用以計量合約資產預期信貸虧損之撥備率乃根據貿易應收款項之預期信貸虧損計算得出。合約資產之撥備率乃根據按擁有類似虧損模式劃分之多個客戶分部之貿易應收款項逾期之日數計量。該計算反映或然率加權結果、貨幣時值及於報告日期可得之有關過往事項、當前情況及未來經濟情況預測之合理及可靠資料。

Notes to Financial Statements

財務報表附註

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

22. CONTRACT ASSETS (Continued)

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

		Current 即期
Expected credit loss rate	預期信貸虧損比率	0.371%
Gross carrying amount (\$'000)	總賬面值(千元)	14,554
Expected credit losses (\$'000)	預期信貸虧損(千元)	54

22. 合約資產(續)

本集團使用撥備矩陣計量合約資產之信貸風險資料載列如下：

23. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

23. 受限制銀行存款以及現金及現金等值物

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Cash and bank balances	現金及銀行結餘	2,198,697	2,742,303
Time deposits	定期存款	223,260	3,995
		2,421,957	2,746,298
Less: Pledged for long-term bank loans	減：已為長期銀行貸款抵押	—	(4,938)
An escrow account pledged for construction work	已為建設工程抵押之託管賬戶	—	(64)
Cash and cash equivalents	現金及現金等值物	2,421,957	2,741,296

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to \$2,104,820,000 (2018: \$2,341,569,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於報告期末，本集團以人民幣計值之現金及銀行結餘為2,104,820,000元(二零一八年：2,341,569,000元)。人民幣不可自由兌換為其他貨幣，然而，根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准許透過授權開展外匯業務之銀行將人民幣兌換為其他貨幣。

Notes to Financial Statements

財務報表附註

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

23. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (Continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. The time deposit is made for a period of three years, but which could be withdrawn at any time during the period depending on the immediate cash requirements of the Group. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

As at 31 December 2019, none of the Group's cash and bank balances and time deposits (2018: cash and bank balances amounting to \$943,000 and time deposits amounting to \$3,995,000) were pledged to secure interest-bearing bank borrowings granted to the Group.

23. 受限制銀行存款以及現金及現金等值物(續)

銀行存款根據每日銀行存款利率賺取浮動利息。定期存款為期三年，惟視乎本集團之即時現金需求而可於期內任何時間提取。銀行結餘及受限制現金存入近期並無違約記錄之具信譽銀行。

於二零一九年十二月三十一日，本集團概無現金及銀行結餘以及定期存款(二零一八年：金額為943,000元之現金及銀行結餘及3,995,000元之定期存款)已作抵押，作為取得本集團獲授之計息銀行借款之擔保。

24. TRADE AND OTHER PAYABLES

An analysis of trade payables and other payables as at the end of the reporting period is as follows:

24. 貿易及其他應付款項

於報告期末之貿易應付款項及其他應付款項之分析如下：

			2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Trade payables	貿易應付款項	a	84,874	630,190
Other payables	其他應付款項		215,365	193,111
Accruals	應計費用		—	1,072
Interest payable on other borrowings	其他借款應付利息		—	126,667
Interest payable to an intermediate holding company	應付一間中間控股公司利息	b	129,523	11,442
Interest payable to financial institutions	應付金融機構利息		—	1,795
Amounts due to intermediate holding companies	應付中間控股公司款項	c	94,852	2,954,320
Amounts due to related parties	應付關連人士款項	c	205,094	657,200
			729,708	4,575,797

Notes to Financial Statements

財務報表附註

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

24. TRADE AND OTHER PAYABLES (Continued)

Notes:

- a. None of the Group's trade payables are expected to be settled after more than one year (2018: Nil).

The ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Within 3 months	三個月內	3,404	481,347
Over 3 months but within 6 months	超過三個月但六個月內	2,265	41
Over 6 months but within 12 months	超過六個月但十二個月內	143	12
Over 12 months	超過十二個月	79,062	148,790
		84,874	630,190

- b. The amount of \$129,523,000 in interest payable to an intermediate holding company is repayable within one year (2018: \$11,442,000). The interest payables are unsecured and not subject to compound interests.
- c. The amounts due to intermediate holding companies and related parties are repayable on demand or within one year and all these balances are unsecured and interest-free.

24. 貿易及其他應付款項 (續)

附註：

- a. 概無本集團貿易應付款項預期將於超過一年後結算(二零一八年：無)。

根據發票日期，於報告期末之貿易應付款項之賬齡分析如下：

- b. 應付一間中間控股公司利息129,523,000元須於一年內償還(二零一八年：11,442,000元)。該等應付利息為無抵押及毋須支付複利。
- c. 應付中間控股公司及關連人士之款項均須按要求或於一年內償還，而該等結餘全部為無抵押及免息。

Notes to Financial Statements

財務報表附註

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

25. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

25. 合約負債

合約負債詳情如下：

		31 December 2019 二零一九年 十二月三十一日 \$'000 千元	31 December 2018 二零一八年 十二月三十一日 \$'000 千元	1 January 2018 二零一八年 一月一日 \$'000 千元
Sale of properties	銷售物業	—	92,974	16,093
Property management services	物業管理服務	—	24,518	8,643
Other services	其他服務	62,130	726	780
Total contract liabilities	合約負債總額	62,130	118,218	25,516
Current portion	即期部份	35,463	118,218	25,516
Non-current portion	非即期部份	26,667	—	—
		62,130	118,218	25,516

Contract liabilities include advances received to deliver properties, property management services and other services. The decrease in contract liabilities in 2019 was mainly due to the net effect of the decrease in the contract liabilities from the sale of properties and the increase in the contract liabilities from other services. Contract liabilities for other services represented advances received from hotels who participated in the loyalty programme and the advances received in relation to hotel management services at the end of the year.

合約負債包括就交付物業、物業管理及其他服務而收取之墊款。於二零一九年合約負債減少主要由於銷售物業之合約負債減少及其他服務之合約負債增加之淨影響所致。其他服務之合約負債指於年末收取參與忠誠計劃之酒店之墊款以及收取有關酒店管理服務之墊款。

Notes to Financial Statements

財務報表附註

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

26. LOANS FROM FINANCIAL INSTITUTIONS

Loans from financial institutions were repayable as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Current:	即期：		
Bank loans — secured	銀行貸款 — 有抵押	—	46,088
Non-current:	非即期：		
Bank loans — secured	銀行貸款 — 有抵押	—	1,146,769
		—	1,192,857
Repayable:	還款期：		
Within 1 year or on demand	一年內或按要求	—	46,088
After 1 year but within 2 years	一年後但兩年內	—	95,392
After 2 years but within 5 years	兩年後但五年內	—	1,051,377
		—	1,192,857

The Group's bank borrowings bear interest at floating rates. The range of the effective interest rates is as follows:

		2019 二零一九年	2018 二零一八年
Effective interest rates	實際利率	—	3.38%~6.50%

26. 金融機構貸款

金融機構貸款之還款期如下：

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Current:	即期：		
Bank loans — secured	銀行貸款 — 有抵押	—	46,088
Non-current:	非即期：		
Bank loans — secured	銀行貸款 — 有抵押	—	1,146,769
		—	1,192,857
Repayable:	還款期：		
Within 1 year or on demand	一年內或按要求	—	46,088
After 1 year but within 2 years	一年後但兩年內	—	95,392
After 2 years but within 5 years	兩年後但五年內	—	1,051,377
		—	1,192,857

本集團之銀行借款按浮動利率計息，年內之實際利率範圍如下：

		2019 二零一九年	2018 二零一八年
Effective interest rates	實際利率	—	3.38%~6.50%

Notes to Financial Statements

財務報表附註

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

27. LOANS FROM AN INTERMEDIATE HOLDING COMPANY

Loans from an intermediate holding company were repayable as follows:

27. 一間中間控股公司貸款

一間中間控股公司貸款之還款期如下：

		Note 附註	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Current:	即期：			
Loans from an intermediate holding company	一間中間控股公司貸款	a	4,187,582	1,445,489
Non-current:	非即期：			
Loans from an intermediate holding company	一間中間控股公司貸款	a	—	678,321
			4,187,582	2,123,810

Notes to Financial Statements

財務報表附註

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

27. LOANS FROM AN INTERMEDIATE HOLDING COMPANY (Continued)

Notes:

- a. The carrying amounts of all the Group's loans from an intermediate holding company during the year were denominated in the United States Dollar ("US\$") and Hong Kong Dollar ("HK\$"). The denominated amounts at the year end are as follows:

	Notes 附註	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
GBP loans and borrowings	(i)	—	507,150
EUR loans and borrowings	(ii)	—	65,339
US\$ loans and borrowings	(ii)	674,416	678,321
US\$ loans and borrowings	(iii)	2,640,166	—
HK\$ loans and borrowings	(iv)	873,000	873,000
		4,187,582	2,123,810

Notes:

- (i) This loan bears interest at a rate of 5% per annum.
- (ii) These loans are interest-free.
- (iii) These loans bears interest at a rate of the 3-months USD Libor+1%.
- (iv) This loan bears interest at a rate of 4% per annum.
- b. Interest incurred during the year ended 31 December 2019 and interest payable to an intermediate holding company as at 31 December 2019 are set out in notes 8 and 24, respectively.

27. 一間中間控股公司貸款(續)

附註：

- a. 年內，本集團一間中間控股公司之全部貸款之賬面值均以美元(「美元」)及港元(「港元」)計值。於年末之貨幣計值金額如下：

附註：

- (i) 該等貸款按每年5%之利率計息。
- (ii) 該等貸款為免息。
- (iii) 該等貸款按三個月倫敦銀行同業拆息加1%計息。
- (iv) 該等貸款按每年4%之利率計息。
- b. 截至二零一九年十二月三十一日止年度產生之利息及於二零一九年十二月三十一日應付一間中間控股公司之利息分別載於附註8及24。

Notes to Financial Statements

財務報表附註

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

28. TAX PAYABLE

28. 應付稅項

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Current tax payable:	應付即期稅項：		
PRC corporate income tax	中國企業所得稅	25,022	58,021
PRC land appreciation tax	中國土地增值稅	—	127,114
		25,022	185,135

29. SHARE CAPITAL

29. 股本

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Issued and fully paid:	已發行及繳足：		
4,697,346,488 (2018: 4,697,346,488) ordinary shares	4,697,346,488 (二零一八年： 4,697,346,488) 股普通股	469,735	469,735

Notes to Financial Statements

財務報表附註

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

30. RESERVES

(a) The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 114 to 115 of the financial statements.

(b) Nature and purpose of reserves

Share premium

The application of the share premium is governed by the Companies Act 1981 of Bermuda.

Statutory reserve

In accordance with the Company Law of the PRC and the respective articles of association of the PRC group companies, each of the subsidiaries of the Group that is domiciled in the PRC is required to allocate 10% of its profit after tax, as determined in accordance with the PRC Accounting Regulations, to the statutory surplus reserve until such reserve reaches 50% of its respective registered capital.

Exchange reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the Company and foreign operations whose functional currencies are different from the Group's presentation currency.

30. 儲備

(a) 於本年度及過往年度，本集團之儲備及其變動金額於財務報表第114至115頁之綜合股權變動表內呈列。

(b) 儲備性質及用途

股份溢價

股份溢價之使用受百慕達一九八一年公司法規管。

法定儲備

根據中國公司法及中國集團公司之相關組織章程，本集團於中國註冊之各附屬公司須按的要求分配10%的除稅後溢利(根據中國會計制度釐定)至法定盈餘儲備，直至該等儲備達至各自註冊資本的50%。

匯兌儲備

外匯換算儲備指換算本公司及功能貨幣有別於本集團呈列貨幣之海外業務之財務報表時所產生之匯兌差額。

Notes to Financial Statements

財務報表附註

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

30. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

Special reserve

The special reserve of the Group represents (i) the difference between the aggregate nominal value of the share capital of the Company's subsidiaries acquired and the nominal value of the shares issued by the Company in connection with the Group's reorganisation; and (ii) adjustments made to the amounts of controlling and non-controlling interests to reflect the change in the relative interests as a result of changes in the Group's interests in Amazing Wise that do not result in a loss of control.

Merger reserve

The merger reserve represents the difference between the fair value of the consideration paid to Wanda HK for the acquisition of the entire interest in Wanda Hotel Management Group which are under common control of Wanda HK, and the carrying amounts of the net assets of Wanda Hotel Management Group acquired.

Distributable reserves

The Company's share premium, special reserve and retained earning as at 31 December 2019 may be distributable to shareholders in certain circumstances prescribed by Section 54 of the Companies Act 1981 of Bermuda.

As at 31 December 2019, the aggregate amount of reserves available for distribution to equity holders of the Company was \$1,101,521,000 (2018: \$2,054,658,000).

30. 儲備 (續)

(b) 儲備性質及用途 (續)

特別儲備

本集團特別儲備指(i)本公司所收購附屬公司之股本面值總額與本公司就集團重組所發行之股份面值之差額；及(ii)就控股及非控股權益金額作出之調整，以反映因本集團於Amazing Wise之權益變動(並無導致失去控制權)所產生之相對權益變動。

合併儲備

合併儲備指就收購萬達酒管集團全部權益(受萬達香港共同控制)而向萬達香港支付代價之公允價值與所收購萬達酒店管理集團資產淨值之賬面值的差額。

可供分派儲備

於二零一九年十二月三十一日，本公司之股份溢價、特別儲備及保留盈利於百慕達一九八一年公司法第54條所規定之若干情況下可供分派予股東。

於二零一九年十二月三十一日，可供分派予本公司權益持有人之儲備總額為1,101,521,000元(二零一八年：2,054,658,000元)。

Notes to Financial Statements

財務報表附註

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

31. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The following tables list out the information relating to subsidiaries of the Group which have material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

31. 擁有重大非控股權益的部分擁有附屬公司

下表載列本集團擁有重大非控股權益的附屬公司資料。下文所示財務資料概要為未計算任何公司間撇銷的金額。

		Wanda Properties Investment Limited Group	Wanda Americas Real Estate Investment Limited Group
		萬達置業投資 有限公司集團	萬達美洲地產投資 有限公司集團
		\$'000 千元	\$'000 千元
2019	二零一九年		
Percentage of equity interest held by NCI	非控股權益持有的權益百分比	49%	40%
Profit/(loss) for the year allocated to NCI	分配予非控股權益的本年度溢利／(虧損)	47,676	(47,722)
Dividends declared to NCI	宣派予非控股權益的股息	—	—
Accumulated balances/(deficit) of NCI at the reporting date	於報告日期的非控股權益累計餘額／(虧絀)	537,600	(117,612)
2018	二零一八年		
Percentage of equity interest held by NCI	非控股權益持有的權益百分比	49%	40%
Profit/(loss) for the year allocated to NCI	分配予非控股權益的本年度溢利／(虧損)	69,703	(13,138)
Dividends declared to NCI	宣派予非控股權益的股息	—	—
Accumulated balances/(deficit) of NCI at the reporting date	於報告日期的非控股權益累計餘額／(虧絀)	513,857	(63,814)

Notes to Financial Statements

財務報表附註

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

31. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(Continued)

31. 擁有重大非控股權益的部分擁有附屬公司(續)

		Wanda Properties Investment Limited Group 萬達置業投資 有限公司集團 \$'000 千元	Wanda Americas Real Estate Investment Limited Group 萬達美洲地產投資 有限公司集團 \$'000 千元
2019	二零一九年		
Revenue from continuing operations	持續經營業務之收益	98,719	—
Total expense and other net loss from continuing operations	持續經營業務之總開支及其他虧損淨額	(25,926)	(97,399)
Profit/(loss) for the year from continuing operations	持續經營業務之本年度溢利/(虧損)	72,793	(97,399)
Profit/(loss) for the year from discontinued operations	終止經營業務之本年度溢利/(虧損)	24,504	(21,906)
Profit/(loss) for the year	本年度溢利/(虧損)	97,297	(119,305)
Total comprehensive income/(loss) for the year	本年度全面收入/(虧損)總額	48,455	(134,494)
Current assets	流動資產	1,286,107	5,022,395
Non-current assets	非流動資產	1,511,988	22
Current liabilities	流動負債	(1,531,558)	(5,097,262)
Non-current liabilities	非流動負債	(169,395)	—
NCI	非控股權益	—	(219,185)
Net cash flows from/(used in) — operating activities	產生/(所用)之現金流量淨額 — 經營活動	(451,222)	(807,784)
— investing activities	— 投資活動	1,398	(260,365)
— financing activities	— 融資活動	—	1,026,062
Effect of foreign exchange rate changes	匯率變動之影響	9,029	239
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額	(440,795)	(41,848)

Notes to Financial Statements

財務報表附註

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

31. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(Continued)

31. 擁有重大非控股權益的部分擁有附屬公司(續)

		Wanda Properties Investment Limited Group 萬達置業投資 有限公司集團 \$'000 千元 (Restated) (經重列)	Wanda Americas Real Estate Investment Limited Group 萬達美洲地產投資 有限公司集團 \$'000 千元 (Restated) (經重列)
2018	二零一八年		
Revenue from continuing operations	持續經營業務之收益	95,890	—
Total expense and other net loss from continuing operations	持續經營業務之總開支及其他虧損淨額	(37,269)	(4,070)
Profit/(loss) for the year from continuing operations	持續經營業務之本年度溢利/(虧損)	58,621	(4,070)
Profit/(loss) for the year from discontinued operations	已終止經營業務之本年度溢利/(虧損)	83,629	(28,774)
Profit/(loss) for the year	本年度溢利/(虧損)	142,250	(32,844)
Total comprehensive income for the year	本年度全面收入總額	21,969	4,520
Current assets	流動資產	1,843,513	3,259,430
Non-current assets	非流動資產	1,548,659	781,620
Current liabilities	流動負債	(772,747)	(2,998,821)
Non-current liabilities	非流動負債	(1,570,738)	(979,113)
NCI	非控股權益	—	(222,652)
Net cash flows from/(used in) — operating activities	產生/(所用)之現金流量淨額 — 經營活動	717,372	(652,145)
— investing activities	— 投資活動	(20,263)	(79,919)
— financing activities	— 融資活動	—	(154,861)
Effect of foreign exchange rate changes	匯率變動之影響	(34,280)	1,846
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	662,829	(885,079)

Notes to Financial Statements

財務報表附註

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

32. DISPOSAL OF SUBSIDIARIES

On 27 December 2019, the Group completed the disposal of its remaining 53% equity interest in Amazing Wise, which indirectly holds 100% interest in Hengli City, to Zhizun Holdings Limited for a cash consideration of HK\$2 million (the "Disposal"). Further details of the Disposal have been set out in the Company's announcements dated 13 December 2019, 27 December 2019 and 25 March 2020.

The net assets of Amazing Wise and its subsidiaries at the date of disposal were as follows:

32. 出售附屬公司

於二零一九年十二月二十七日，本集團完成向Zhizun Holdings Limited出售其於Amazing Wise（其間接持有恒力城100%權益）之餘下53%權益，現金代價為2,000,000港元（「出售事項」）。有關出售事項之進一步詳情請參閱本公司日期為二零一九年十二月十三日、二零一九年十二月二十七日及二零二零年三月二十五日之公告。

Amazing Wise及其附屬公司已計入於出售日期之資產淨值如下：

		2019 二零一九年 \$'000 千元
Net assets disposed of:	已出售之資產淨值：	
Property, plant and equipment (note 15)	物業、廠房及設備(附註15)	4,932
Investment properties (note 17)	投資物業(附註17)	980,936
Right-of-use assets (note 18(b))	使用權資產(附註18(b))	15,888
Completed properties held for sale	已竣工之持作出售物業	18,345
Trade receivables	貿易應收款項	7,679
Prepayments and other receivables	預付款項及其他應收款項	184,679
Other current assets	其他流動資產	3,344
Restricted bank deposits	受限制銀行存款	4,165
Cash and cash equivalents	現金及現金等價物	10,104
Receipts in advance	預收款項	(18,926)
Other borrowings	其他借款	(394,793)
Trade and other payables	貿易及其他應付款項	(210,647)
Tax payable	應付稅項	(159,277)
Loans from financial institutions	金融機構貸款	(333,852)
Deferred tax liabilities (note 19)	遞延稅項負債(附註19)	(141,704)
Non-controlling interests	非控股權益	11,656
		(17,471)
Exchange fluctuation reserve	匯兌波動儲備	(117,909)
		(135,380)
Transaction expenses	交易開支	587
Gain on disposal of subsidiaries (note 12)	出售附屬公司之收益(附註12)	136,793
		2,000
Satisfied by:	出售所得：	
Cash	現金	2,000

Notes to Financial Statements

財務報表附註

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

32. DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

32. 出售附屬公司 (續)

有關出售附屬公司之現金及現金等值物流出淨額之分析如下：

		2019 二零一九年 \$'000 千元
Cash consideration	現金代價	2,000
Cash and bank balances disposed of	已出售之現金及銀行結餘	(10,104)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	有關出售附屬公司之現金及現金等 值物流出淨額	(8,104)

Notes to Financial Statements

財務報表附註

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

33. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of \$299,591,000 and \$299,591,000, respectively, in respect of lease arrangements for office and hotel buildings (2018: Nil).

(b) Changes in liabilities arising from financing activities

2019

33. 綜合現金流量表附註

(a) 重大非現金交易

年內，本集團就分別為299,591,000元及299,591,000元之辦公室及酒店樓宇之租賃安排擁有使用權資產及租賃負債之非現金添置(二零一八年：無)。

(b) 融資活動所產生的負債變動

二零一九年

		Lease liabilities	Loans from financial institutions	Loans and amount due to an intermediate holding company 一間中間控股公司貸款及應付一間中間控股公司款項	Other borrowings	Interest payables for bank loans and other loans 銀行貸款及其他貸款之應付利息	Total
		租賃負債 \$' 000 千元	金融機構貸款 \$' 000 千元	應付一間中間控股公司款項 \$' 000 千元	其他借款 \$' 000 千元	銀行貸款及其他貸款之應付利息 \$' 000 千元	總計 \$' 000 千元
At 31 December 2018	於二零一八年十二月三十一日	-	1,192,857	5,078,130	385,592	139,904	6,796,483
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號之影響	10,517	-	-	-	-	10,517
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	10,517	1,192,857	5,078,130	385,592	139,904	6,807,000
Changes from financing cash flows	融資現金流量變動	(14,286)	126,672	128,843	9,500	(105,777)	144,952
New leases (note 18(b))	新訂租賃(附註18(b))	299,591	-	-	-	-	299,591
Interest expenses	利息開支	9,112	-	-	-	236,936	246,048
Interest paid classified as operating cash flows (note 18(c))	分類為經營現金流量之已付利息(附註18(c))	(9,112)	-	-	-	-	(9,112)
Transfer to liabilities directly associated with the assets classified as held for sale	轉至與分類為持作出售之資產直接有關之負債	(1,406)	(973,475)	-	-	-	(974,881)
Disposal of subsidiaries (note 32)	出售附屬公司(附註32)	-	(333,852)	-	(394,793)	(136,496)	(865,141)
Assignments of receivables (note 37(a))	轉讓應收款項(附註37(a))	-	-	(798,165)	-	-	(798,165)
Derecognition of loan due to an intermediate holding company	終止確認應付一間中間控股公司之貸款	-	-	(65,339)	-	-	(65,339)
Foreign exchange movement	外匯變動	773	(12,202)	(61,035)	(299)	(5,044)	(77,807)
At 31 December 2019	於二零一九年十二月三十一日	295,189	-	4,282,434	-	129,523	4,707,146

Notes to Financial Statements

財務報表附註

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

33. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) (Continued)

2018

		Loans from financial institutions	Loans and amount due to an intermediate holding company 一間中間控股公司貸款及應付一間中間控股公司款項	Other borrowings	Interest payables for bank loans and other loans	Total
		金融機構貸款	控股公司款項	其他借款	銀行貸款及其他貸款之應付利息	總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
At 1 January 2018	於二零一八年一月一日	1,814,936	9,065,580	287,083	560,239	11,727,838
Changes from financing cash flows	融資現金流量變動	(609,992)	(3,826,820)	97,320	(623,000)	(4,962,492)
Interest expenses	利息開支	—	—	—	184,773	184,773
Foreign exchange movement	外匯變動	(12,087)	(160,630)	1,189	17,892	(153,636)
At 31 December 2018	於二零一八年十二月三十一日	1,192,857	5,078,130	385,592	139,904	6,796,483

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

(c) 租賃現金流出總額

計入現金流量表之租賃現金流出總額如下：

		2019 二零一九年 \$'000 千元
Within operating activities	經營活動內	16,206
Within financing activities	融資活動內	14,286

Notes to Financial Statements

財務報表附註

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

33. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Total taxes paid

The total taxes paid during the year were:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Operating activities:	經營活動：		
PRC profits tax paid	已付中國所得稅	76,678	82,438
PRC LAT paid	已付中國土地增值稅	14,033	22,431
		90,711	104,869
Investing activities:	投資活動：		
Overseas taxes paid	已付海外稅項	—	31,957

33. 綜合現金流量表附註(續)

(d) 已付稅項總額

年內已付稅項總額：

34. COMMITMENTS

- (a) The Group had the following capital commitments at the end of the reporting period:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Contracted, but not provided for:	已訂約但未撥備	2,735,773	3,855,120

The above commitments mainly include construction-related costs to be incurred in respect of the Group's property development project of Parcel C.

34. 承擔

- (a) 於報告期末，本集團擁有之資本承擔如下：

上述承擔主要包括就本集團Parcel C物業發展項目而產生之建設相關費用。

Notes to Financial Statements

財務報表附註

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

34. COMMITMENTS (Continued)

- (b) Operating lease commitments as at 31 December 2018

The Group leased certain office premises under operating lease arrangements, negotiated for terms ranging from three to six years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 \$'000 千元
Within one year	一年內	22,115
In the second to fifth years, inclusive	兩年至五年 (包括首尾年度)	1,354
		23,469

35. PLEDGE OF ASSETS

Details of the Group's loans from financial institutions, which are secured by the assets of the Group, are included in note 12(i)(d) to the financial statements.

34. 承擔 (續)

- (b) 於二零一八年十二月三十一日之經營租賃承擔

本集團根據經營租賃安排租賃若干辦公室物業，協定租期介乎三至六年。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃於下列期間到期之未來最少應付之租金總額如下：

35. 資產抵押

本集團抵押其資產所獲取的金融機構貸款之詳情載於財務報表附註12(i)(d)。

Notes to Financial Statements

財務報表附註

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

36. CONTINGENT LIABILITIES

36. 或然負債

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Guarantees given to banks for:	就下列事項而給予銀行之擔保：		
Mortgage facilities granted to purchasers of the Group's properties	授予本集團物業買家之按揭授信	25,849	413,711

The Group has provided guarantees in respect of the mortgage facilities granted by certain banks to the purchasers of the Group's properties. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee periods commence from the dates of grant of the relevant mortgage loans and end after the execution of individual purchasers' collateral agreements.

The financial guarantee contracts are measured at the higher of the ECL allowance and the amount initially recognised less the cumulative amount of income recognised. The ECL allowance is measured by estimating the cash shortfalls, which are based on the expected payments to reimburse the holders for a credit loss that it incurs less any amounts that the Group expects to receive from the purchasers. The amount initially recognised representing the fair value at initial recognition of the financial guarantees was not significant. The Group did not incur any material losses during the financial period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. The directors consider that in case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty, and therefore, no ECL allowance has been made in connection with the guarantees.

本集團已就若干銀行授予本集團物業買家之按揭授信而提供擔保。根據擔保安排之條款，倘該等買家拖欠按揭還款，本集團須負責償還拖欠之按揭貸款以及應計利息及違約買家結欠銀行之罰款，而本集團有權接管相關物業之合法業權。本集團之擔保期由授出相關按揭貸款當日起計至個別買家的抵押品協議獲執行後結束。

財務擔保合約乃按預期信貸虧損撥備及初步確認金額減已確認累計收入金額(以較高者為準)計量。預期信貸虧損撥備乃透過估計現金差額計量，現金差額乃根據償還持有人所產生信貸虧損的預期款項減本集團預期自買方收取之任何款項計算得出。代表財務擔保於初步確認時之公允價值之初步確認金額並不重大。本集團於就授予本集團物業買家之按揭授信而提供擔保之財政期間並無產生任何重大虧損。董事認為倘出現拖欠還款，有關物業之可變現淨值能彌償尚未償還之按揭貸款及任何應計利息以及罰款，因此，並無就有關擔保作出預期信貸虧損撥備。

Notes to Financial Statements

財務報表附註

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

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following significant transactions with related parties during the year:

37. 重大關連人士交易

(a) 除財務報表其他部分所詳述的交易外，本集團於年內與關連人士進行以下重大交易：

			2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Companies controlled by the ultimate controlling shareholder:	最終控股股東控制之公司：			
Sale of goods	銷售商品	(i)	812	—
Financial shared service expense	財務共享服務開支	(i)	229	9
Property management service expense	物業管理服務開支	(i)	1,604	1,528
Hotel service received	已接受酒店服務	(i)	273	—
Hotel design service income	酒店設計服務收入	(i)	22,075	14,828
Hotel construction management service income	酒店建設管理服務收入	(i)	532	5,323
Hotel management service income	酒店管理服務收入	(i)	67,465	69,944
Rental income	租金收入	(i)	7,631	6,203
Rental expense	租金開支	(i)	14,060	12,340
Advertising expense	廣告開支	(i)	240	—
Training expense	培訓開支	(i)	209	—
Assignments of receivables	轉讓應收款項	(ii)	798,165	—

Notes to Financial Statements

財務報表附註

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

37. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

- (i) The above transactions were made according to the published prices and conditions offered to the major customers of the Group.
- (ii) On 18 October 2019, the Company entered into a deed of assignment of receivables with Wanda HK in the aggregate amount of GBP24,000,000 (equivalent to approximately \$241,392,000), and Wanda Australia RE, a subsidiary of the Company, entered into a deed of assignment of receivables with Wanda HK in the aggregate amount of AUD105,000,000 (equivalent to approximately \$556,773,000), such receivables have been assigned to Wanda HK on 17 December 2019.

(b) Transactions with key management personnel

The remuneration of key management personnel of the Group, including amounts paid to the Company's directors, is as follows:

	2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Short-term employee benefits 短期僱員福利	19,588	18,730

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.

37. 重大關連人士交易 (續)

(a) (續)

- (i) 上述交易乃根據本集團主要客戶獲提供之已公佈價格及條件進行。
- (ii) 於二零一九年十月十八日，本公司與萬達香港訂立總額為24,000,000英鎊(相當於約241,392,000元)之轉讓應收款項契據，而本公司之附屬公司萬達澳洲地產與萬達香港訂立總額為105,000,000澳元(相當於約556,773,000元)轉讓應收款項契據，該等應收款項已於二零一九年十二月十七日轉讓予萬達香港。

(b) 與主要管理人員之交易

本集團之主要管理人員薪酬(包括已付本公司董事之款項)如下：

董事及主要行政人員酬金之進一步詳情載於財務報表附註9。

Notes to Financial Statements

財務報表附註

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

37. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(c) Loans from an intermediate holding company

Please refer to note 27 for the loans from an intermediate holding company to the Company. Interest incurred during the year and interest payable to an intermediate holding company as at 31 December 2019 are set out in notes 8 and 24, respectively.

(d) Guarantees provided by an intermediate holding company

The Company's intermediate holding company has guaranteed a bank loan made to the Group of up to \$973,475,000 (2018: \$979,113,000) as at the end of the reporting period, as further detailed in note 12 and note 26 to the financial statements.

(e) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of rental income, rental expense, property management services expense, hotel construction management services income, hotel design service income, hotel management services income and assignments of receivables disclosed above constitute continuing connected transactions or connected transactions as defined in Chapter 14A of the Listing Rules.

The related party transactions in respect of loans from an intermediate holding company, other related party transactions and guarantees provided by an intermediate holding company disclosed above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, they are exempt from the disclosure requirements under Chapter 14A of the Listing Rules.

37. 重大關連人士交易 (續)

(c) 一間中間控股公司貸款

一間中間控股公司提供予本公司之貸款請參閱附註27。於年內產生之利息及於二零一九年十二月三十一日應付一間中間控股公司利息分別載於附註8及24。

(d) 一間中間控股公司提供之擔保

於報告期末，本公司之一間中間控股公司已就授予本集團之最多973,475,000元(二零一八年：979,113,000元)之一項銀行貸款提供擔保，其進一步詳情載於財務報表附註12及26。

(e) 關連交易所適用之上市規則

上述披露有關租金收入、租金開支、物業管理服務開支、酒店建設管理服務收入、酒店設計服務收入、酒店管理服務收入及轉讓應收款項之關連人士交易構成上市規則第十四A章所定義之持續關連交易或關連交易。

有關上述披露一間中間控股公司貸款、其他關連人士交易及一間中間控股公司提供之擔保之關連人士交易構成上市規則第十四A章所定義之關連交易或持續關連交易。然而，有關交易獲豁免遵守上市規則第十四A章所載之披露規定。

Notes to Financial Statements

財務報表附註

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

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

		Financial assets at amortised cost 按攤銷成本列賬之金融資產	
		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Trade and bill receivables	貿易應收款項及應收票據	220,124	319,721
Financial assets included in deposits and other receivables	計入按金及其他應收款項之金融資產	9,322	1,767,498
Amounts due from related parties	應收關連人士款項	1,004	10
Amount due from an intermediate holding company	應收一間中間控股公司款項	10,712	2,045
Contract assets	合約資產	14,500	—
Pledged deposits	已抵押存款	—	5,002
Cash and cash equivalents	現金及現金等值物	2,421,957	2,741,296
		2,677,619	4,835,572

Financial liabilities

		Financial liabilities at amortised cost 按攤銷成本列賬之金融負債	
		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Financial liabilities included in trade and other payables	計入貿易及其他應付款項之金融負債	729,708	4,574,725
Loans from financial institutions	金融機構貸款	—	1,192,857
Other borrowings	其他借款	—	385,592
Loans from an intermediate holding company	一間中間控股公司貸款	4,187,582	2,123,810
		4,917,290	8,276,984

38. 按類別劃分之金融工具

於報告期末，各類別金融工具之賬面值載列如下：

金融資產

		Financial assets at amortised cost 按攤銷成本列賬之金融資產	
		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Trade and bill receivables	貿易應收款項及應收票據	220,124	319,721
Financial assets included in deposits and other receivables	計入按金及其他應收款項之金融資產	9,322	1,767,498
Amounts due from related parties	應收關連人士款項	1,004	10
Amount due from an intermediate holding company	應收一間中間控股公司款項	10,712	2,045
Contract assets	合約資產	14,500	—
Pledged deposits	已抵押存款	—	5,002
Cash and cash equivalents	現金及現金等值物	2,421,957	2,741,296
		2,677,619	4,835,572

金融負債

		Financial liabilities at amortised cost 按攤銷成本列賬之金融負債	
		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Financial liabilities included in trade and other payables	計入貿易及其他應付款項之金融負債	729,708	4,574,725
Loans from financial institutions	金融機構貸款	—	1,192,857
Other borrowings	其他借款	—	385,592
Loans from an intermediate holding company	一間中間控股公司貸款	4,187,582	2,123,810
		4,917,290	8,276,984

Notes to Financial Statements

財務報表附註

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

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments reasonably approximate to their fair values.

Management has assessed that the fair values of financial assets and financial liabilities disclosed in note 38 are approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group did not have any financial assets and financial liabilities measured at fair value as at 31 December 2019 and 2018.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, loans from an intermediate holding company and an interest-bearing bank loan. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments for trading purposes. The directors review and agree policies for managing each of these risks and they are summarised below:

39. 金融工具之公允價值及公允價值等級

本集團金融工具之賬面值與其公允價值合理相若。

管理層已評估附註38所披露金融資產及金融負債之允價值與其賬面值相若，主要由於該等工具為短期性質。

金融資產及負債之公允價值按工具於有意交易方現時進行之一項交易（並非強制或清算出售）內可予交換之金額列賬。

於二零一九年及二零一八年十二月三十一日，本集團並無任何按公允價值計量之金融資產及金融負債。

40. 金融風險管理目標及政策

本集團主要金融工具包括現金及現金等值物、一間中間控股公司貸款及計息銀行貸款。該等金融工具主要目的乃為本集團經營業務籌集資金。本集團自業務直接產生多項其他金融資產及負債，如貿易應收款項及應收票據及貿易應付款項。

本集團金融工具產生之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。本集團並未持有或發行作交易目的之衍生金融工具。董事檢討及協議管理各項此等風險之政策，概述如下：

Notes to Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings).

		Increase in basis points	Decrease in loss before tax
		基點上升	除稅前虧損 減少 \$'000 千元
31 December 2019	二零一九年十二月三十一日	100	(26,402)
31 December 2018	二零一八年十二月三十一日	100	(2,137)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the year and had applied the exposure to interest rate risk to those bank and other borrowings in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year until the end of the next reporting period.

Foreign currency risk

The Group's business are principally conducted in RMB and US\$. The functional currencies of the Group's subsidiaries in the PRC and the USA are RMB and US\$, respectively, and these subsidiaries do not have significant monetary assets or liabilities denominated in currencies other than their respective functional currencies. The functional currency of the Group's other subsidiaries is the Hong Kong dollar. The Group also has monetary assets or liabilities denominated in AUD.

40. 金融風險管理目標及政策 (續)

利率風險

本集團面臨之市場利率變動之風險主要與本集團以浮動利率計息之債務有關。

下表顯示在所有其他變量維持不變之情況下，本集團之除稅前虧損(因浮息借款之影響)對利率合理可能變動之敏感程度。

		Increase in basis points	Decrease in loss before tax
		基點上升	除稅前虧損 減少 \$'000 千元
31 December 2019	二零一九年十二月三十一日	100	(26,402)
31 December 2018	二零一八年十二月三十一日	100	(2,137)

上述敏感度分析乃假設利率變動於年末已經發生，並將利率風險承擔應用於該日已存在之該等銀行及其他借款。估計增加或減少百分比指管理層對利率於年內直至下個報告期末之合理可能變動之評估。

外匯風險

本集團主要以人民幣及美元經營業務。本集團之中國及美國附屬公司之功能貨幣分別為人民幣及美元，該等附屬公司並無重大貨幣資產或負債以除彼等各自之功能貨幣外之其他貨幣列值。本集團其他附屬公司之功能貨幣為港元。本集團亦擁有以澳元計值之貨幣資產或負債。

Notes to Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

The Group is exposed to currency risk primarily through cash and cash equivalents, trade and bills receivables, trade and other payables and loans from an intermediate holding company that are denominated in US\$, AUD and RMB.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates on the Group's loss before tax and the Group's equity.

40. 金融風險管理目標及政策 (續)

外匯風險 (續)

本集團主要透過以美元、澳元及人民幣列值之現金及現金等值物、貿易應收款項及應收票據、貿易及其他應付款項及一間中間控股公司貸款承擔貨幣風險。

下表列示本集團之除稅前虧損及本集團之權益於報告期末對匯率之合理可能變動之敏感度。

		Increase/ (decrease) in exchange rate 匯率 上升/(下降) %	Increase/ (decrease) in loss before tax 除稅前虧損 增加/(減少) \$'000 千元	Increase/ (decrease) in equity* 權益 增加/(減少)* \$'000 千元
2019	二零一九年			
If the Hong Kong dollar weakens against US\$	倘港元兌美元貶值	1	(32,953)	(32,953)
If the Hong Kong dollar strengthens against US\$	倘港元兌美元增值	(1)	32,953	32,953
If the Hong Kong dollar weakens against AUD	倘港元兌澳元貶值	1	2,707	2,702
If the Hong Kong dollar strengthens against AUD	倘港元兌澳元增值	(1)	(2,707)	(2,702)
If the Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	1	16,253	16,253
If the Hong Kong dollar strengthens against RMB	倘港元兌人民幣增值	(1)	(16,253)	(16,253)

Notes to Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

40. 金融風險管理目標及政策 (續)

Foreign currency risk (Continued)

外匯風險 (續)

		Increase/ (decrease) in exchange rate 匯率 上升/(下降) %	Increase/ (decrease) in loss before tax 除稅前虧損 增加/(減少) \$'000 千元	Increase/ (decrease) in equity* 權益 增加/(減少)* \$'000 千元
2018	二零一八年			
If the Hong Kong dollar weakens against EUR	倘港元兌歐元貶值	1	(653)	(653)
If the Hong Kong dollar strengthens against EUR	倘港元兌歐元增值	(1)	653	653
If the Hong Kong dollar weakens against GBP	倘港元兌英鎊貶值	1	5,430	5,430
If the Hong Kong dollar strengthens against GBP	倘港元兌英鎊增值	(1)	(5,430)	(5,430)
If the Hong Kong dollar weakens against US\$	倘港元兌美元貶值	1	(41,893)	(41,893)
If the Hong Kong dollar strengthens against US\$	倘港元兌美元增值	(1)	41,893	41,893
If the Hong Kong dollar weakens against AUD	倘港元兌澳元貶值	1	5,895	5,895
If the Hong Kong dollar strengthens against AUD	倘港元兌澳元增值	(1)	(5,895)	(5,895)
If the Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	1	15,235	15,235
If the Hong Kong dollar strengthens against RMB	倘港元兌人民幣增值	(1)	(15,235)	(15,235)

* Excluding retained earnings

* 不包括保留溢利

Notes to Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The Group has no concentrations of credit risk. The extent of the Group's credit exposure is represented by the aggregate balance of cash and cash equivalents, trade and bills receivables, contract assets, deposits and other receivables and amounts due from related parties and amount due from an intermediate holding company.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2019

	12-month ECLs 12個月 預期信貸 虧損	Lifetime ECLs			Total 總計 \$'000 千元	
		Stage 1 第1階段 \$'000 千元	Stage 2 第2階段 \$'000 千元	Stage 3 第3階段 \$'000 千元		Simplified approach 簡化方法 \$'000 千元
Trade and bill receivables* Financial assets included in deposits and other receivables – Normal**	貿易應收款項及應收票據* 計入按金及 其他應收款項 之金融資產 – 正常**	–	–	–	248,617	248,617
Amounts due from related parties	應收關連人士款項	25,859	–	–	–	25,859
Amount due from an intermediate holding company	應收一間中間控股公司 款項	1,004	–	–	–	1,004
Contract assets*	合約資產*	10,712	–	–	–	10,712
Cash and cash equivalents – Not yet past due	現金及現金等值物 – 尚未逾期	–	–	–	14,554	14,554
		2,421,957	–	–	–	2,421,957
		2,459,532	–	–	263,171	2,722,703

40. 金融風險管理目標及政策 (續)

信貸風險

本集團並無任何集中信貸風險。本集團之信貸風險涉及現金及現金等值物、貿易應收款項及應收票據、合約資產、按金及其他應收款項及應收關連人士款項及應收一間中間控股公司款項之結餘總額。

最高風險及年結階段

下表載列根據本集團信貸政策並主要基於逾期資料(除非其他資料可在毋須付出不必要成本或努力之情況下即獲得)，及於十二月三十一日的年結階段分類得出之信貸質素及最高信貸風險。所呈列之金額代表金融資產總賬面值及財務擔保合約信貸風險。

於二零一九年十二月三十一日

Notes to Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2018

		12-month	Lifetime ECLs			Total
		ECLs	存續預期信貸虧損			
		12個月	Stage 1	Stage 2	Stage 3	Simplified
		預期信貸	第1階段	第2階段	第3階段	簡化方法
		虧損	\$'000	\$'000	\$'000	\$'000
			千元	千元	千元	千元
Trade and bill receivables*	貿易應收款項及應收票據*	—	—	—	—	321,316
Financial assets included in deposits and other receivables — Normal**	計入按金及其他應收款項之金融資產 — 正常**	1,767,851	—	—	—	—
Amounts due from related parties	應收關連人士款項	10	—	—	—	—
Amount due from an intermediate holding company	應收一間中間控股公司款項	2,045	—	—	—	—
Pledged deposits — Not yet past due	已抵押存款 — 尚未逾期	5,002	—	—	—	—
Cash and cash equivalents — Not yet past due	現金及現金等值物 — 尚未逾期	2,741,296	—	—	—	—
		4,516,204	—	—	—	321,316
						4,837,520

* For trade receivables and bills receivable and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 and note 22 to the financial statements.

** The credit quality of the financial assets included in deposits and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and bills receivable, deposits and other receivables and contract assets are disclosed in notes 20, 21 and 22 to the financial statements, respectively.

40. 金融風險管理目標及政策 (續)

信貸風險 (續)

最高風險及年結階段 (續)

於二零一八年十二月三十一日

Lifetime ECLs

存續預期信貸虧損

	Stage 1	Stage 2	Stage 3	Simplified	Total
	第1階段	第2階段	第3階段	簡化方法	總計
	\$'000	\$'000	\$'000	\$'000	\$'000
	千元	千元	千元	千元	千元
Trade and bill receivables*	—	—	—	321,316	321,316
Financial assets included in deposits and other receivables — Normal**	1,767,851	—	—	—	1,767,851
Amounts due from related parties	10	—	—	—	10
Amount due from an intermediate holding company	2,045	—	—	—	2,045
Pledged deposits — Not yet past due	5,002	—	—	—	5,002
Cash and cash equivalents — Not yet past due	2,741,296	—	—	—	2,741,296
	4,516,204	—	—	321,316	4,837,520

* 就本集團應用簡化減值方法之貿易應收款項及應收票據及合約資產而言，基於撥備矩陣之資料於財務報表附註20及附註22披露。

** 倘計入按金及其他應收款項之金融資產並未逾期且概無資料顯示該等金融資產之信貸風險自初始確認以來顯著增加，則其信貸質素被視為「正常」，否則該等金融資產之信貸質素被視為「可疑」。

有關本集團因貿易應收款項及應收票據、按金及其他應收款項及合約資產所致之信貸風險之詳細量化數據分別於財務報表附註20、21及22披露。

Notes to Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, trade payables and other payables, loans from an intermediate holding company and lease liabilities.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		2019 二零一九年				
		Less than 1 year or on demand 一年內或 按要求 \$'000 千元	1 to 2 years 一至兩年 \$'000 千元	2 to 5 years 兩至五年 \$'000 千元	Over 5 years 超過五年 \$'000 千元	Total 總計 \$'000 千元
Lease liabilities	租賃負債	12,500	34,183	98,637	337,277	482,597
Loans from an intermediate holding company	一間中間控股公司 貸款	4,300,298	—	—	—	4,300,298
Trade payables and other payables	貿易應付款項及 其他應付款項	729,708	—	—	—	729,708
		5,042,506	34,183	98,637	337,277	5,512,603

40. 金融風險管理目標及政策 (續)

流動資金風險

本集團使用經常性流動資金計劃工具監察其資金短缺之風險。該工具已計及本集團之金融工具之到期日以及預期經營活動現金流量。

本集團之目標為透過運用銀行貸款、貿易應付款項及其他應付款項、一間中間控股公司貸款及租賃負債維持資金來源不間斷與靈活性之間之平衡。

於報告期末，本集團基於已訂約未折現付款之金融負債之到期情況如下：

Notes to Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

		2018 二零一八年			
		Less than 1 year or on demand 一年內或 按要求 \$'000 千元	1 to 2 years 一至兩年 \$'000 千元	2 to 5 years 兩至五年 \$'000 千元	Total 總計 \$'000 千元
Loans from financial institutions	金融機構貸款	106,268	152,750	1,125,680	1,384,698
Other borrowings	其他借款	12,821	447,325	—	460,146
Loans from an intermediate holding company	一間中間控股公司 貸款	1,508,487	678,321	—	2,186,808
Trade payables and other payables	貿易應付款項及 其他應付款項	4,574,725	—	—	4,574,725
		6,202,301	1,278,396	1,125,680	8,606,377

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year.

40. 金融風險管理目標及政策 (續)

流動資金風險 (續)

資本管理

本集團資本管理之主要目標為保障本集團按持續基準經營之能力及維持穩健之資本比率，以支持其業務及盡量提高股東之投資價值。

本集團管理其資本架構，並按經濟情況變動及相關資產之風險特徵作出調整。為維持或調整資本架構，本集團或會調整向股東派息、向股東退回資本或發行新股份。本年度並無就資本管理的目標、政策或程序作出變動。

Notes to Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group monitors capital using a gearing ratio and a debt-to-asset ratio. The gearing ratio is defined as net debt divided by total equity plus net debt. Net debt comprise loans from financial institutions, other borrowings and loans from an intermediate holding company, less cash and cash equivalents and pledged deposits. The debt-to-asset ratio is total liabilities net of advances from customers divided by total assets. The gearing ratios as at the end of the reporting period were as follows:

		31 December 2019 二零一九年 十二月三十一日 \$'000 千元	31 December 2018 二零一八年 十二月三十一日 \$'000 千元
Loans from financial institutions	金融機構貸款	—	1,192,857
Loan from a financial institution classified as held for sale	分類為持作出售之 一項金融機構貸款	973,475	—
Other borrowings	其他借款	—	385,592
Loans from an intermediate holding company	一間中間控股公司貸款	4,187,582	2,123,810
Less: Cash and cash equivalents	減：現金及現金等值物	(2,421,957)	(2,741,296)
Pledged deposits	已抵押存款	—	(5,002)
Cash and cash equivalents classified as held for sale	分類為持作出售之 現金及現金等值物	(28,489)	—
Pledged deposits classified as held for sale	分類為持作出售之 已抵押存款	(3,434)	—
Net debt	負債淨額	2,707,177	955,961
Total equity	總權益	2,643,310	3,207,391
Total equity plus net debt	總權益加負債淨額	5,350,487	4,163,352
Gearing ratio	資本負債比率	50.6%	23%

40. 金融風險管理目標及政策 (續)

資本管理 (續)

本集團使用資本負債比率及債務對資產比率監控資本。資本負債比率定義為以負債淨額除以總權益加負債淨額。負債淨額包括金融機構貸款、其他借款、一間中間控股公司貸款減現金及現金等值物及已抵押存款。債務對資產比率為以總負債減客戶墊款除以總資產。於報告期末之資本負債比率如下：

Notes to Financial Statements

財務報表附註

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The debt-to-asset ratio as at the end of the reporting period was as follows:

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
Total liabilities	總負債	6,949,669	9,126,040
Less: Advances from customers	減：客戶墊款	(20,940)	(63,974)
		6,928,729	9,062,066
Total assets	總資產	9,592,979	12,333,431
Debt-to-asset ratio	債務對資產比率	72.2%	73.5%

41. EVENTS AFTER THE REPORTING PERIOD

The outbreak of the novel coronavirus (COVID-19) (the "Pandemic") is having significant impact on the business operations of the Group, in particular on the leasing of commercial properties as well as the hotel management operations. The exact extent of the impact depends on the situation and the duration of the Pandemic and the impact on the macroeconomy.

Given the dynamic nature of these circumstances, the impact on the financial position and operating results of the Group could not be reasonably estimated at this stage and will be reflected in the Group's 2020 interim and annual financial statements.

42. COMPARATIVE AMOUNTS

The comparative statement of profit or loss has been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the comparative period.

40. 金融風險管理目標及政策 (續)

資本管理 (續)

於報告期末之債務對資產比率如下：

41. 報告期後事項

冠狀病毒(COVID-19) (「疫情」) 之爆發已對本集團之業務營運造成相當影響，特別是商業物業租賃以及酒店管理營運業務，而確切受影響程度視乎疫情狀況及維持時間以及對宏觀經濟之影響而定。

鑑於該等形勢瞬息萬變，現階段仍無法合理估計對本集團財務狀況及經營業績之影響，並將反映在本集團之二零二零年中期及年度財務報表中。

42. 比較金額

損益表中之比較數字已重新呈列，猶如於本期間終止經營之業務於比較期間開始時已終止經營。

Notes to Financial Statements

財務報表附註

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

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

43. 本公司財務狀況表

於報告期末，本公司財務狀況表資料如下：

		2019 二零一九年 \$'000 千元	2018 二零一八年 \$'000 千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	47	468
Right-of-use assets	使用權資產	4,384	—
Investments in subsidiaries	於附屬公司之投資	878,000	1,781,782
Loans to subsidiaries	給予附屬公司之貸款	—	719,476
Total non-current assets	非流動資產總值	882,431	2,501,726
CURRENT ASSETS	流動資產		
Other receivables	其他應收款項	3,463	843,322
Loans to subsidiaries	給予附屬公司之貸款	2,830,502	438,655
Interest receivable from a subsidiary	應收一間附屬公司利息	62,202	—
Amount due from an intermediate holding company	應收一間中間控股公司款項	1,871	1,871
Amount due from a subsidiary	應收一間附屬公司款項	34	—
Cash and cash equivalents	現金及現金等值物	105,344	312,158
Total current assets	流動資產總值	3,003,416	1,596,006
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	6,022	4,576
Amount due to subsidiaries	應付附屬公司款項	19,758	11
Amount due to an intermediate holding company	應付一間中間控股公司款項	93,065	179,860
Loans from an intermediate holding company	一間中間控股公司貸款	2,103,054	1,380,150
Interest payable to an intermediate holding company	應付一間中間控股公司利息	88,055	8,742
Lease liabilities	租賃負債	1,770	—
Total current liabilities	流動負債總值	2,311,724	1,573,339
NET CURRENT ASSETS	流動資產淨值	691,692	22,667
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	1,574,123	2,524,393
NON-CURRENT LIABILITIES	非流動負債		
Lease liabilities	租賃負債	2,867	—
Total non-current liabilities	非流動負債總值	2,867	—
Net assets	資產淨值	1,571,256	2,524,393
EQUITY	權益		
Equity attributable to owners of the parent	母公司擁有人應佔權益		
Share capital	股本	469,735	469,735
Reserves (note)	儲備(附註)	1,101,521	2,054,658
Total equity	總權益	1,571,256	2,524,393

Ding Benxi
丁本錫
Chairman
主席

Ning Qifeng
寧奇峰
Executive Director
執行董事

Notes to Financial Statements

財務報表附註

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

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium 股份溢價 \$'000 千元	Special reserve 特別儲備 \$'000 千元	Accumulated losses 累計虧損 \$'000 千元	Total 總計 \$'000 千元
At 1 January 2018	於二零一八年一月一日	1,935,266	127,961	(125,133)	1,938,094
Profit for the year and total comprehensive income for the year	本年度溢利及 本年度全面收益總額	—	—	116,564	116,564
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	1,935,266	127,961	(8,569)	2,054,658
Loss for the year and total comprehensive loss for the year	本年度虧損及 本年度全面虧損總額	—	—	(953,137)	(953,137)
At 31 December 2019	於二零一九年十二月三十一日	1,935,266	127,961	(961,706)	1,101,521

43. 本公司財務狀況表(續)

附註：

本公司儲備摘要如下：

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2020.

44. 批准財務報表

財務報表於二零二零年三月三十一日經董事會批准及授權刊發。

Financial Summary

財務概要

Year ended 31 December

截至十二月三十一日止年度

		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Restated) (經重列)	2019 二零一九年 HK\$'000 千港元
RESULTS	業績					
Continuing operations	持續經營業務					
Revenue	收益	2,078,406	428,512	656,380	812,320	812,948
Profit/(loss) before tax from continuing operations	持續經營業務之 除稅前溢利/(虧損)	1,409,045	182,980	(88,244)	(91,034)	(596,711)
Income tax credit/(expenses) from continuing operations	持續經營業務之 所得稅抵免/(開支)	(608,659)	(134,957)	(186,326)	(301)	78,643
Profit/(loss) for the year from continuing operations	持續經營業務之 本年度溢利/(虧損)	800,386	48,023	(274,570)	(91,335)	(518,068)
Discontinued operations	終止經營業務					
Profit/(loss) for the year from discontinued operations	終止經營業務之 本年度溢利/(虧損)	(821,218)	59,087	(379,669)	923,677	129,444
Profit/(loss) for the year	本年度溢利/(虧損)	(20,832)	107,110	(654,239)	832,342	(388,624)
Profit/(loss) attributable to owners of the parent	母公司擁有人 應佔溢利/(虧損)	(262,693)	(29,622)	(285,438)	766,716	(150,387)
Non-controlling interests	非控股權益	241,861	136,732	(368,801)	65,626	(238,237)
Profit/(loss) for the year	本年度溢利/(虧損)	(20,832)	107,110	(654,239)	832,342	(388,624)

Financial Summary

財務概要

At 31 December
於十二月三十一日

		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS and LIABILITIES	資產及負債					
Total assets	總資產	15,408,014	16,871,801	19,725,222	12,333,431	9,592,979
Total liabilities	總負債	12,508,887	13,928,608	16,369,499	9,126,040	6,949,669
Net assets	資產淨值	2,899,127	2,943,193	3,355,723	3,207,391	2,643,310
Equity attributable to owners of the parent	母公司擁有人應佔權益	2,188,931	2,009,382	2,420,504	2,220,090	1,921,479
Non-controlling interests	非控股權益	710,196	933,811	935,219	987,301	721,831
Total equity	總權益	2,899,127	2,943,193	3,355,723	3,207,391	2,643,310

Property Portfolio

物業組合

1. PROPERTY UNDER DEVELOPMENT CLASSIFIED AS HELD FOR SALE

1. 分類為持作出售之在建物業

Location	Intended use	Stage of completion	Expected date of completion	Site area	Gross floor area	Group's interest
位置	擬定用途	竣工階段	預期竣工日期	地盤面積 (sq.m.) (平方米)	建築面積 (sq.m.) (平方米)	本集團的權益 (%)
400 East Waterside Drive, Chicago, Illinois, 60601 USA	Residential and commercial 住宅及商業	Under development 發展中	2020 二零二零年	4,838	176,000	54%

2. PROPERTY HELD FOR INVESTMENT

2. 持作投資物業

Location	Existing use	Gross floor area	Group's interest	Term of lease
位置	現時用途	建築面積 (sq.m.) (平方米)	本集團的權益 (%)	租期
The Shopping Mall of Site P05, north to Huan Cheng Nan Road No. 1, Guilin, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區 桂林市環城南一路 以北 P05 地塊商場	Commercial 商業	152,440	51%	Medium 中期

